

**Southern African Institute for Industrial Engineering (NPC)**  
(Registration Number 1976/000004/08)

**Annual Financial Statements**  
for the year ended 31 March 2021

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Annual Financial Statements for the year ended 31 March 2021

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# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Annual Financial Statements for the year ended 31 March 2021

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	Professional society serving the interests of and acting on behalf of industrial and or manufacturing engineers and or persons interested in industrial and or manufacturing engineering
<b>Directors</b>	W Viljoen CSL Schutte
<b>Registered Office</b>	University of Pretoria Technical Services Building Room 3-42 (previously room 3-44), Hatfield Campus Lynnwood Road, Hatfield 0083
<b>Bankers</b>	ABSA Bank Limited
<b>Income Tax Registration Number</b>	9566/031/84/6
<b>Independent Auditors</b>	Erasmus Steyn Incorporated



## Independent Auditor's Report

### To the members of Southern African Institute for Industrial Engineering (Non Profit Company)

#### Opinion

We have audited the financial statements of Southern African Institute for Industrial Engineering (NPC) set out on pages 8 to 15, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, the statement of changes in equity and the 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 Southern African Institute for Industrial Engineering (NPC) as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

#### 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 non-profit 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 the International Financial Reporting Standard 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 misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the non-profit 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 non-profit company 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 non-profit company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 non-profit company'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 non-profit company 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 directors 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.



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**Erasmus Steyn Incorporated**  
**Chartered Accountant (S.A.)**  
**Registered Auditors**

**4 March 2022**

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Annual Financial Statements for the year ended 31 March 2021

## Directors' Responsibilities and Approval

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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 non-profit company, and explain the transactions and financial position of the business of the non-profit company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit 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 non-profit 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 non-profit company and all employees are required to maintain the highest ethical standards in ensuring the non-profit company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit company is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit company. While operating risk cannot be fully eliminated, the non-profit 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 annual financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the non-profit company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the non-profit company.

The annual financial statements have been audited by the independent auditing firm, Erasmus Steyn Incorporated , who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder 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 auditors' unqualified audit report is presented on pages 3 to 4.

The annual financial statements as set out on pages 8 to 15 were approved by the directors on 4 March 2022 and were signed on their behalf by:



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W Viljoen



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CSL Schutte

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Annual Financial Statements for the year ended 31 March 2021

## Directors' Report

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The directors present their report for the year ended 31 March 2021.

### 1. Review of activities

#### Main business and operations

The principal activity of the non-profit company is professional society serving the interests of and acting on behalf of industrial and or manufacturing engineers and or persons interested in industrial and or manufacturing engineering and there were no major changes herein during the year.

The operating results and statement of financial position of the non-profit 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 have given due consideration to the potential impact of the COVID-19 pandemic on the non-profit company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the non-profit company has sufficient resources to continue as a going concern.

The directors have considered the going concern assessment as prepared by management, including the non-profit company's outlook regarding trading conditions that will persist into the foreseeable future. This assessment is based on a range of varied scenarios (including assumptions regarding a worst-case scenario of a three month lockdown; the rate of return to normal trading; debt service and covenant requirements; working capital requirements; and relief measures implemented by the respective Governments in our various trading jurisdictions), and are satisfied that the non-profit company is a going concern for the foreseeable future based on the information available at the time of approval of the Annual Financial Statements.

The directors are focused and committed to the restructuring initiatives and debt reduction of non-profit company. The directors are also of the view that there are no material uncertainties that cast doubt on the non-profit company's ability to operate. The directors are also satisfied that the non-profit company has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that the non-profit company will not be a going concern for the foreseeable future.

### 3. Events after reporting date

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 on the financial position of the non-profit company.

#### Impact of COVID-19

Government intervention appears to be slowing the spread of COVID-19 at different speeds in different countries. The severity will be influenced by the lockdown period and the easing thereof. It is anticipated that the COVID-19 pandemic may have a substantial impact on revenue countered by material reduction in expenses and therefore the residual impact on profitability for the year ending 28 February 2021 is not expected to be significant. It is, however, not possible to make an accurate estimate of its full financial effect for the year ahead as the virus's infection rate and impact on macro-economic conditions is uncertain.

