Association of Black Securities and Investment Professionals NPC

Annual Financial Statements

for the period ended 31 December 2014

Association of Black Securities and Investment Professionals

Annual Financial Statements

for the year ended 31 December 2014

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Association of Black Securities and Investment Professionals

Directors' Responsibility statement

for the year ended 31 December 2014

The directors are responsible for the preparation and fair presentation of the annual financial statements of the Association of Black Securities and Investment Professionals, comprising the statement of financial position at 31 December 2014, and the statement of comprehensive income, the statement of changes in funds and the statement of cash flow for the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. In addition, the directors are responsible for preparing the Directors' Report.

The directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Association's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The annual financial statements of the Association of Black Securities and Investment Professionals, as identified in the first paragraph, were approved by the directors on 11 August 2015 and are signed on its behalf by:

Lerato Molefe
Authorized Director

Tryphosa Ramano
Authorized Director

Association of Black Securities and Investment Professionals

Directors' report

for the year ended 31 December 2014

The Directors presents its report for the period ended 31 December 2014. This report forms part of the audited financial statements.

Business and operations

The main object of the Association of the Black Securities and Investment Professionals is to engender ongoing professional development of Black professionals and to create programmes to undertake activities that are incidental to or conductive to the improvement of the competence of Black professionals in the securities and investment industry.

The Association's business and operations and the results thereof are clearly reflected in the attached financial statements.

Funding

The association is dependent upon raising sufficient donations, membership fees and sponsorships to meet its ongoing expenditure and settle its liabilities in the normal course of its operations. The directors believe that with the continued support of its members and sponsors, the Association will be able to mobilise sufficient funding to ensure maintenance of its status as a going concern in the year ahead. For this reason, the directors continue to adopt the going concern basis in preparing the annual financial statements-refer to note 10.

Statement of responsibility

The Directors is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards.

The Directors is also responsible for the organisation's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

Sponsorships

Apart from membership fees, the Association also accrues benefits in the form of donations. These donations vary from some costs incurred in holding the Association's events.

Company Secretary

The secretary of the Association of Black Securities and Investment Professionals is Mr Seaka.

Directors

Directors in the office during the year-

T Ramano	(President)	(Appointed 23 August 2011)
L Molefe		(Appointed 23 August 2011)
M Makgatho		(Appointed 23 August 2011)
A Nyhonyha		(Appointed 23 August 2011)
S Mbatha		(Appointed 23 August 2011)
E Moletsane		(Appointed 1 November 2009)
D Govender		(Appointed 18 December 2013)

KPMG

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Docex 472 Johannesburg

Association of Black Securities and Investment Professionals

Independent Auditor's Report

To the members of the Association of Black Securities and Investment Professionals

We have audited the financial statements of Association of Black Securities and Investment Professionals, which comprise the statement of financial position at 31 December 2014, and the statements of comprehensive income, changes in funds and cash flows for the period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 16.

Directors' Responsibility for the Financial Statements
The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, these financial statements present fairly, in all material respects, the financial position of Association of Black Securities and Investment Professionals at 31 December 2014, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other Matter
The supplementary schedule set out on page 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion thereon.

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005

Registration number 1999/021843/21

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba, MM Mapaya, M Oddy, CAT Smit

Other Directors: LP Fourie, N Fubu, AH Jaffer (Chairman of the Board), FA Karreem, ME Magondo, AMS Mokgabudi, GM Pickering, JN Pierce

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

SM

KPMG

Association of Black Securities and Investment Professionals

Independent Auditor's Report (continued)

Other Reports Required by the Companies Act
As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on thereon.

KPMG Inc.
Registered Auditor

Per NKS Malaba
Chartered Accountant
(SA) Registered Auditor
Director
11 August 2015

Association of Black Securities and Investment Professionals

Statement of financial position

at 31 December 2014

	Note	**2014**	2013
		R	R
Assets			
Current assets			
Trade and other receivables	*2*	**-**	**110 517**
Cash and cash equivalents		**1 796 399**	**1 136 562**
– Current account		**1 790 473**	**1 132 955**
– Deposit		**2 650**	**0**
– 32 day fixed deposit		**0**	**0**
– Petty Cash		**3 276**	**3 607**
Total assets		**1 796 399**	**1 247 079**
Funds and liabilities			
Capital and accumulated funds		**1 724 580**	**1 040 191**
Current liabilities		**71 819**	**206 888**
Long Term Borrowings	*3*	**-**	**-**
Trade and other payables	*4*	**71 819**	**206 888**
Total equity and liabilities		**1 796 399**	**1 247 079**

