PTSA MANAGEMENT SERVICES PROPRIETARY LIMITED
FORMERLY NATIONAL TECHNOLOGIES IMPLEMENTATION PLATFORM PROPRIETARY LIMITED
(REGISTRATION NUMBER 2005/023407/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HLB BARNETT CHOWN INC.
REGISTERED AUDITORS

Registered Auditors
Practice No 902230 Reg No. 2006/011332/21

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

Level of assurance

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

Preparer

MP Lock Professional Accountant (SA), a manager of HLB Barnett Chown Porprietary Limited.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa, 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 company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, 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 directors have reviewed the company’s cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements. The annual financial statements have been audited by the company's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on page 8 to 28, which have been prepared on the going concern basis, were approved by the board of directors on 15 December 2022 and were signed on its behalf by:

R Williamson

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of PTSA Management Services Proprietary Limited for the year ended 31 March 2022.

1. Nature of business

PTSA Management Services Proprietary Limited was incorporated in South Africa with interests in the promotion and advancement of tooling and future production technologies industry. The company operates in South Africa.

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

2. Review of financial results and activities

The 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 annual financial statements.

3. 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.

4. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual 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.

5. Share capital

There have been no changes to the authorised or issued share capital during the year under review (2021: None).

6. Dividends

The directors did not recommend the declaration of a dividend for the year (2021: Rnil).

7. Directors

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

Directors	Changes
AA Grech-Cumbo	
B Davies	Resigned 08 September 2022
R Williamson	

DIRECTORS' REPORT

There have been no changes to the directorate for the year under review.

8. Directors' interests in contracts

During the financial year, contracts were entered into which directors or officers of the company had an interest and were documented in the company's register.

9. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2022 the company's investment in property, plant and equipment amounted to R97 479 (2021:R437 029), of which Rnil (2021: R25 401) was added in the current year through additions.

10. Holding company

The company's holding company is Production Technologies Association of South Africa NPC which holds 100% (2021: 100%) of the company's equity. Production Technologies Association of South Africa NPC is incorporated in South Africa.

11. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However all borrowings by the company are subject to board approval as required by the board delegation of authority.

12. Auditors

HLB Barnett Chown Incorporated continued in office as auditors for the company for 2022.

At the AGM, the shareholder will be requested to reappoint HLB Barnett Chown Incorporated as the independent external auditors of the company and to confirm Mrs DB Bezuidenhout as the designated lead audit partner for the 2023 financial year.

13. Secretary

The company had no secretary during the year.

14. Number of employees

The average number of employees during the year was 65 (2021: 41)

15. Registered and physical address

The registered and physical address of the company is:

Taaiboss Building
265 West Avenue
Centurion
0046

DIRECTORS' REPORT

16. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

17. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PTSA Management Services Proprietary Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of PTSA Management Services Proprietary Limited (the company) set out on pages 8 to 25, which comprise the statement of financial position as at 31 March 2022, 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 the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of PTSA Management Services Proprietary Limited as at 31 March 2022, 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 Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 3 to 5 and pages 26 to 28 respectively. The other information does not include the annual financial statements and our auditors' report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

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

In preparing the annual 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.

HLB BARNETT CHOWN INC.
REGISTERED AUDITORS

INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 annual 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 annual 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 auditors' report to the related disclosures in the annual 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual 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.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that HLB Barnett Chown Incorporated has been the auditor of PTSA Management Services Proprietary Limited for 1 year.

HLB Barnett Chown Incorporated

Per: DB Bezuidenhout
Capacity: Engagement Partner **Bedfordview**
Chartered Accountants (SA)
Registered Auditors