# **Southern African Institute for Industrial Engineering (NPC)**

(Registration Number 1976/000004/08)

Annual Financial Statements for the year ended 31 March 2021

## **Directors' Report**

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### **4. Directors**

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

Name

W Viljoen

CSL Schutte

### **5. Independent Auditors**

Erasmus Steyn Incorporated were the independent auditors for the year under review.



# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Financial Statements for the year ended 31 March 2021

## Statement of Financial Position

Figures in R	Notes	2021	2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	2	1,776
<b>Current Assets</b>			
Trade and other receivables	4	415,777	298,519
Cash and cash equivalents	5	991,946	1,067,481
		<b>1,407,723</b>	<b>1,366,000</b>
<b>Total Assets</b>		<b>1,407,725</b>	<b>1,367,776</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained earnings		1,206,354	1,150,380
<b>Current Liabilities</b>			
Trade and other payables	6	201,371	217,396
<b>Total Equity and Liabilities</b>		<b>1,407,725</b>	<b>1,367,776</b>

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Financial Statements for the year ended 31 March 2021

## Statement of Comprehensive Income

Figures in R	Note	2021	2020
<b>Revenue</b>		1,078,191	773,600
Other income		630,000	1,086,046
Operating costs		(1,687,598)	(1,874,389)
<b>Operating profit / (loss)</b>		<b>20,593</b>	<b>(14,743)</b>
Finance income	7	35,381	44,041
<b>Profit for the year</b>		<b>55,974</b>	<b>29,298</b>

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Financial Statements for the year ended 31 March 2021

## Statement of Changes in Equity

Figures in R	Retained earnings	Total
<b>Balance at 1 April 2019</b>	1,121,082	1,121,082
Profit for the year	29,298	29,298
<b>Balance at 31 March 2020</b>	<b>1,150,380</b>	<b>1,150,380</b>
<b>Balance at 1 April 2020</b>	1,150,380	1,150,380
Profit for the year	55,974	55,974
<b>Balance at 31 March 2021</b>	<b>1,206,354</b>	<b>1,206,354</b>

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Financial Statements for the year ended 31 March 2021

## Statement of Cash Flows

Figures in R	Note(s)	2021	2020
<b>Cash flows (used in) / from operating activities</b>			
Profit for the year		55,974	29,298
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		1,774	4,257
Investment income		(35,381)	(44,041)
<b>Operating cash flow before working capital changes</b>		<u>22,367</u>	<u>(10,486)</u>
<i>Working capital changes</i>			
(Increase) / decrease in trade and other receivables		(117,258)	10,903
(Decrease) / increase in trade and other payables		(16,025)	48,071
<b>Net cash flows (used in) / from operations</b>		<u>(110,916)</u>	<u>48,488</u>
Investment income		35,381	44,041
<b>Net cash flows (used in) / from operating activities</b>		<u>(75,535)</u>	<u>92,529</u>
Net (decrease) / increase in cash and cash equivalents		(75,535)	92,529
Cash and cash equivalents at beginning of the year		1,067,481	974,952
<b>Cash and cash equivalents at end of the year</b>	5	<u>991,946</u>	<u>1,067,481</u>

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1. General information

Southern African Institute for Industrial Engineering (NPC) is a non-profit 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 and the requirements of the Companies Act of South Africa. 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

Membership and conference fees are recognised as revenue when invoiced. Membership fees invoiced in the three months prior to the financial year end are recognised as revenue in respect of the following financial year.

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

#### 2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs 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.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been significant change from the previous estimates.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Office equipment	3 years
IT equipment	3 years

#### 2.3 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 non-profit company will not be able to collect all amounts due according to the original terms of the receivables.