Association of Black Securities and Investment Professionals

Statement of comprehensive income

for the year ended 31 December 2014

	Note	**2014**	2013
		R	R
Gross revenue	*5*	**8 015 068**	**4 743 279**
Operating costs	*6*	**(7 330 679)**	**(4 194 643)**
Operating profit for the period		**684 389**	**548 636**
Interest received		**-**	**-**
Total comprehensive income for the period		**684 389**	**548 636**

Association of Black Securities and Investment Professionals

Statement of changes in funds

for the year ended 31 December 2014

	Capital and accumulated funds R	Total
Balance at 31 December 2012	**491 555**	491 555
Total comprehensive income for the period	**548 636**	548 636
Balance at 31 December 2013	**1 040 191**	1 040 191
Total comprehensive income for the period	**684 389**	684 389
Balance at 31 December 2014	**1 724 580**	1 724 580

Association of Black Securities and Investment Professionals

Statement of cash flow

for the year ended 31 December 2014

	Note	**2014**	2013
		R	R
Cash flows generated in operating activities			
Cash receipts from members and sponsors		**7 767 434**	3 800 105
Cash paid to suppliers		**(7 226 332)**	(3 245 915)
Cash generated from operations	*7*	**541 102**	554 190
Interest received		**905**	-
Net cash inflow from operating activities		**542 007**	554 190
Cash flow generated from investment activities		**-**	-
Cash flow generated from financing activities		**-**	-
Decrease in loan from ABSIP – Western Cape		**-**	-
Net increase in cash and cash equivalents		**542 007**	554 190
Cash and cash equivalents at beginning of period		**1 136 562**	979 835
Cash and cash equivalents at end of period		**1 678 569**	1 136 562

Association of Black Securities and Investment Professionals

1. Accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The financial statements have been prepared on the historical cost basis and incorporate the following principle accounting policies, which have been consistently applied in all material respects.

1.2 Revenue recognition

Donations, membership fee, sponsorship and other income are recognised on an accrual basis. Interest received is recognised when the right to receive the interest has been established.

1.3 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition.

Initial recognition and measurement
Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

Financial instruments are initially measured at fair value.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of loans and receivables

At each reporting date, the company assess all loans and receivables to determine whether there is objective evidence that loans and receivables are impaired.

For amounts due to the company, debtors with significant financial difficulties, the probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit and losses.

1.3 **Financial instruments (continued)**
Impairment of loans and receivables (continued)

Impairment losses are reversed when an increase in the loans and receivable's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the loans and receivables at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in profit and loss.
Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost, using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.
Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and deposits held at call with banks and investments. These are initially and subsequently recorded at amortised cost which is deemed to be an approximation of fair value.

Financial liabilities
After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest method. Amortised cost is calculated by taking into account any transaction cost, and any discount or premium on settlement. Financial liabilities include trade and other payables.

Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using effective interest method.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition

Loans and receivables are derecognised when the company's contractual rights to cash flows expire or the company transfers the loans and receivables to another party without retaining control or substantially all the risks and rewards of the assets. On derecognition, the difference between the carrying amount of the loans and receivables are included in profit or loss.

Financial liabilities are derecognised if the company's obligations specified in the contract expire, are discharged or cancelled. On derecognition, the difference between the carrying value of the financial liability, including the related unamortised cost and settlement amounts paid, is included in profit or loss.

2. Trade and other receivables	31 December 2014 R	31 December 2013 R
VAT receivable	-	1 750
Prepaid expenses	-	107 000
Other receivables	-	1 767
	-	110 517

3 Loans and Borrowings

Loan from Western Cape ABSIP	0	0

The loan is from a branch of ABSIP in the Western Cape.

4. Trade and other payables		
Salaries & Wages Control	10 064	-
Vat payable	26 456	102 198
Accounts payable	35 300	104 690
	71 820	206 888

5. Gross revenue

Gross revenue comprises membership fees and sponsorship fees, which excludes value-added tax and represents the invoiced value of services supplied.

