

Businesswomen's Association
Annual financial statements
for the year ended 31 December 2016

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Businesswomen's Association

Annual Financial Statements for the year ended 31 December 2016

General Information

Board members

M Msibi
N Lalla
M Langa
F Mall
H Ralinala
C FreitasTeixeira
K Tshaka
P Hassan
W Modisapodi
D Freeman-Nxumalo

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Ground Floor
KPMG Crescent
85 Empire Road
Johannesburg
2193

Postal address

PO Box 2271
Houghton
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Auditors

Grant Thornton
Chartered Accountants (S.A.)
Registered Auditors
Member of Grant Thornton International



Businesswomen's Association

Annual Financial Statements for the year ended 31 December 2016

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The reports and statements set out below comprise the annual financial statements presented to the board members:

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Board Members' Responsibilities and Approval

The board members 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 fairly present the state of affairs of the association 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 basis of accounting as set out in Note 1 to the financial statements. 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 basis of accounting as set out in Note 1 to the financial statements, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The board 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 loss.

The board members have reviewed the association's cash flow forecast for the year to 31 December 2017 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board on 9 May 2017 and were signed on its behalf by:



President



National Treasurer



Independent Auditors' Report To the board members of Businesswomen's Association

Qualified Opinion

We have audited the financial statements of Businesswomen's Association set out on pages 6 to 14, which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income and 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 except for the possible effect of the matter described in the basis for Qualified Opinion section of our report, the financial statements of Businesswomen's Association for the year ended 31 December 2016 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donation, function and events income prior to the initial entry of collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

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 entity in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Parts A and B)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of Accounting

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the entity's own accounting policies to satisfy the financial information needs of the board members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Supplementary information

The board members are responsible for the supplementary information. The supplementary information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the supplementary information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the supplementary information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this supplementary information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the board members for the Financial Statements

The board members are responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 1, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the board members 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 board members are responsible for assessing the entity'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 board members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 entity's internal control.
- Conclude on the appropriateness of the board members' 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 entity'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 auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.

We communicate with the board members 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.



GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors
Practice Number: 903426E

N C Kyriacou
Partner
Chartered Accountant (SA)
Registered Auditor

9 May 2017

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Businesswomen's Association

Annual Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

	Note(s)	2016 R	2015 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	65 109	119 638
Current Assets			
Trade and other receivables	3	50 000	41 695
Cash and cash equivalents	4	1 099 000	1 421 946
Total Assets		1 149 000	1 463 641
Funds and Liabilities			
Funds			
Accumulated funds		380 312	1 096 727
Liabilities			
Current Liabilities			
Trade and other payables	5	833 797	486 552
Total Funds and Liabilities		1 214 109	1 583 279

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Annual Financial Statements for the year ended 31 December 2016

Statement of Comprehensive Income

	Note(s)	2016 R	2015 R
Revenue	6	3 797 812	5 074 850
Other income		266 557	910 888
Operating expenses		(4 770 444)	(5 396 312)
Operating (deficit)/surplus	7	(706 075)	589 426
Investment revenue	8	12 773	1 912
Finance costs	9	(23 113)	(54)
(Deficit)/surplus for the year		(716 415)	591 284

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Statement of Changes in Funds

	Accumulated funds	Total funds
	R	R
Balance at 1 January 2015	505 443	505 443
Surplus for the year	591 284	591 284
Balance at 1 January 2016	1 096 727	1 096 727
Deficit for the year	(716 415)	(716 415)
Balance at 31 December 2016	380 312	380 312

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Annual Financial Statements for the year ended 31 December 2016

Statement of Cash Flows

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Cash (used in)/generated from operations	12	(296 412)	65 420
Interest income		12 773	1 912
Finance costs		(23 113)	(54)
Net cash from operating activities		(306 752)	67 278
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(31 830)	(68 905)
Sale of property, plant and equipment	2	15 636	67 926
Net cash from investing activities		(16 194)	(979)
Total cash movement for the year		(322 946)	66 299
Cash at the beginning of the year		1 421 946	1 355 647
Total cash at end of the year	4	1 099 000	1 421 946

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Annual Financial Statements for the year ended 31 December 2016

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. 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, or 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 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 as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years

Gains and losses on disposals are recognised in profit or loss.

1.2 Tax

Tax expenses

No provision for taxation has been made as the association is exempt from income tax in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.4 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay 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.

