

SOUTH AFRICAN ACADEMY OF FAMILY PHYSICIANS NPC
(Registration number 1980/007011/08)
Financial Statements
for the year ended 31 March 2018

South African Academy of Family Physicians NPC
(Registration number: 1980/007011/08)
Trading as SA Academy of Family Physicians NPC
Financial Statements for the year ended 31 March 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Empowerment of doctors through education
Directors	Dr S Agbo Dr H Brits Prof. R J Mash Dr F J Mayanja Prof. G A Ogunbanjo Dr A J Ross
Registered office	15 Oxford Street Durbanville 7550
Business address	15 Oxford Street Durbanville 7550
Postal address	Postnet Suite 110 Private Bag X19 Durbanville 7551
Bankers	Standard Bank Limited
Auditors	SDK Chartered Accountants (SA) Registered Auditors
Company registration number	1980/007011/08
Tax reference number	9710/177/03/2
Level of assurance	These financial statements have been voluntary audited at the request of the directors.
Preparer	The financial statements were independently compiled by: M Bothma AGA (SA)
Issued	23 August 2018
PBO Number	930050717

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Companion Guide for Not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's).

The financial statements are prepared in accordance with the Companion Guide for Not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) and are based upon appropriate accounting policies consistently applied 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 of directors 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's auditors and their report is presented on pages 4 to 5.

The financial statements set out on Pages 8 to 18, which have been prepared on the going concern basis, were approved by the board of directors on 23 August 2018 and were signed on their behalf by:

Prof. R J Mash

Durbanville

23 August 2018

Independent Auditor's Report

To the shareholder of South African Academy of Family Physicians NPC

Disclaimer of opinion

We were engaged to audit the financial statements of South African Academy of Family Physicians NPC set out on pages 8 to 17, which comprise the statement of financial position as at 31 March 2018, 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.

We do not express an opinion on the financial statements of South African Academy of Family Physicians NPC. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Comparatives presented in these financial statements are those figures reported in the previous year's financial statements. We were unable to obtain sufficient appropriate audit evidence regarding certain opening balances to the value of R 42,813, which is both material and pervasive to the figures presented in these financial statements.

Since these balances enter into the determination of the financial performance and cash flows for the current year, we were unable to determine whether adjustments might be necessary to the profit for the year ended 31 March 2018 reported in the statement of comprehensive income, statement of changes in equity and to the net cash flows from operating activities reported in the statement of cash flows.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, and the supplementary information set out on page 18. Other information does not include the financial statements and our auditor's report thereon.

We have read the other information and, in doing so, considered 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. However, due to the disclaimer of opinion in terms of the International Standard on Auditing (ISA) 705 (Revised), Modifications to the Opinion in the Independent Auditor's Report, we are unable to report further on this other information.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Companion Guide for Not-for-Profits to the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Financial Statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for disclaimer of opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company 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).

H M Smit
Registered Auditors
23 August 2018

SDK Chartered Accountants (SA)
22b Church Street
Durbanville
7550

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Directors' Report

The directors have pleasure in submitting their report on the financial statements of South African Academy of Family Physicians NPC for the year ended 31 March 2018.

1. Incorporation

The company was incorporated in South Africa on 11 August 1980 and obtained its certificate to commence business on the same day.

2. Nature of business

The principal activities of the company are to promote and encourage in the field of family practice/ primary care, the highest standard of care by providing facilities for teaching, training and research and matters incidental thereto. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with the Companion Guide for Not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Directors

The directors in office at the date of this report are as follows:

Name	Changes
Dr S Agbo	
Dr H Brits	
Prof. P J T De Villiers	Resigned 18 August 2017
Dr J F M Hugo	Resigned 18 August 2017
Prof. R J Mash	
Dr F J Mayanja	Appointed 18 August 2017
Prof. G A Ogunbanjo	
Dr A J Ross	Appointed 18 August 2017

5. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

6. Special resolutions

No special resolutions were made by the company during the period covered by this report.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

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Directors' Report

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. Auditor

SDK Chartered Accountants (SA) continued in office as auditors of the company for 2018.

