

**PRODUCTION TECHNOLOGIES ASSOCIATION OF SOUTH AFRICA NPC**

**(REGISTRATION NUMBER 2006/007417/08)**

**SEPARATE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**Production Technologies Association of South Africa NPC**  
**(Registration number: 2006/007417/08)**  
**Financial Statements for the year ended 31 March 2020**

**CONTENTS**

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

	<b>PAGE</b>
Directors' Report	2 - 3
Independent Auditor's Report	4 - 6
Statement of Financial Position	7
Statement of Income and Retained Earnings	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Financial Statements	12 - 14
The following supplementary information does not form part of the financial statements	
Detailed Income Statement	15
<b>Level of assurance</b>	

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

**Preparer**

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

**Published**

Same date as audit report date.

**Production Technologies Association of South Africa NPC**  
**(Registration number: 2006/007417/08)**  
**Financial Statements for the year ended 31 March 2020**

**DIRECTORS' REPORT**

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The directors have pleasure in submitting their report on the separate annual financial statements of Production Technologies Association of South Africa NPC for the year ended 31 March 2020.

**1. INCORPORATION**

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

**2. NATURE OF BUSINESS**

Production Technologies Association of South Africa NPC was incorporated and operates in South Africa.

The company is engaged in the promotion and advancement of tooling.

There have been no material changes to the nature of the company's business from the prior year.

**3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES**

The separate annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these separate financial statements.

**4. DIRECTORS**

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

<b>Name</b>	<b>Changes</b>	<b>Designation</b>
A A Grech-Cumbo		
J N McEwan	Resigned (CIPC registration in progress)	Retained as CEO
L D C Van Dyk		
J P Venter	Resigned (CIPC registration in progress)	
R Williamson		
C N Phillips		
E Coetzee	Appointed (CIPC registration in progress)	Chairman

**5. 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.

**6. GOING CONCERN**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the separate financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**7. AUDITORS**

RSM South Africa Inc. continued in office as auditors for the company for 2020.

Production Technologies Association of South Africa NPC  
(Registration number: 2006/007417/08)  
Financial Statements for the year ended 31 March 2020

**DIRECTORS' REPORT**

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**8. APPROVAL**

The separate annual financial statements set out on pages 7 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

7th August 2020

\_\_\_\_\_  
Date



\_\_\_\_\_  
Authorised Director

12th August 2020

\_\_\_\_\_  
Date



**RSM South Africa Inc.**  
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**INDEPENDENT AUDITOR'S REPORT**

**To the shareholder of Production Technologies Association of South Africa NPC**

*Opinion*

We have audited the separate financial statements of Production Technologies Association of South Africa NPC (the company) set out on pages 7 to 14, which comprise the statement of financial position as at 31 March 2020, and the statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the separate financial statements, including 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 2020, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the separate financial statements section of our report. We are independent of the company in accordance with the 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 separate financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes 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.

*Other information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "Production Technologies Association of South Africa NPC separate financial statements for the year ended 31 March 2020", which includes the directors' report as required by the Companies Act of South Africa and the detailed income statement, which we obtained prior to the date of this report. The 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.

**THE POWER OF BEING UNDERSTOOD  
 AUDIT | TAX | CONSULTING**

Directors: F. Benge, B.Com (Hons), CA(SA), CDB (Inst. B.Ack. CA(SA)), M.Com (Dip. Bus. B.Ack. CA(SA)), B. Ertter, B.Acc. (H. Dip. Tax Law, CA(SA)), H. C. Emswamy, B.Fin. Mgmt. Eng. CA(SA), M. Greyson, B.Com (Hons), CA(SA), B. Erasmus, B.Com (Hons), M.Com (FCCA, CA(SA)), N. Gough, B.Com (Hons), PG Cert. Adv. Tax (CA(SA)), J. Joubert, B.Com, B.Acc. (H. Dip. Tax Law, H. Dip. Tax Law, CA(SA)), K. Pitchay, B.Com (Hons), CA(SA), G. Rana, B.Com (CA(SA) & Dip. Bus. Mgmt. (CA(SA))), R. Rowood, B.Com (Hons), CA(SA), P. Satchwell, B.Acc. (Hons), H. Dip. Tax Law, CA(SA), M. Steynkamp, B.Com (Hons), CA(SA), A. Swain, B.Com (Hons), CA(SA)

RSM South Africa Inc. Registration No. 2016/324649/21. Registered in terms of the RSM network and trades as RSM SA. Member of the RSM network. Each member of the RSM network is a separate legal entity, accounting and compliance responsibilities are the responsibility of the RSM network in each jurisdiction. The RSM network is not a separate legal entity.

