

SOUTHERN AFRICAN COMMUNICATIONS INDUSTRIES ASSOCIATION
NON PROFIT COMPANY
(Registration Number 2009/019625/08)
Annual Financial Statements
for the year ended 28 February 2015

Audited Financial Statements

in compliance with Companies Act 71 of 2008

Prepared by: Charlotte Marshall CA(SA)

SOUTHERN AFRICAN COMMUNICATIONS INDUSTRIES ASSOCIATION NON PROFIT COMPANY

(Registration Number 2009/019625/08)

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BLAKE & ASSOCIATES

CHARTERED ACCOUNTANTS (SA)

Independent Auditor's Report

To the Members of Southern African Communications Industries Association Non Profit Company

I have audited the financial statements of Southern African Communications Industries Association Non Profit Company set out on pages 6 to 13, which comprise the statement of financial position as at 28 February 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Southern African Communications Industries Association Non Profit Company as at 28 February 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.

Emphasis of matter

Without qualifying my opinion, I draw attention to the statement of equity in the annual financial statements which indicates that the company incurred a net loss of R 326,091 during the year ended 28 February 2015, and as of that date, the company's total liabilities exceeded its total assets by R 425,723. These conditions indicate the existence of uncertainty which may cast doubt about the company's ability to continue as a going concern.

These conditions further indicate that the company is technically insolvent in that its liabilities exceed its assets fairly valued. As mentioned in the directors' report, a director has accepted the deferment of payment of his loan account with the company, until such time as all the other creditors are settled in full

Other matter

In common with similar organisations, it is not feasible for the company to institute accounting controls over cash collections from courses, exhibition income, membership fees and joining fees prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for me to extend my examination beyond the receipts actually recorded.

Blake & Associates

Per: RG Blake CA(SA) - Sole Practitioner

Registered Auditor

10 March 2016

SOUTHERN AFRICAN COMMUNICATIONS INDUSTRIES ASSOCIATION NON PROFIT COMPANY

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Directors' Responsibilities and Approval

The directors are required by the South African Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, Blake and Associates, who has been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on page 2 to 3.

The annual financial statements as set out on pages 6 to 13 were approved by the board on 10 March 2016 and were signed on their behalf by:


Director


Director

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Directors' Report

The directors present their report for the year ended 28 February 2015.

1. Review of activities

Main business and operations

The organisation is a non - profit entity which adopts international standards within the broadcast and professional Audio Visual industry to establish outgoing programme of training and skills development that matches the requirements of the local industry.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors draw attention to the statement of equity in the annual financial statements which indicates that the company incurred a net loss of R 326,091 during the year ended 28 February 2015, and as of that date, the company's total liabilities exceeded its total assets by R 425,723. The company acknowledges the continued financial support of one of its directors, Mr KDF Jones, who has accepted the deferment of full payment of his consulting fees until such time as other company liabilities are paid in full.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect of the financial position of the company.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

BZS Genricks
KDF Jones
WP Langenhoven
ES Mokholo
EM Shellard
M Venter

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Annual Financial Statements as at 28 February 2015

Statement of Financial Position

Figures in R	Note(s)	2015	2014
Assets			
Current Assets			
Trade and other receivables	3	230,280	589,300
Cash and cash equivalents	4	67,935	328,168
		298,215	917,468
Total Assets		298,215	917,468
Equity and Liabilities			
Equity			
Accumulated reserves/ (deficit)		(425,723)	(99,632)
Non-Current Liabilities			
Borrowings	5	572,059	633,852
Current Liabilities			
Trade and other payables	6	151,879	383,248
Total Equity and Liabilities		298,215	917,468

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Statement of Comprehensive Income

Figures in R	Note(s)	2015	2014
Revenue	7	1,257,337	2,179,321
Other income		1,999	-
Operating costs		(1,585,427)	(2,560,463)
Operating loss		(326,091)	(381,142)
Deficit for the year		(326,091)	(381,142)

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Statement of Changes in Equity

Figures in R	Accumulated loss	Total
Balance at 1 March 2013	281,510	281,510
Total comprehensive income for the year		
Loss for the year	(381,142)	(381,142)
Total comprehensive income for the year	<u>(381,142)</u>	<u>(381,142)</u>
Balance at 28 February 2014	<u>(99,632)</u>	<u>(99,632)</u>
Balance at 1 March 2014	(99,632)	(99,632)
Total comprehensive income for the year		
Loss for the year	(326,091)	(326,091)
Total comprehensive income for the year	<u>(326,091)</u>	<u>(326,091)</u>
Balance at 28 February 2015	<u>(425,723)</u>	<u>(425,723)</u>