10. Secretary

The company had no secretary during the year under review.

11. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 23 August 2018. No authority was given to anyone to amend the financial statements after the date of issue.

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Statement of Financial Position as at 31 March 2018

Figures in Rand	Note	2018	2017
Assets			
Non-Current Assets			
Other financial assets	2	58,213	54,137
Current Assets			
Trade and other receivables	3	310,694	155,163
Cash and cash equivalents	4	621,051	1,435,730
		931,745	1,590,893
Total Assets		989,958	1,645,030
Equity and Liabilities			
Equity			
Retained income		676,815	606,660
Liabilities			
Current Liabilities			
Trade and other payables	5	3,630	118,996
Deferred income	6	92,706	159,238
Current tax payable		216,807	760,136
		313,143	1,038,370
Total Equity and Liabilities		989,958	1,645,030

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Statement of Comprehensive Income

Figures in Rand	Note	2018	2017
Revenue	7	1,543,204	1,131,855
Other income	8	-	62,412
Operating expenses		(1,401,586)	(936,215)
Operating profit	9	141,618	258,052
Investment revenue	10	10,596	3,869
Finance costs	11	(82,059)	(21,216)
Profit for the year		70,155	240,705
Other comprehensive income		-	-
Total comprehensive income for the year		70,155	240,705

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2016	365,955	365,955
Profit for the year	240,705	240,705
Other comprehensive income	-	-
Total comprehensive income for the year	240,705	240,705
Balance at 01 April 2017	606,660	606,660
Profit for the year	70,155	70,155
Other comprehensive income	-	-
Total comprehensive income for the year	70,155	70,155
Balance at 31 March 2018	676,815	676,815

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Statement of Cash Flows

Figures in Rand	Note	2018	2017
Cash flows from operating activities			
Cash receipts from customers		1,387,673	1,198,877
Cash paid to suppliers and employees		(1,583,484)	(853,015)
Cash (used in) generated from operations	13	(195,811)	345,862
Interest income		10,596	3,869
Finance costs		(82,059)	(21,216)
Tax paid	14	(543,329)	(50,160)
Net cash from operating activities		(810,603)	278,355
Cash flows from investing activities			
Sale of property, plant and equipment		-	2,412
Purchase of financial assets		(4,076)	(3,869)
Net cash from investing activities		(4,076)	(1,457)
Total cash movement for the year		(814,679)	276,898
Cash at the beginning of the year		1,435,730	1,158,832
Total cash at end of the year	4	621,051	1,435,730

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the Companion Guide for Not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's), and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 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 profit or loss) 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 profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

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, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

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Accounting Policies

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

1.3 Provisions and contingencies

Contingent assets and contingent liabilities are not recognised.

1.4 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

1.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Figures in Rand	2018	2017
2. Other financial assets		
At fair value		
Sanlam Unit Trusts	58,213	54,137
Non-current assets		
At fair value	58,213	54,137
3. Trade and other receivables		
Prepayments	-	39,210
SA Revenue Service: Value-Added Tax	12,782	-
Trade receivables	297,912	115,953
	310,694	155,163
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	621,051	1,435,730
The total amount of undrawn facilities available for future operating activities and commitments	4,500	4,500
5. Trade and other payables		
SA Revenue Service: Value-Added Tax	-	1,345
Trade payables	3,630	117,651
	3,630	118,996
6. Deferred income		
Other deferred income	92,706	159,238
Split between non-current and current portions		
Current liabilities	92,706	159,238

Deferred income relates to subscription fees for which the subscription period falls within the next financial year.

