



SOUTH AFRICAN COUNCIL FOR NATURAL SCIENTIFIC PROFESSIONS

(Registration number 11493374)
Annual Financial Statements
for the year ended 31 March 2013

These annual financial statements were prepared by:
Mr. J.T. Baleni
Financial Manager

Logista CA (S.A.) Incorporated
Chartered Accountants (S.A.)
Registered Auditors

These annual financial statements have been audited in compliance with the applicable requirements of the Natural Scientific Professions Act, 2003 (Act No. 27 of 2003).

Issued 15 August 2013



South African Council for Natural Scientific Professions

(Registration number 11493374)

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GENERAL INFORMATION

Country of registration	South Africa
	Nature of principal activities Regulatory body for the practice of natural sciences in South Africa
Council members	Prof. N.H. Casey (Pr.Sci.Nat.): President Dr. M.M. Dyasi (Pr.Sci.Nat.): Vice President Prof. E.L.J. Breet (Pr.Sci.Nat.) Dr. J.F. Eloff (Pr.Sci.Nat.) Dr. I. Gledhill (Pr.Sci.Nat.) Dr. G. Henry (Pr.Sci.Nat.) Mr. B.S. Maloka (Pr.Sci.Nat.) Prof. H.J. Siweya (Pr.Sci.Nat.) Prof. C. van der Westhuizen (Pr.Sci.Nat.) Dr. G.E. Botha (Pr.Sci.Nat.) Prof. M. Gulumian Dr. B.H. Koch (Pr.Sci.Nat.) Prof. E. van Marle-Köster (Pr.Sci.Nat.) Prof. B.K. Reilly (Pr.Sci.Nat.) Dr. C.J. Augustyn (Pr.Sci.Nat.) Dr. F. Dilika Dr. P. Matutu Mr. N. Baloyi Mr. O.S.D. Garegae Mr. P. Govender Mr. P.T. Govender (Pr.Sci.Nat.) Dr. S. Naidoo Prof. D. Hughes (Pr.Sci.Nat.) Prof. J. Galpin (Pr.Sci.Nat.) Dr. K. Lucas (Pr.Sci.Nat.) Prof. J.B. Malherbe (Pr.Sci.Nat.) Dr. W. Vlok (Pr.Sci.Nat.) Dr. L. Mlilo Prof. I.C. Burger Dr. M.E. Stalmans (Pr.Sci.Nat.)
Registered office	101 Brooklyn Forum 263 Lynnwood Road Pretoria Gauteng 0181
Business address	Suite B313 Geoscience Buildings 280 Pretoria Road Silverton 0127



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GENERAL INFORMATION

Postal address	Private Bag x540 Silverton Pretoria 0127
Bankers	Nedbank First National Bank
Auditors	Logista CA (S.A.) Incorporated Chartered Accountants (S.A.) Registered Auditors
Registration number	11493374
Tax reference number	9808/825/14/6
Issued	15 August 2013
PAYE reference number	7450713211
VAT number	4590121010



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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Natural Scientific Professions Act, 2003 (Act No. 27 of 2003).

Preparer

Mr. J.T. Baleni
Financial Manager

Issued

15 August 2013



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COUNCIL MEMBERS' RESPONSIBILITY AND APPROVAL

The Council members are required by the Natural Scientific Professions Act, 2003 (Act No. 27 of 2003), 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 fairly present the state of affairs of the Council 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the Council 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 Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council members 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 deficit.

The Council members have reviewed the cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the Council has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditors and their report is presented on page 29.

The annual financial statements set out on pages 31 to 39, which have been prepared on the going concern basis, were approved by the Council members on 15 August 2013 and were signed on their behalf by:

Prof. N.H. Casey (Pr.Sci.Nat.)

Dr. M.M. Dyasi (Pr.Sci.Nat.)



INDEPENDENT AUDITORS' REPORT

To the Council members of the South African Council for Natural Scientific Professions

We have audited the annual financial statements of South African Council for Natural Scientific Professions, as set out on pages 31 to 38, which comprise the statement of financial position as at 31 March 2013, 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.

The Council Members' Responsibility for the Annual Financial Statements

The Council members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Natural Scientific Professions Act, 2003 (Act No. 27 of 2003), and for such internal control as the Council members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the South African Council for Natural Scientific Professions as at 31 March 2013, and its financial performance and its 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 Natural Scientific Professions Act, 2003 (Act No. 27 of 2003).

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 39 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

G.T. Wessels
Director
Registered Auditor
Chartered Accountant (S.A.)
15 August 2013



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COUNCIL MEMBERS' REPORT

The Council members submit their report for the year ended 31 March 2013.

1. Review of activities

Main business and operations

The Council is the regulatory body for the practice of natural sciences in South Africa.

The operating results and state of affairs of the Council are fully set out in the attached annual 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.

3. Events after the reporting period

The Council members are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

4. Auditors

Logista CA (S.A.) Incorporated will continue in office.