#### 2.4 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.

# Southern African Institute for Industrial Engineering (NPC)

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Financial Statements for the year ended 31 March 2021

## Accounting Policies

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*Summary of significant accounting policies continued...*

### 2.5 Employee benefit obligations

#### 2.5.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 2.6 Trade and other payables

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

# Southern African Institute for Industrial Engineering (NPC)

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## Notes to the Annual Financial Statements

Figures in R

2021

2020

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2021 Carrying value	Cost	Accumulated depreciation	2020 Carrying value
<i>Owned assets</i>						
Office equipment	12,516	(12,515)	1	12,516	(12,515)	1
IT equipment	21,883	(21,882)	1	21,883	(20,108)	1,775
	34,399	(34,397)	2	34,399	(32,623)	1,776

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2021 Carrying value at end of year
<i>Owned assets</i>					
Office equipment	1	-	-	-	1
IT equipment	1,775	-	-	(1,774)	1
	1,776	-	-	(1,774)	2

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Office equipment	1	-	-	-	1
IT equipment	6,031	-	-	(4,256)	1,775
	6,032	-	-	(4,256)	1,776

### 4. Trade and other receivables

Trade debtors	59,295	59,207
Value Added Tax	48,515	57,417
Prepaid conference expenses	206,796	222,406
Prepaid website expense	101,171	-
	415,777	339,030
Impairment loss	-	(40,511)
	415,777	298,519

### 5. Cash and cash equivalents

#### Favourable cash balances

Bank balances	882,791	765,442
Other cash and cash equivalents	109,155	302,039
	991,946	1,067,481

# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

Figures in R	2021	2020
<b>6. Trade and other payables</b>		
Trade creditors	127,422	116,818
Amounts received in advance	57,983	55,112
Unknown receipts	13,580	13,580
Accrued audit fees	-	29,500
Other payables	2,386	2,386
	<u>201,371</u>	<u>217,396</u>
<b>7. Finance income</b>		
<b>Interest income</b>		
Bank	<u>35,381</u>	<u>44,041</u>

## 8. Taxation

No provision has been made for 2021 tax as the company is exempt from income tax.

## 9. Going Concern

The directors believe that the company will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements.



# Southern African Institute for Industrial Engineering (NPC)

(Registration Number 1976/000004/08)

Financial Statements for the year ended 31 March 2021

## Detailed Income Statement

Figures in R	2021	2020
<b>Gross Revenue</b>		
Membership fees	1,078,191	773,600
<b>Other Income</b>		
Advertisement income	11,700	-
Bad debts recovered	6,874	-
Conference income	287,435	616,309
CPD evaluation fee	3,043	-
Gala dinner income	3,000	20,739
Investment income	35,381	44,041
Library (Journals)	317,948	435,602
Other income	-	13,396
	<b>1,743,572</b>	<b>1,903,687</b>
<b>Expenditure</b>		
Accounting fees	3,417	13,953
Admin / management fees paid	13,627	12,285
Advertising	66,196	44,665
Auditors' remuneration	-	29,661
Bad debts	315,342	35,227
Bank charges	8,824	12,032
Computer / Web platform expenses	126,915	123,176
Conference expense	253,578	460,709
Consulting fees	30,265	18,653
Depreciation - Tangible assets	1,774	4,257
Entertainment	-	77,147
Fines and penalties	951	-
Gala dinner expenses	4,088	56,969
Gifts	6,049	3,560
Journal expenses (printing & editing)	245,425	277,712
Meeting expenses	6,555	2
Printing and stationery	8,527	53,416
Rental - premises	12,666	11,728
Salaries	539,746	514,444
Secretarial fees	-	3,420
Student prizes	40,731	38,118
Subscriptions	1,140	1,080
Telephone and fax	1,782	3,154
Travel - local	-	55,031
Travel - overseas	-	23,990
	<b>1,687,598</b>	<b>1,874,389</b>
<b>Profit for the year</b>	<b>55,974</b>	<b>29,298</b>