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Figures in Rand	2018	2017
7. Revenue		
Conference registration and trade stands fees	873,686	509,289
CPD fees received	315,801	322,561
Membership fees	322,036	222,513
Royalty income	31,681	77,492
	1,543,204	1,131,855
8. Other income		
Profit on sale of assets	-	2,412
Reversal of doubtful debt allowance	-	60,000
	-	62,412
9. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Profit on exchange differences	5,827	1,684
Profit on sale of assets	-	2,412
10. Investment revenue		
Interest revenue		
Bank	4,076	3,869
Unit trust	6,520	-
	10,596	3,869
11. Finance costs		
Interest on underpayment of income tax	82,059	18,552
SA Revenue Service: Value-added tax	-	2,664
	82,059	21,216
12. Auditor's remuneration		
Audit fees	42,000	-
Tax and secretarial services	33,510	-
	75,510	-

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Figures in Rand	2018	2017
13. Cash (used in) generated from operations		
Profit before taxation	70,155	240,705
Adjustments for:		
Profit on sale of assets	-	(2,412)
Interest received	(10,596)	(3,869)
Finance costs	82,059	21,216
Changes in working capital:		
Trade and other receivables	(155,531)	147,746
Trade and other payables	(115,366)	98,696
Deferred income	(66,532)	(156,220)
	(195,811)	345,862
14. Tax (paid) refunded		
Balance at beginning of the year	(760,136)	(810,296)
Balance at end of the year	216,807	760,136
	(543,329)	(50,160)
15. Contingencies		
<p>Secondary Tax was levied by the SA Revenue Service for the amount of R 86 736. The amount levied in 2013 on an interest free loan to a related party considered a deemed dividend. The related party is not a shareholder or connected person in relation to that shareholder. There is an ongoing objection lodged against the amount levied by the SA Revenue Service as the basis for the levied amount is not substantiated. The matter has not yet been resolved with the SA Revenue Service as at the current reporting date.</p>		
16. Related parties		
Relationships		
Related parties to key management		African Online Scientific Information Systems Proprietary Limited
Related party balances and transactions		
Related party balances		
Amounts included in Trade Payables regarding related parties		
African Online Scientific Information Systems Proprietary Limited	-	(94,667)
Related party transactions		
Administration fees paid to related parties		
African Online Scientific Information Systems Proprietary Limited	318,299	300,489
Recovery fees paid to related parties		
African Online Scientific Information Systems Proprietary Limited	97,609	115,096

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Figures in Rand	2018	2017
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17. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

18. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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Detailed Income Statement

Figures in Rand	Note	2018	2017
Revenue			
Conference registration and trade stand fees		873,686	509,289
CPD fees		315,801	322,561
Membership fees		322,036	222,513
Royalty income		31,681	77,492
	7	<u>1,543,204</u>	<u>1,131,855</u>
Other income			
Interest received	10	10,596	3,869
Profit on sale of assets		-	2,412
Reversal of doubtful debt allowance		-	60,000
		<u>10,596</u>	<u>66,281</u>
Operating expenses			
Accounting fees		(9,781)	(3,190)
Administration and management fees		(323,972)	(387,499)
Auditor's remuneration	12	(75,510)	-
Bank charges		(22,938)	(9,479)
Commission paid		(34,399)	(56,917)
Conference expenses		(497,920)	(270,231)
Donations		(4,169)	(12,227)
ETC: Venue hire		(188,963)	(33,839)
Loss on exchange differences		(5,827)	(1,684)
Office Expenses		(208)	(2,389)
Postage		(5,838)	(2,713)
Printing and stationery		(3,829)	(4,690)
Professional Fees		(63,210)	(58,179)
Subscriptions		(14,951)	(7,926)
Telephone and fax		(1,284)	(1,260)
Travel		(148,787)	(83,992)
		<u>(1,401,586)</u>	<u>(936,215)</u>
Operating profit	9	152,214	261,921
Finance costs	11	(82,059)	(21,216)
Profit for the year		<u>70,155</u>	<u>240,705</u>