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 on the other information obtained prior to the date of this auditor's report, 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 financial statements*

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with the 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.

#### *Auditor's responsibilities for the audit of the 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 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)**  
**Financial Statements for the year ended 31 March 2020**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

Figures in Rand	Note	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade and other receivables	2	19 194	92 939
Cash and cash equivalents	3	213 556	164 243
		<b>232 750</b>	<b>257 182</b>
<b>Total Assets</b>		<b>232 750</b>	<b>257 182</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Retained income		(26 110)	(208 722)
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	252 860	87 084
Loans from group companies	5	6 000	378 820
		<b>258 860</b>	<b>465 904</b>
<b>Total Equity and Liabilities</b>		<b>232 750</b>	<b>257 182</b>



**Production Technologies Association of South Africa NPC**  
**(Registration number: 2006/007417/08)**  
**Financial Statements for the year ended 31 March 2020**

**STATEMENT OF INCOME AND RETAINED EARNINGS**

<b>Figures in Rand</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Revenue	6	1 620 846	302 025
Other income	7	59 000	32 779
Operating expenses		(1 494 829)	(957 526)
<b>Operating profit (loss)</b>	<b>8</b>	<b>185 017</b>	<b>(622 722)</b>
Investment revenue		36	14
Finance costs		(2 441)	(679)
<b>Profit (loss) for the year</b>		<b>182 612</b>	<b>(623 387)</b>
Opening balance		(208 722)	414 665
<b>Retained income at the end of the year</b>		<b>(26 110)</b>	<b>(208 722)</b>

**Production Technologies Association of South Africa NPC**  
**(Registration number: 2006/007417/08)**  
**Financial Statements for the year ended 31 March 2020**

**STATEMENT OF CASH FLOWS**

Figures in Rand	Note	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		1 669 462	199 476
Cash paid to suppliers and employees		(1 244 924)	(408 599)
Cash generated from (used in) operations	9	424 538	(209 123)
Interest income		36	14
Finance costs		(2 441)	(679)
<b>Net cash from operating activities</b>		<b>422 133</b>	<b>(209 788)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans from group companies		-	372 820
Repayment of loans from group companies		(372 820)	-
<b>Net cash from financing activities</b>		<b>(372 820)</b>	<b>372 820</b>
<b>Total cash movement for the year</b>		<b>49 313</b>	<b>163 032</b>
Cash at the beginning of the year		164 243	1 211
<b>Total cash at end of the year</b>	<b>3</b>	<b>213 556</b>	<b>164 243</b>

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

Production Technologies Association of South Africa NPC is a non-profit company incorporated and domiciled in South Africa.

The company is engaged in the promotion of tooling and other production technologies.

The company's business address is 1st Floor Taaibos Building, Tuinhof Office Park, 265 West Avenue, Centurion, 2090.

### 1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The separate financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act of South Africa. 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 Rand.

These accounting policies are consistent with those of the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the separate annual financial statements.

##### Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

#### 1.2 Financial instruments

##### Initial measurement

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.

**ACCOUNTING POLICIES**

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**1.2 Financial instruments (continued)**

**Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

**1.3 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.

**1.4 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)**  
**Financial Statements for the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand

	2020	2019
<b>2. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	19 194	67 810
Amounts due from related parties	-	25 129
	<b>19 194</b>	<b>92 939</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Bank balances	213 556	164 243
<b>4. TRADE AND OTHER PAYABLES</b>		
Trade payables	40 036	30 128
Amounts received in advance	125 000	-
Accrued leave pay	64 953	33 506
Other accrued expenses	22 871	23 450
	<b>252 860</b>	<b>87 084</b>
<b>5. LOANS FROM GROUP COMPANIES</b>		
<b>Subsidiaries</b>		
<b>National Technologies Implementation Platform Proprietary Limited</b>	(6 000)	(378 820)
The loan is unsecured, interest free and is repayable on demand.		
<b>6. REVENUE</b>		
Membership fees	271 455	14 036
Intsimbi secretarial fees	480 000	63 213
Other revenue	869 391	-
Grants	-	224 776
	<b>1 620 846</b>	<b>302 025</b>
<b>7. OTHER INCOME</b>		
Recoveries	59 000	32 779
<b>8. OPERATING PROFIT (LOSS)</b>		
Operating profit (loss) for the year is stated after accounting for the following:		
Employee costs	1 097 884	655 194

