

Southern African Marketing Research Association (NPC)

(Registration Number 2001/020902/08)

**Annual Financial Statements
for the year ended 28 February 2019**

Audited Financial Statements

in compliance with

Prepared by: H. Schader

Professional designation: Accountant

Southern African Marketing Research Association (NPC)

(Registration Number 2001/020902/08)

Annual Financial Statements for the year ended 28 February 2019

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Directors' Responsibilities and Approval

The directors are required 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 with regards 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 directors set 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 and the external auditor, 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 non-profit company will not be a going concern in the foreseeable future. The financial statements support the viability of the non-profit company.

The annual financial statements have been audited by the independent auditing firm, Deco Accounting Services (Pty) Ltd, who has been given unrestricted access to all financial records and related data, including minutes of all meetings of the member, the directors and committees of the directors. 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 pages 4 to 5.

The annual financial statements set out on pages 6 to 14 were approved by the directors on 31 August 2017 and were signed on their behalf by:

L Vorster

S. Naidoo

B. Vushemakota

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Directors' Report

The directors present their report for the year ended 28 February 2019.

1. Review of activities

Main business and operations

The principal activity of the non-profit company is promotion and protection of marketing research based on sample surveys and other recognised research techniques. 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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires 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 on the financial position of the non-profit company.

4. Directors

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

L Vorster

S. Naidoo

H.J.G. Pretorius

J. Solomon

K. Ngqukuvana

Y. Jordaan

B. Vushemakota

5. Independent Auditor

Deco Chartered Accountants were the independent auditor for the year.

Independent Auditor's Report

To the Member of Southern African Marketing Research Association (NPC)

Opinion

I have audited the financial statements of Southern African Marketing Research Association (NPC) set out on pages 6 to 14, which comprise the statement of financial position as at 28 February 2019, 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 my opinion, the financial statements present fairly, in all material respects, the financial position of the non-profit company as at 28 February 2019, 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.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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. I have fulfilled my 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). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, and the supplementary information set out on pages 15 to 16. Other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 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

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.
- I 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 I identify during my audit.

Date: _____

M.C. Janse van Rensburg
Registered Auditor
Chartered Accountant (SA)

574 Rutger Street
Moreletapark
Pretoria
0181

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Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position

Figures in R

	Notes	2019	2018
Assets			
Non-current assets			
Property, plant and equipment	2	1,262	2,921
Trade and other receivables	3	14,452	14,452
Total non-current assets		15,714	17,373
Current assets			
Trade and other receivables	3	58,350	181,670
Cash and cash equivalents	4	482,516	757,738
Total current assets		540,866	939,408
Total assets		556,580	956,781
Equity and liabilities			
Equity			
Retained income		480,733	845,897
Liabilities			
Current liabilities			
Trade and other payables	5	75,847	110,884
Total liabilities		75,847	110,884
Total equity and liabilities		556,580	956,781

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Statement of Comprehensive Income

Figures in R

	Note	2019	2018
Revenue		1,713,727	1,967,890
Cost of Sales		(516,727)	(555,541)
Employment expenses	6	(1,138,780)	(1,152,041)
Depreciation and amortisation		(1,660)	(37,003)
Other expenses		(452,715)	(443,175)
Deficit from operating activities		(396,155)	(219,870)
Finance income		30,994	50,933
Finance costs		(3)	(6,720)
Deficit for the year		(365,164)	(175,657)

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Statement of Changes in Equity

Figures in R	Retained income	Total
Balance at 1 March 2017	1,021,554	1,021,554
Changes in equity		
Deficit for the year	(175,657)	(175,657)
Total comprehensive income	(175,657)	(175,657)
Balance at 28 February 2018	845,897	845,897
Balance at 1 March 2018	845,897	845,897
Changes in equity		
Deficit for the year	(365,164)	(365,164)
Total comprehensive income	(365,164)	(365,164)
Balance at 28 February 2019	480,733	480,733

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Statement of Cash Flows

Figures in R	Notes	2019	2018
Net cash flows used in operations	7	(306,212)	(66,281)
Interest paid		(3)	(6,720)
Net cash flows used in operating activities		(306,215)	(73,001)
Cash flows from investing activities			
Interest received		30,994	50,933
Cash flows from investing activities		30,994	50,933
Net decrease in cash and cash equivalents		(275,221)	(22,068)
Cash and cash equivalents at beginning of the year		757,738	779,801
Cash and cash equivalents at end of the year	4	482,517	757,733

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements of Southern African Marketing Research Association (NPC) have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit company's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The non-profit company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the non-profit company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Fixtures and fittings	Useful life - 6 years
Office equipment	Useful life - 4 years
Computer equipment	Useful life - 3 years
Trophy	Useful life - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

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Accounting Policies

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- 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 transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the non-profit company's right to receive payment has been established and is shown as 'other income'.