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note(s)	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	97 479	437 029
Deferred tax	3	1 051 833	1 037 375
		1 149 312	**1 474 404**
Current Assets			
Loan to group company	4	132 457	100 000
Trade and other receivables	5	10 168 874	8 074 323
South African Revenue Service	10	36 434	-
Cash and cash equivalents	6	7 265 605	6 807 476
		17 603 370	**14 981 799**
Total Assets		**18 752 682**	**16 456 203**
Equity and Liabilities			
Equity			
Share capital	7	100	100
Retained income		1 022 490	1 621 608
		1 022 590	**1 621 708**
Liabilities			
Current Liabilities			
Trade and other payables	8	3 938 176	3 555 159
Loan from group company	4	-	69 571
Deferred income	9	12 205 484	9 293 133
South African Revenue Service	10	-	241 716
Provisions	11	1 586 432	1 674 916
		17 730 092	**14 834 495**
Total Equity and Liabilities		**18 752 682**	**16 456 203**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2022 R	2021 R
Revenue	12	68 558 139	72 852 861
Other income	13	781 499	106 597
Operating expenses	14	(70 013 457)	(72 466 889)
Operating (loss) profit		**(673 819)**	**492 569**
Investment revenue	18	69 457	109 261
Finance costs	19	(9 214)	-
(Loss) profit before taxation		**(613 576)**	**601 830**
Taxation	20	14 458	(205 135)
(Loss) profit for the year		**(599 118)**	**396 695**
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		**(599 118)**	**396 695**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained income	Total equity
	R	R	R
Balance at 01 April 2020	**100**	**1 224 913**	**1 225 013**
Profit for the year	-	396 695	396 695
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**396 695**	**396 695**
Balance at 01 April 2021	**100**	**1 621 608**	**1 621 708**
Loss for the year	-	(599 118)	(599 118)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(599 118)**	**(599 118)**
Balance at 31 March 2022	**100**	**1 022 490**	**1 022 590**

STATEMENT OF CASH FLOWS

	Note(s)	2022 R	2021 R
Cash flows from operating activities			
Cash generated from (used in) operations	22	867 505	(2 592 916)
Investment revenue		69 457	109 261
Finance costs		(9 214)	-
Tax paid	21	(278 150)	(79 477)
Net cash from operating activities		**649 598**	**(2 563 132)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(25 401)
Proceeds on disposal of property, plant and equipment		10 559	-
(Advance)/repayment of related party loans		(202 028)	69 571
Net cash from investing activities		**(191 469)**	**44 170**
Total cash movement for the year		**458 129**	**(2 518 962)**
Cash at the beginning of the year		6 807 476	9 326 438
Total cash at end of the year	6	**7 265 605**	**6 807 476**

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual 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 annual 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.

These accounting policies are consistent with 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 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 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

1.2 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight line	3 years
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 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. They 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.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.3 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.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 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.

1.5 Leases (continued)

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.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.8 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.

1.9 Provisions and contingencies

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

1.9 Provisions and contingencies (continued)

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.10 Revenue

Revenue compromises of cost recoveries from a related party for maintaining and managing the promotion of tooling and future production technologies.

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

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

	2022 R	2021 R

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Leasehold property	2 186 750	(2 170 116)	16 634	2 186 750	(2 039 008)	147 742
Furniture and fixtures	1 872 608	(1 813 707)	58 901	1 872 608	(1 653 919)	218 689
Office equipment	713 962	(710 278)	3 684	731 112	(722 032)	9 080
IT equipment	1 014 361	(996 101)	18 260	1 051 766	(990 248)	61 518
Computer software	16 349	(16 349)	-	16 349	(16 349)	-
Total	**5 804 030**	**(5 706 551)**	**97 479**	**5 858 585**	**(5 421 556)**	**437 029**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Closing balance
Leasehold property	147 742	(131 108)	16 634
Furniture and fixtures	218 689	(159 788)	58 901
Office equipment	9 080	(5 396)	3 684
IT equipment	61 518	(43 258)	18 260
	437 029	**(339 550)**	**97 479**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Leasehold property	294 541	-	(146 799)	147 742
Furniture and fixtures	461 641	-	(242 952)	218 689
Office equipment	10 103	6 520	(7 543)	9 080
IT equipment	87 237	18 881	(44 600)	61 518
	853 522	**25 401**	**(441 894)**	**437 029**

	2022 R	2021 R

3. Deferred tax

The major components of the deferred tax balance are as follows:

	2022 R	2021 R
Deferred tax asset		
Arising as a result of temporary differences on:		
Property, plant and equipment	607 632	570 922
Provisions	444 201	468 976
Total deferred tax asset	**1 051 833**	**1 039 898**
Deferred tax liability		
Arising as a result of temporary differences on:		
Prepayments	-	(2 523)
Deferred tax asset	1 051 833	1 039 898
Deferred tax liability	-	(2 523)
Total net deferred tax asset	**1 051 833**	**1 037 375**

Reconciliation of deferred tax asset/(liability)

