

Production Technologies Association of South Africa NPC
(Registration number 2006/007417/08)
Separate financial statements
for the year ended 31 March 2019

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

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

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The following supplementary information does not form part of the separate financial statements and is unaudited:

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Level of assurance

These separate financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

These financial statements were prepared under the supervision of Anusha Naidu, Financial Manager.

Production Technologies Association of South Africa NPC

Formerly Toolmaking Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Directors' Approval

The separate financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board of directors and were signed on their behalf by:

Authorised Director

Date

27 August 2019



Authorised Director

Date

27 August 2019



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INDEPENDENT AUDITORS' REPORT

To the members of Production Technologies Association of South Africa NPC

Opinion

We have audited the separate financial statements of Production Technologies Association of South Africa NPC set out on pages 8 to 15, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, comprising a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of Production Technologies Association of South Africa NPC as at 31 March 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 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 annual separate financial statements section of our report. We are independent of the company in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA codes) and other independence requirements applicable to performing audits of annual separate financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

Directors: E Bergh, B Com (Hons), CA(SA), C D Betty, B Acc, CA(SA), M G Q de Faria, B Bus Sc, CA(SA), B J Eaton, B Acc, H Dip Tax Law, CA(SA), A C Galloway, B Sc Mech Eng, CA(SA), M Greisdorfer, B Com (Hons), CA(SA), H Heymans, B Compt (Hons), M Com, FCCA, CA(SA), N C Hughes, B Compt (Hons), PG Cert Adv Tax, CA(SA), J Jones, B Com, B Acc, H Dip Tax Law, H Dip Int Tax Law, CA(SA), J Kitching, B Compt (Hons), CA(SA), L Mac Donald, B Compt (Hons), CA(SA), L Quintal, B Com (Hons), CA(SA), R Rawoot, B Compt (Hons), CA(SA), P D Schulze, B Acc Sc (Hons), PG Dip Tax Law, CA(SA), M Steenkamp, B Compt (Hons), CA(SA), L M van der Merwe, B Com (Hons), CA(SA), A D Young, B Compt (Hons), CA(SA)

RSM South Africa Inc. Registration No. 2016/324649/21, Practice No. 900435 is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Other information

The directors are responsible for the other information. The other information comprises the directors' report as required by the Companies Act of South Africa and the detailed statement of profit or loss, which we obtained prior to the date of this report. Other information does not include the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 International Standards on Auditing 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 separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 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 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 separate 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual separate financial statements, including the disclosures, and whether the separate 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.

RSM South Africa Inc.

**Michael Steenkamp
Chartered Accountant (SA)
Registered Auditor
Director**

Date

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Directors' Report

The directors have pleasure in submitting their report on the separate financial statements of Production Technologies Association of South Africa NPC for the year ended 31 March 2019.

1. Incorporation

The company was incorporated on 13 March 2006 and obtained its certificate to commence business on the same day.

2. Registered Office

1st Floor, Taaibos Building
Tuinhof Office Park
265 West Avenue
Centurion
0046

3. Review of financial results and activities

The group is engaged in the promotion and advancement of tooling and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements. During the current financial year the Company realigned the business to the strategic objectives and created the necessary capacity to improve performance and to strengthen industry commitment and membership. However, this realignment resulted in what should have been an adjustment of prior year's revenue of R418 286 for members that had resigned. The directors are of the opinion that this is a once-off occurrence.

4. Authorised and issued share capital

There have been no changes to the authorised or issued share capital of the company during the year under review.

5. Dividends

No dividends were declared or paid to the shareholder during the year.

6. Directors

The directors in office at the date of this report are as follows:

Directors	Nationality	Changes
AA Grech-Cumbo	South African	
JN Mc Ewan	South African	
LDC Van Dyk	South African	
JP Venter	South African	
R Williamson	South African	
CN Phillips	South African	Appointed: 26 October 2018

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The 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 continuation of the company's activities is dependent upon the continuation of membership funding. The financial statements have been prepared on the going concern basis which assumes that the membership funding will be continued. Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of assets or amounts or classification of liabilities, that might be necessary if the company is unable to continue as a going concern.

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Directors' Report

9. Auditors

RSM South Africa Inc. have expressed their willingness to continue in office as auditors in accordance with section 90(6) of the Companies Act of South Africa.

10. Secretary

The company had no secretary during the financial year.

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31 March 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Current Assets			
Trade and other receivables	2	92 939	440 147
Cash and cash equivalents		164 243	1 211
		257 182	441 358
Equity and Liabilities			
Equity			
Accumulated loss		(208 719)	414 665
Liabilities			
Non-Current Liabilities			
Loan from group company	3	378 820	6 000
Current Liabilities			
Trade and other payables		87 081	20 693
Total Liabilities		465 901	26 693
Total Equity and Liabilities		257 182	441 358

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Revenue	4	302 025	276 667
Cost of sales	5	-	(193 667)
Gross surplus		302 025	83 000
Other income	6	32 779	-
Operating expenses		(957 523)	(27 727)
Operating loss		(622 719)	55 273
Investment revenue		14	-
Finance costs		(679)	-
Loss for the year		(623 384)	55 273

Production Technologies Association of South Africa NPC

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Separate Financial Statements for the year ended 31 March 2019

Statement of Changes in Equity

Figures in Rand	Accumulated loss	Total equity
Balance at 01 April 2017	359 392	359 392
Surplus for the year	55 273	55 273
Total comprehensive income for the year	55 273	55 273
Balance at 01 April 2018	414 665	414 665
Loss for the year	(623 384)	(623 384)
Total comprehensive Loss for the year	(623 384)	(623 384)
Balance at 31 March 2019	(208 719)	(208 719)

Production Technologies Association of South Africa NPC

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Separate Financial Statements for the year ended 31 March 2019

Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash receipts from customers		199 476	313 603
Cash paid to suppliers and employees		(408 599)	(314 852)
Cash used in operations	7	(209 123)	(1 249)
Interest income		14	-
Finance costs		(679)	-
Net cash from operating activities		(209 788)	(1 249)
Cash flows from financing activities			
Movement in NTIP loan		372 820	-
Total cash movement for the year		163 032	(1 249)
Cash at the beginning of the year		1 211	2 460
Total cash at end of the year		164 243	1 211

Production Technologies Association of South Africa NPC

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Separate Financial Statements for the year ended 31 March 2019

Accounting Policies

1. Presentation of separate financial statements

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards. The separate 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.