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Statement of Cash Flows

Figures in R	Note(s)	2015	2014
Cash flows from operating activities			
Loss for the year		(326,091)	(381,142)
Operating cash flow before working capital changes		(326,091)	(381,142)
<i>Working capital changes</i>			
Decrease in trade and other receivables		359,020	95,967
Decrease in trade and other payables		(231,369)	-
Cash utilised in operating activities		(198,440)	(285,175)
Net cash from operating activities		(198,440)	(285,175)
Cash flows from financing activities			
Loans repaid		(61,793)	-
Net cash utilised in financing activities		(61,793)	-
Decrease in cash and cash equivalents		(260,233)	(285,175)
Cash and cash equivalents at beginning of the year		328,168	613,343
Cash and cash equivalents at end of the year	4	67,935	328,168

SOUTHERN AFRICAN COMMUNICATIONS INDUSTRIES ASSOCIATION NON PROFIT COMPANY

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Accounting Policies

1. General information

Southern African Communications Industries Association Non Profit Company is a private company incorporated in South Africa.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, and discounts.

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities, as described below:

Membership fees and joining fees:

Income from membership fees and joining fees are recognised on receipt.

Courses and exhibitions

Income from courses and exhibitions is recognised on the date that the service is supplied or delivered. Income resulting from funds for specific purposes are matched to the expenses as and when the expenses are incurred.

2.2 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

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Accounting Policies

2.4 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.5 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Annual Financial Statements

Figures in R	2015	2014
3. Trade and other receivables		
Trade debtors	230,280	589,300
	<u>230,280</u>	<u>589,300</u>
4. Cash and cash equivalents		
Favourable cash balances		
Bank balances	67,935	328,168
	<u>67,935</u>	<u>328,168</u>
5. Borrowings		
Unsecured		
KDF Jones	572,059	633,852
	<u>572,059</u>	<u>633,852</u>
<p>The loan is unsecured, interest free and is considered to be of a long term nature. The loan is only repayable once all other company creditors have been settled in full.</p>		
6. Trade and other payables		
Trade creditors	127,917	383,248
Value Added Tax	23,962	-
	<u>151,879</u>	<u>383,248</u>

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Notes to the Annual Financial Statements

Figures in R 2015 2014

7. Revenue

An analysis of revenue is as follows:

Courses	597,132	1,863,591
Book sales	1,966	-
Commission received	4,536	-
Elite awards	2,654	-
Joining fees	25,000	44,965
Membership fees	349,952	216,369
Sponsorships	276,097	54,396
	<u>1,257,337</u>	<u>2,179,321</u>

8. Income taxation expense

The company's receipts and accruals are exempt from income tax in terms of section 10 (1)(e)(cc) of the Income Tax Act.

9. Directors' emoluments

Name	Fees paid to director for services	Fees paid for acceptance of office	Salary	Bonuses and performance related payments	Expense allowance	Contributions paid under pension scheme	Pensions
KDF Jones	-	-	682,500	-	-	-	-

10. Related party transactions

Name	Relationship	Transactions	Amounts owed (to) / by the related party at year-end			
			2015	2014	2015	2014
KDF Jones	Director	Consulting fees	2,700	684,000	-	-

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Detailed Income Statement

Figures in R	Note(s)	2015	2014
Gross Revenue			
Courses		597,132	1,863,591
Book sales		1,966	-
Commission received		4,536	-
Elite awards		2,654	-
Joining fees		25,000	44,965
Membership fees		349,952	216,369
Sponsorships		276,097	54,396
		<u>1,257,337</u>	<u>2,179,321</u>
Other Income			
Profit on foreign exchange		1,999	-
		<u>1,999</u>	<u>-</u>
		<u>1,259,336</u>	<u>2,179,321</u>
Expenditure			
Administration fees		800	-
Advertising		21,192	65,936
Auditor's remuneration		20,305	22,809
Bad debts		58,132	-
Bank charges		7,068	6,446
Computer expenses		14,082	2,745
Consulting fees		164,050	684,000
Emoluments - Directors	9	491,982	-
Entertainment		13,998	11,615
Lease rental on operating lease		55,000	31,514
Motor vehicle expense		2,000	-
Postage		3,667	15,365
Printing and stationery		23,362	102,898
Salaries		435,008	10,270
Subscriptions		16,409	-
Telephone and fax		31,578	-
Training		162,509	1,463,281
Travel - local		27,504	143,584
Travel - overseas		36,781	-
		<u>1,585,427</u>	<u>2,560,463</u>
Deficit for the year		<u>(326,091)</u>	<u>(381,142)</u>