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Annual Financial Statements for the year ended 31 March 2013

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

Figures in Rand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	231,342	38,277
Current Assets			
Trade and other receivables	3	261,941	285,631
Cash and cash equivalents	4	3,519,518	3,936,841
		3,781,459	4,222,472
Total Assets		4,012,801	4,260,749
Equity and Liabilities			
Equity			
Reserves		661,157	661,157
Retained surplus		2,590,737	3,100,182
		3,251,894	3,761,339
Liabilities			
Current Liabilities			
Trade and other payables	5	760,907	499,410
Total Equity and Liabilities		4,012,801	4,260,749



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STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2013	2012
Revenue		4,199,324	3,075,227
Operating expenses		(4,988,844)	(4,343,955)
Operating surplus/ (de cit)		(789,520)	(1,268,728)
Investment revenue		280,075	169,927
Surplus/ (De cit) for the year		(509,445)	(1,098,801)



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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Legal reserve	Personal Leave reserve	Office Replacement reserve	Total reserves	Retained surplus	Total equity
Balance at 01 April 2011	282,226	231,000	112,500	625,726	4,234,414	4,860,140
Surplus/ (Debit) for the year	-	-	-	-	(1,098,801)	(1,098,801)
Transfer to other reserves	(42,478)	(169,198)	247,107	35,431	(35,431)	-
Total surplus/ (debit) for the year	(42,478)	(169,198)	247,107	35,431	(1,134,232)	(1,098,801)
Balance at 01 April 2012	239,748	61,802	359,607	661,157	3,100,182	3,761,339
Surplus/ (Debit) for the year	-	-	-	-	(509,445)	(509,445)
Total surplus/ (debit) for the year	-	-	-	-	(509,445)	(509,445)
Balance at 31 March 2013	239,748	61,802	359,607	661,157	2,590,737	3,251,894

Note(s)



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STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash receipts from members		4,368,519	3,213,878
Cash paid to suppliers and employees		(4,782,494)	(4,307,547)
Cash used in operations	6	(413,975)	(1,093,669)
Interest income		280,075	169,927
Net cash from operating activities		(133,900)	(923,742)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(283,423)	(70,583)
Cash flows from financing activities			
Total cash movement for the year		(417,323)	(1,029,756)
Cash at the beginning of the year		3,936,841	4,966,597
Total cash at end of the year	4	3,519,518	3,936,841



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ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Natural Scientific Professions Act, 2003 (Act No. 27 of 2003). The annual 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 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

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, which is as follows:

Item	Average useful life
Furniture and fixtures	5 years
IT equipment	3 years

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 a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through profit or loss.

Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.



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ACCOUNTING POLICIES

1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- ☒ the amount of revenue can be measured reliably;
- ☒ it is probable that the economic benefits associated with the transaction will flow to the company;
- ☒ the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- ☒ the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

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Annual Financial Statements for the year ended 31 March 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2013

2012

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Furniture and fixtures	137,806	(119,777)	18,029	102,861	(88,335)	14,526
IT equipment	237,004	(160,461)	76,543	125,297	(101,546)	23,751
Computer software	136,770	-	136,770	-	-	-
Total	511,580	(280,238)	231,342	228,158	(189,881)	38,277

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	14,526	34,946	(31,443)	18,029
IT equipment	23,751	111,707	(58,915)	76,543
Computer software	-	136,770	-	136,770
	38,277	283,423	(90,358)	231,342

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	39,630	30,699	(55,803)	14,526
IT equipment	32,620	39,884	(48,753)	23,751
	72,250	70,583	(104,556)	38,277

3. Trade and other receivables

Trade receivables	210,542	157,458
VAT	51,399	128,173
	261,941	285,631

4. Cash and cash equivalents

Cash on hand	1,005	606
Bank balances	80,914	194,217
Short-term deposits	3,437,599	3,742,018
	3,519,518	3,936,841

5. Trade and other payables

Trade payables	260,747	22,999
Amounts received in advance	376,506	296,109
Accrued leave pay	123,654	180,302
	760,907	499,410



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2013	2012
6. Cash used in operations		
Deficit for the year	(509,445)	(1,098,801)
Adjustments for:		
Depreciation and amortisation	90,358	104,553
Interest received	(280,075)	(169,927)
Transfers to other reserves (Non-cash item)	-	35,431
Changes in working capital:		
Trade and other receivables	23,690	(235,412)
Trade and other payables	261,497	270,487
	(413,975)	(1,093,669)

7. 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.

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DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2013	2012
Revenue			
Membership fees		4,199,324	3,075,227
Other income			
Interest received		280,075	169,927
Operating expenses			
Accounting fees		(24,030)	(25,680)
Auditors' remuneration		(54,020)	(35,850)
Bank charges		(15,957)	(6,960)
Cleaning		(1,000)	(780)
Computer expenses		(30,257)	(24,335)
Consumables		(41,806)	(14,133)
Council members' travel claims		(138,937)	(133,690)
Depreciation, amortisation and impairments		(90,358)	(104,553)
Employee costs		(2,693,730)	(2,726,253)
Entertainment		(55,605)	(36,937)
Honoraria		(271,657)	(190,588)
Human resources and staff recruitment fees		(367,791)	(80,121)
Insurance		(5,081)	(13,845)
Lease rentals		(82,746)	(56,944)
Legal expenses		(123,073)	(264,522)
Marketing		(274,825)	(311,313)
Postage		(57,340)	(69,483)
Printing and stationery		(171,966)	(108,783)
Prior year expenses		(133,209)	-
Registration cards		(18,691)	(13,850)
Staff welfare		(7,493)	(2,254)
Subscriptions		(29,083)	(4,966)
Telephone and fax		(39,675)	(17,854)
Training		(27,737)	-
Travel - local		(232,777)	(100,261)
		(4,988,844)	(4,343,955)
Surplus/ (Deficit) for the year		(509,445)	(1,098,801)



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ANNUAL REPORT 2013

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Register to be
Recognised!

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