	2022 R	2021 R
At beginning of year	1 037 375	998 744
Recognised in profit or loss:		
Originating temporary differences on property, plant and equipment	36 710	17 948
(Reversing)/originating temporary differences on provisions and accruals	(24 775)	23 206
Reversing/(originating) temporary difference on prepayments	2 523	(2 523)
At end of year	**1 051 833**	**1 037 375**

4. Loans to (from) group companies

Holding company

	2022 R	2021 R
Production Technologies Association of South Africa NPC The loan is unsecured and interest free (2021: interest free). The loan is repayable of demand, subject to 370 days notice.	132 457	(69 571)

Related party

	2022 R	2021 R
Mpumalanga Tooling Initiative NPC The loan is unsecured and interest free (2021: interest free). The loan is repayable on demand, subject to 370 days notice.	100 000	100 000
	100 000	100 000
Impairment of loans to fellow subsidiaries	(100 000)	-
	-	**100 000**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R

4. Loans to (from) group companies (continued)

Net loans to (from) group companies

	2022 R	2021 R
Current assets	132 457	100 000
Current liabilities	-	(69 571)
	132 457	**30 429**

5. Trade and other receivables

	2022 R	2021 R
Trade receivables	-	830 645
Amounts due from related parties	9 209 088	6 937 809
Prepayments	-	9 011
Deposits	104 987	296 858
Accrued income	854 799	-
	10 168 874	**8 074 323**

Trade and other receivables are unsecured and are receivable within a period of twelve months. The carrying amounts of trade and other receivables approximate their fair value.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022 R	2021 R
Bank balances	7 265 605	6 807 476

7. Share capital

	2022 R	2021 R
Authorised		
1,000 ordinary shares of R1 each	1 000	1 000
Issued		
100 ordinary shares at R1 each	100	100

8. Trade and other payables

	2022 R	2021 R
Trade payables	1 631 487	558 089
VAT	678 220	583 856
Accrued expense	1 628 469	2 413 214
	3 938 176	**3 555 159**

Trade and other payables are unsecured and are receivable within a period of twelve months. The carrying amounts of trade and other payables approximate their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R

9. Deferred income

Income received in advance	12 205 484	9 293 133

Deferred income relates to funds recevied in advance for activities which have been rescheduled.

10. Current tax receivable (payable)

Tax balance	36 434	(241 716)

11. Provisions

Reconciliation of provisions - 2022

	Opening balance	Reversed during the year	Closing balance
Provisions for leave pay	1 674 916	(88 484)	1 586 432

Reconciliation of provisions - 2021

	Opening balance	Additions	Closing balance
Provisions for leave pay	1 592 034	82 882	1 674 916

12. Revenue

Cost recovery in relation to providing education and upskilling the tooling industry	68 558 139	72 852 861

13. Other income

Profit on sale of assets and liabilities	10 559	-
Profit on exchange differences	-	106 597
Rental recevied	770 940	-
	781 499	**106 597**

14. Operating expenses

Operating expenses include the following expenses:

Operating lease charges		
Premises		
• Contractual amounts	10 431 196	5 370 337

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R

14. Operating expenses (continued)

Impairment on loans to group companies	100 000	-
Loss on exchange differences	85 051	-
Depreciation	339 550	441 894
Employee costs	42 059 639	33 582 555

15. Auditors' remuneration

Previous auditors fees	285 614	311 576

16. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

17. Employee cost

Employee costs		
Basic	42 059 639	33 499 673
Leave pay provision charge	-	82 882
	42 059 639	**33 582 555**

18. Investment revenue

Interest revenue		
Bank	69 457	109 261

19. Finance costs

South African Revenue Service	9 214	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R

20. Taxation

Major components of the tax (income) expense

Current taxation		
South African normal tax - year	-	230 300
South African normal tax - prior period (over) under provision	-	13 466
	-	**243 766**
Deferred taxation		
South African deferred tax - current year	(14 458)	(38 631)
	(14 458)	**205 135**

Reconciliation of the tax expense

Accounting (loss) profit	(613 576)	601 830
Tax at the applicable tax rate of 28% (2021: 28%)	(171 801)	168 512
Tax effect of adjustments on taxable income		
Exempt income		
Interest paid to the South African Revenue Service	2 580	-
Penalties paid to the South African Revenue Service	5 598	-
	8 178	**-**
Other		
Prior period (over) under provisions in current tax	-	13 466
Prior period (over) under provisions in deferred tax	-	23 157
Deferred tax asset not recognised on tax losses	114 724	-
	114 724	**36 623**
	(48 899)	**205 135**

No provision has been made for South African normal taxation as the comoany has no taxable income. The estimated tax loss avaliable for set off against future taxable income is R409,727 (2021: Rnil).