1.1 Financial instruments

Initial recognition

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of 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 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 there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.2 Revenue

Revenue from fees received is recognised over the period to which the subscription relates.

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Notes to the Separate Financial Statements

Figures in Rand	2019	2018
2. Trade and other receivables		
Fees receivable	67 810	439 865
Amounts owing by related parties	25 129	-
VAT	-	282
	92 939	440 147
3. Loan from group company		
National Technologies Implementation Platform Proprietary Limited	378 820	6 000
The loan is unsecured, interest free and has no fixed terms of repayment.		
4. Revenue		
Membership fees	238 812	276 667
Intsimbi secretarial fees	481 499	-
Adjustment to prior year membership fees	(418 286)	-
	302 025	276 667
5. Cost of sales		
NTIP administration fee	-	193 667
6. Other income		
Sponsorship recoveries	31 000	-
Recovery of expenses	1 779	-
	32 779	-
7. Cash used in operations		
Profit (loss) before taxation	(623 384)	55 273
Adjustments for:		
Interest received - investment	(14)	-
Finance costs	679	-
Changes in working capital:		
Trade and other receivables	347 208	(77 215)
Trade and other payables	66 388	20 693
	(209 123)	(1 249)

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Notes to the Separate Financial Statements

Figures in Rand 2019 2018

8. Related parties

Relationships

Subsidiaries	National Technologies Implementation Platform Proprietary Limited
Common directorship	Western Cape Tooling Initiative NPC Intsimbi Future Production Technologies Initiative NPC Ngena Mouldnet Proprietary Limited R G C Engineering Proprietary Limited Tooling Industry Consulting Proprietary Limited

Loan accounts - Owing to related parties

National Technologies Implementation Platform Proprietary Limited	372 820	6 000
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Amounts included in trade receivable (trade payables) regarding related parties

National Technologies Implementation Platform Proprietary Limited	-	439 865
Western Cape Tooling Initiative NPC	(20 693)	-
Western Cape Tooling Initiative NPC	25 130	-
R G C Engineering Proprietary Limited	(975)	-
Tooling Industry Consulting Proprietary Limited	3 500	-

Net administration fees received from related party

National Technologies Implementation Platform Proprietary Limited	-	83 000
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Related party transactions

Sales to related parties

National Technologies Implementation Platform Proprietary Limited	1 230	-
Intsimbi Future Production Technologies Initiative NPC	481 499	-

Membership fees to related parties

Ngena Mouldnet Proprietary Limited	3 500	-
R G C Engineering Proprietary Limited	16 500	-
Tooling Industry Consulting Proprietary Limited	3 500	-

9. Directors' emoluments

Executive

2019

	Emoluments	Total
JN Mc Ewan	534 704	534 704

10. Tax

No provision has been made for current tax as the company is in the process of applying for the tax exempt status and the directors believe that the application will be successful.

11. Consolidated annual financial statements

These financial statements comprise the separate financial statements of the company. Consolidated annual financial statements, including the subsidiary, National Technologies Implementation Platform Proprietary Limited (NTIP), have been prepared separately and approved by the directors.

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Notes to the Separate Financial Statements

12. Company information

The company is domiciled in the Republic of South Africa and is incorporated as a limited liability company as defined in the Companies Act of South Africa.

Business address:
1st Floor Taaibos Building
Tuinhof Office Park
265 West Avenue
Centurion
2090

The company is engaged in the promotion of tooling and other production technologies and operates principally in South Africa.

Production Technologies Association of South Africa NPC

(Registration number 2006/007417/08)

Separate Financial Statements for the year ended 31 March 2019

Detailed Statement of Profit or Loss

Figures in Rand	Note(s)	2019	2015
Revenue			
Membership fees		238 812	276 667
Intsimbi secretarial fees		481 499	-
Adjustment to prior year membership fees		(418 286)	-
	4	302 025	276 667
Cost of sales			
	5	-	(193 667)
Gross profit		302 025	83 000
Other income			
Sponsorship recoveries		31 000	-
Recovery of expenses		1 779	-
Interest received		14	-
		32 793	-
Operating expenses			
Accounting fees		(68 784)	-
Advertising		(9 288)	-
Bad debts		-	(5 808)
Bank charges		(4 047)	(1 226)
Consulting and professional fees		(3 000)	(20 693)
Employee costs		(655 194)	-
Entertainment		(23 147)	-
IT expenses		(82 023)	-
Insurance		(1 189)	-
Loan repayments		(33 703)	-
Other expenses		(143)	-
Printing and stationery		(10 589)	-
Repairs and maintenance		(242)	-
Staff welfare		(817)	-
Telephone and fax		(4 888)	-
Travel - local		(60 472)	-
		(957 526)	(27 727)
Operating (loss) profit		(622 708)	55 273
Finance costs		(679)	-
Loss for the year		(623 387)	55 273