**Production Technologies Association of South Africa NPC**

(Registration number: 2006/007417/08)

Financial Statements for the year ended 31 March 2020

**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2020	2019
<b>9. CASH GENERATED FROM (USED IN) OPERATIONS</b>		
Profit (loss) before taxation	182 612	(623 387)
<b>Adjustments for:</b>		
Interest received	(36)	(14)
Finance costs	2 441	679
<b>Changes in working capital:</b>		
Trade and other receivables	73 745	347 209
Trade and other payables	165 776	66 390
	<b>424 538</b>	<b>(209 123)</b>
<b>10. RELATED PARTIES</b>		
<b>Relationships</b>		
Subsidiary	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	
Directors	Refer to the directors report	
<b>Related party balances and transactions</b>		
<b>Related party balances</b>		
<b>Loan accounts - owing to related parties</b>		
National Technologies Implementation Platform Proprietary Limited	6 000	372 820
<b>Amounts included in trade receivables (trade payables) regarding related parties</b>		
Western Cape Tooling Initiative NPC	(20 693)	(20 693)
Western Cape Tooling Initiative NPC	-	25 130
Tooling Industry Consulting Proprietary Limited	-	3 500
<b>Related party transactions</b>		
<b>Income received from related parties</b>		
National Technologies Implementation Platform Proprietary Limited	869 391	1 230
Intsimbi Future Production Technologies Initiative NPC	480 000	481 499
<b>Membership fees received from related parties</b>		
Ngena Mouldnet Proprietary Limited	3 500	3 500
R G C Engineering Proprietary Limited	14 000	16 500
Tooling Industry Consulting Proprietary Limited	3 500	3 500

**Production Technologies Association of South Africa NPC**  
**(Registration number: 2006/007417/08)**  
**Financial Statements for the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

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**11. DIRECTORS' REMUNERATION**

**Executive**

**2020**

	<b>Emoluments</b>	<b>Total</b>
J N McEwan	850 185	850 185

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**2019**

	<b>Emoluments</b>	<b>Total</b>
J N McEwan	534 704	534 704

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**12. 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)**  
**Financial Statements for the year ended 31 March 2020**

**DETAILED INCOME STATEMENT**

Figures in Rand	Note	2020	2019
<b>REVENUE</b>			
Membership fees		271 455	14 036
Intsimbi secretarial fees		480 000	63 213
Other revenue		869 391	-
Grants		-	224 776
	6	<b>1 620 846</b>	<b>302 025</b>
<b>OTHER INCOME</b>			
Recoveries		59 000	32 779
Interest received		36	14
		<b>59 036</b>	<b>32 793</b>
<b>OPERATING EXPENSES</b>			
Accounting fees		(3 504)	(68 784)
Advertising		(47 277)	(9 288)
Bad debts		(125 313)	-
Bank charges		(8 559)	(4 047)
Consulting and professional fees		-	(3 000)
Employee costs		(1 097 884)	(655 194)
Entertainment		(3 701)	(23 147)
IT expenses		(61 274)	(82 023)
Insurance		(3 675)	(1 189)
Loan repayments		-	(33 703)
Other expenses		-	(143)
Postage		(345)	-
Printing and stationery		(4 032)	(10 589)
Repairs and maintenance		-	(242)
Sponsorships		(61 834)	-
Staff welfare		(8 667)	(817)
Telephone and fax		-	(4 888)
Travel - local		(68 764)	(60 472)
		<b>(1 494 829)</b>	<b>(957 526)</b>
<b>Operating profit (loss)</b>	8	<b>185 053</b>	<b>(622 708)</b>
Finance costs		(2 441)	(679)
<b>Profit (loss) for the year</b>		<b>182 612</b>	<b>(623 387)</b>