	31 December 2014 R	31 December 2013 R
Major classes of revenue comprise:		
Membership fees – Individuals	192 018	82 676
Membership fees - Corporate	900 000	475 000
Sponsorship awards and Functions	6 675 416	2 745 257
Sundry income	247 539	1 440 346
Gross Revenue	8 015 068	4 743 279

6. Operating costs

Operating costs consist of the following items

	2014 R	2013 R
Administrative expenses	-	85 238
Advertising and Branding	-	-
Audit fees	-	-
Bursaries awarded	**1 082 818**	213 471
Events expenses	**4 618 956**	2 960 708
Legal fees	**1 400**	1 500
Other expense	**1 152 071**	671 138
Rent paid	-	14 030
Salaries, wages and commission	**475 434**	245 558
	7 330 679	4 194 643

7. Reconciliation of cash generated from operations

	R	R
Surplus for the period	**684 389**	**548 636**
Less:		
Interest received	**(905)**	-
Decrease / (Increase) in accounts receivable	-	**(106 658)**
(Decrease) / Increase in accounts payable	**(69 390)**	**17 335**
Increase / (Decrease) in VAT payable	**(75 742)**	**87 132**
(Increase)/Decrease in VAT receivable	**1 750**	**7 745**
Decrease in provision for legal settlement	-	-
Decrease in income received in advance		
Cash generated from operations	**541 102**	**554 190**

8. Taxation

No provision has been made for taxation as the Association is a non-profit organisation.

Notes to the financial statements

for the year ended 31 December 2014

9. Financial risk management

The Association has exposure to the following risks from its use of financial instruments.

Credit Risk
Credit risk is the risk of financial loss to the Association if a counterparty to a financial instrument fails to meet its contractual obligations. The Association is a non-profit organisation and relies on donations.

Liquidity risk
Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association is a non-profit organisation and relies on donations to settle their liabilities.

10. Going Concern

The entity has the ability to continue as a going concern in the foreseeable future. There are no significant events that cast doubt about the association's ability to continue as a going concern.

11. Related Parties

No related party transactions were entered into during the year.

12. Subsequent events

No events which would have been material to these financial statements occurred between the balance sheet date and the date of this report.

Association of Black Securities and Investment Professionals

Detailed Statement of comprehensive income

for the year ended 31 December 2014

	Note	2014 R	2013 R
Membership fees		7 767 434	3 302 934
Individuals		192 018	82 676
Corporate		900 000	475 000
Sponsorship-Awards		6 675 416	2 745 258
Other income		247 539	1 440 346
Interest received		905	-
Sundry income(incl donations and extra item)		246 728	1 440 346
		8 015 068	4 743 280
Expenses		(7 330 679)	(4 194 643)
Accounting Fees		21 600	24 600
ABSIP Annual Financial Awards		115 0031	802 808
PAN African Youth League Forum		-	31 540
ABSIP Conference/Conferences and Seminars		137 965	207 053
FSC		1 555	5 792
ABSIP Powerspeak		11 750	96 339
ABSIP Student Chapter events		395 969	165 874
ABSIP Women-in-Focus		-	140 644
ABSIP Magazine		416 530	552 841
AWIF Mentor		-	191 861
Leadership Summit		11 353	-
AWCA/AWCE		26 442	5314
Celebratory Event		198 568	751 900
Courier and postage		15 081	16 701
Bank charges		8 478	7 276
Telecommunications		18 769	27 288
Computer and Website expenses		201 362	32 450
Assets Written Off		7 193	-
Bursaries		1 082 818	213 471
ABSIP Dinner		59 000	-
AGM & ABPA expense		1 327 795	-
AWIF/AWIF Leadership		319 580	-
Entertainment		31 914	8 372
Audit Fees		-	-
General expenses		18 269	10 060
Investment & Youth Summit		447 796	-
Travel and accommodation		145 714	72 807
Legal fees		1 400	1 500
Marketing and Strategic Planning		585 036	494 740
Printing and stationery		19 095	22 338
Rent paid		-	14 030
Salaries, wages and commission		475 434	248 558
Staff training		-	4 976

Association of Black Securities and Investment Professionals

SARS – Interest and penalty	**31 901**	-
Staff Welfare Expenses	**257**	160
Subscription – other	**46 088**	33 350
Golf day	**115 938**	10 000
Operating (loss)/surplus for the period	**684 389**	548 636