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Annual Financial Statements for the year ended 31 December 2016

Accounting Policies

1.5 Provisions and contingencies

Provisions are recognised when the association has an obligation at the reporting date as a result of a past event; it is probable that the association will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

1.6 Revenue

Subscriptions are recorded in the financial statements on the date the fees are received. These fees are recognised as income over the period to which they relate.

Sponsorships received are recorded in the financial statements on the accrual basis. These sponsorships are recognised as income over the period to which they relate.

Income from functions is recorded in the financial statements at the date the booking fees are received.

Other income is recorded on the date it is received.

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

1.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and other institutions.

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Notes to the Annual Financial Statements

	2016 R	2015 R
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2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer software	6 988	(6 988)	-	6 988	(6 907)	81
Furniture and fixtures	88 389	(66 734)	21 655	121 200	(72 512)	48 688
IT equipment	196 512	(168 114)	28 398	356 498	(287 684)	68 814
Office equipment	55 186	(40 130)	15 056	38 551	(36 496)	2 055
Total	347 075	(281 966)	65 109	523 237	(403 599)	119 638

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Computer software	81	-	-	(81)	-
Furniture and fixtures	48 688	-	(18 534)	(8 499)	21 655
IT equipment	68 814	15 195	(22 007)	(33 604)	28 398
Office equipment	2 055	16 635	-	(3 634)	15 056
	119 638	31 830	(40 541)	(45 818)	65 109

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Computer software	1 326	-	-	(1 245)	81
Furniture and fixtures	76 265	-	(16 155)	(11 422)	48 688
IT equipment	51 161	68 905	(10 416)	(40 836)	68 814
Office equipment	24 578	-	(19 641)	(2 882)	2 055
	153 330	68 905	(46 212)	(56 385)	119 638

3. Trade and other receivables

Deposits	-	37 313
Sundry debtors	50 000	-
VAT	-	4 382
	50 000	41 695

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 090 720	1 418 610
Cash on hand	8 280	3 336
	1 099 000	1 421 946

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Notes to the Annual Financial Statements

	2016 R	2015 R
5. Trade and other payables		
Accrued expenses	82 078	114 629
Leave pay provision	156 966	-
Other payables	800	800
Subscriptions and other amounts received in advance	407 839	371 123
VAT	186 114	-
	<u>833 797</u>	<u>486 552</u>
6. Revenue		
Membership fees	810 718	680 957
Net income/(loss) from Business Women of the Year Awards	(115 747)	138 375
Net income/(loss) from Regional Business Achievers Awards	(154 693)	259 009
Net income/(loss) from functions held	(163 758)	(328 798)
Sponsorships received	3 421 292	4 325 307
	<u>3 797 812</u>	<u>5 074 850</u>
7. Operating (deficit)/surplus		
Operating (deficit)/surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	105 061	249 693
Loss/(Profit) on sale of property, plant and equipment	(24 905)	21 714
Depreciation on property, plant and equipment	45 817	56 385
Employee costs	3 012 280	1 919 284
8. Investment revenue		
Interest revenue		
Bank	12 773	1 912
9. Finance costs		
Bank	-	54
Late payment of tax	23 113	-
	<u>23 113</u>	<u>54</u>

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Notes to the Annual Financial Statements

	2016 R	2015 R
10. Taxation		
No provision has been made for 2016 tax as the association is exempt from taxation in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act.		
11. Auditors' remuneration		
Fees	66 300	62 540
Other services	3 355	5 850
	<u>69 655</u>	<u>68 390</u>
12. Cash (used in)/generated from operations		
(Deficit)/surplus before taxation	(716 415)	591 284
Adjustments for:		
Depreciation and amortisation	45 817	56 385
Loss/(profit) on sale of assets	24 905	(21 714)
Interest received	(12 773)	(1 912)
Finance costs	23 113	54
Changes in working capital:		
Trade and other receivables	(8 305)	34 503
Trade and other payables	347 246	(593 180)
	<u>(296 412)</u>	<u>65 420</u>
13. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	6 975	213 769
- in second to fifth year inclusive	-	59 200
	<u>6 975</u>	<u>272 969</u>

Operating lease payments represent rentals payable by the association for certain of its office properties.

14. Contingencies

There is a contingent liability for an amount owing to the Compensation of Occupational Injuries and Diseases Fund for the period 2009 to 2016.

There is currently a dispute regarding the rate to be used to determine the total liability.

The estimated amount is R163 689.