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

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Notes to the Annual Financial Statements

Figures in R

2. Property, plant and equipment

2.1 Balances at year end and movements for the year

	Fixtures and fittings	Office equipment	Computer equipment	Trophy	Total
Reconciliation for the year ended 28 February 2019					
Balance at 1 March 2018					
At cost	32,059	6,603	162,484	24,304	225,450
Accumulated depreciation and impairment	(32,059)	(6,603)	(159,563)	(24,304)	(222,529)
Net book value	-	-	2,921	-	2,921
Movements for the year ended 28 February 2019					
Depreciation	-	-	(1,660)	-	(1,660)
Property, plant and equipment at end of year	-	-	1,261	-	1,261
Closing balance at 28 February 2019					
At cost	32,059	6,603	162,484	24,304	225,450
Accumulated depreciation and impairment	(32,059)	(6,603)	(161,222)	(24,304)	(224,188)
Net book value	-	-	1,262	-	1,262

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2019

2018

3. Trade and other receivables

3.1 Trade and other receivables comprise:

Trade receivables	135,759	293,249
Provision for bad debts	(83,683)	(111,909)
Trade receivables - net	52,076	181,340
Unidentified Deposits	(188)	(3,379)
Prepaid expenses	-	338
Deposits	14,452	14,452
Value added tax	6,462	3,371
	72,802	196,122
Less non-current portion	(14,452)	(14,452)
Total current trade and other receivables	58,350	181,670

4. Cash and cash equivalents

4.1 Cash and cash equivalents comprise:

Cash

Cash on hand	339	146
Balances with banks	482,177	757,592
Total cash	482,516	757,738

Total cash and cash equivalents included in current assets

482,516 **757,738**

Net cash and cash equivalents

482,516 **757,738**

5. Trade and other payables

5.1 Trade and other payables comprise:

Trade creditors	14,593	7,903
Accrued liabilities	33,262	72,082
Salary accruals	27,992	30,899
Total trade and other payables	75,847	110,884

6. Employee benefits expense

6.1 Employee benefits expense comprises:

Salaries	89,543	83,439
Directors	1,049,237	1,068,602
Total employee benefits expense	1,138,780	1,152,041

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Notes to the Annual Financial Statements

Figures in R

2019

2018

7. Cash flows from operating activities

Deficit for the year	(365,164)	(175,657)
Adjustments for:		
Finance income	(30,994)	(50,933)
Finance costs	3	6,720
Depreciation and amortisation expense	1,660	37,003
Change in operating assets and liabilities:		
Adjustments for decrease in trade accounts receivable	129,264	21,841
Adjustments for (increase) / decrease in other operating receivables	(5,944)	104,463
Adjustments for increase / (decrease) in trade accounts payable	6,690	(3,458)
Adjustments for decrease in other operating payables	(41,727)	(6,260)
Net cash flows from operations	(306,212)	(66,281)

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Detailed Income Statement

Figures in R

	2019	2018
Revenue		
Advertising through SAMRA	9,800	3,200
Annual Conference	559,020	715,500
Code of Conduct Introduction	24,000	-
Database Subscription	1,500	-
Membership	974,477	1,069,655
Professional Development Event	32,960	41,400
Professional Recognition	49,770	59,996
Publications	62,200	78,139
Total revenue	1,713,727	1,967,890
Cost of Sales		
Annual Conference	(426,385)	(485,094)
Database Subscription	(440)	(8,976)
Professional Development Event	(35,099)	(27,851)
Professional Recognition	-	(3,781)
Publications	(31,506)	(20,839)
Social Event	(1,054)	-
Talent Management	(22,243)	(9,000)
Total cost of sales	(516,727)	(555,541)
Employee benefits expense	6	
Employee costs - directors	(1,049,237)	(1,068,602)
Employee costs - salaries	(89,543)	(83,439)
Total employee benefits expense	(1,138,780)	(1,152,041)
Depreciation and amortisation		
Depreciation - property, plant and equip.	(1,660)	(37,003)
Total depreciation and amortisation	(1,660)	(37,003)

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Detailed Income Statement

Figures in R

	2019	2018
Other expenses		
Accounting fees	(58,915)	(56,535)
Advertising	(8,040)	(7,309)
Advocacy & Lobbying	(1,397)	-
AMRA Administration	(35,346)	(1,806)
Annual General Meeting	(6,175)	(6,872)
Auditor's remuneration	(6,880)	(6,880)
Bank charges	(4,260)	(4,865)
Board Meeting	(4,262)	(14,349)
Computer expenses	(20,778)	(514)
Conferences	(28,620)	(32,614)
Donations/Gifts	(4,620)	-
Entertainment	(1,289)	-
Independent contractors	(90,914)	(131,690)
Insurance	(3,379)	(3,291)
Legal expense	(14,741)	(7,406)
Other expenses	(685)	(671)
Parking	-	(8,562)
Postage	(3,819)	(3,772)
Printing and stationery	(8,742)	(4,998)
Repairs and maintenance	(100)	(322)
Secretarial fees	(950)	(1,600)
Staff recruitment	(1,360)	(785)
Staff welfare	(562)	(272)
Storage	(15,730)	(15,609)
Strategic Planning	(3,199)	-
Subscriptions	(10,115)	(20,498)
Telephone and fax	(87,825)	(81,209)
Website Hosting	(30,012)	(30,746)
Total other expenses	(452,715)	(443,175)
Deficit from operating activities	(396,155)	(219,870)
Finance income		
Other	30,994	50,933
Total finance income	30,994	50,933
Finance costs		
Interest paid	(3)	(6,720)
Total finance costs	(3)	(6,720)
Deficit for the year	(365,164)	(175,657)