21. Tax paid

Balance at beginning of the year	(241 716)	(77 427)
Current tax for the year recognised in loss	-	(243 766)
Balance at end of the year	(36 434)	241 716
	(278 150)	**(79 477)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R

22. Cash generated from (used in) operations

(Loss) profit before taxation	(613 576)	601 830
Adjustments for:		
Depreciation	339 550	441 894
Proceeds on disposal on sale of assets	(10 559)	-
Profit on foreign exchange	-	(106 597)
Investment revenue	(69 457)	(109 261)
Finance costs	9 214	-
Impairment loss	100 000	-
Movements in provisions	(88 484)	82 882
Changes in working capital:		
Trade and other receivables	(2 094 551)	(3 250 140)
Trade and other payables	383 017	(513 318)
Deferred income	2 912 351	259 794
	867 505	**(2 592 916)**

23. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	11 510 700	5 502 270
- in second to fifth year inclusive	17 558 155	12 360 298
	29 068 855	**17 862 568**

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of five years. No contingent rent is payable.

Operating leases – as lessor (income)

Minimum lease payments due		
- within one year	154 529	715 410

Certain of the company's floor space is held to generate rental income. Lease agreements are non-cancellable and have terms from 1 to 2 years. There are no contingent rents receivable.

24. Contingencies

The entity has rental guarantees in favour of Kuper Legh Property Management Proprietary Limited and Eris Property Group Proprietary Limited to the value of R700,000 and R342,810 respectivey, which is held in a FNB bank account.

	2022 R	2021 R

25. Related parties

Relationships

Holding company	Production Technologies Association of South Africa NPC
	Intsimbi Future Production Technologies Initiative NPC
	RGC Engineering Proprietary Limited
	Cinley Marketing Proprietary Limited
	Tooling Industry Consulting Proprietary Limited
	Ngena Mouldnet Proprietary Limited
	Western Cape Tooling Initiative NPC
	Mpumalanga Tooling Initiative NPC
	Mtarazi Business Advisory Services Proprietary Limited
Directors	AA Grech-Cumbo
	BJ Davis
	R Williamson

Related party balances and transactions

Related party balances

	2022 R	2021 R
Loan accounts - Owing (to) by related parties		
Mpumalanga Tooling Inititative NPC	100 000	100 000
Mpumalanga Tooling Inititative NPC	(100 000)	-
Production Technologies Association of South Africa NPC	132 457	(69 571)
Amounts included in trade receivable (trade payable) regarding related parties		
Cinley Marketing Proprietary Limited	-	(3 249)
Intsimbi Future Production Technologies Initiative NPC	9 142 008	6 937 809
Western Cape Tooling Initiative NPC	-	479 995
Eastern Cape Tooling Initiative NPC	-	324 200

Related party transactions

	2022 R	2021 R
Impairment of loan		
Mpumalanga Tooling Inititative NPC	100 000	-
Project fees paid to (received from) related parties		
Intsimbi Future Production Technologies Initiative NPC	(66 675 813)	(70 904 180)

	2022 R	2021 R

26. Comparative figures

Certain comparative figures have been reclassified.

Statement of Financial Position		
Trade and other payables	-	(1 674 916)
Provisions	-	1 674 916

27. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual 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.

28. 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.

DETAILED INCOME STATEMENT

	Note(s)	2022 R	2021 R
Revenue			
Rendering of services		68 558 139	72 852 861
Other income			
Rental received		770 940	-
Gains on disposal of assets		10 559	-
Profit on exchange differences		-	106 597
		781 499	**106 597**
Expenses (Refer to page 27)		**(70 013 457)**	**(72 466 889)**
Operating (loss) profit		**(673 819)**	**492 569**
Investment income	18	69 457	109 261
Finance costs	19	(9 214)	-
		60 243	**109 261**
(Loss) profit before taxation		**(613 576)**	**601 830**
Taxation	20	14 458	(205 135)
(Loss) profit for the year		**(599 118)**	**396 695**

DETAILED INCOME STATEMENT

	Note(s)	2022 R	2021 R
Operating expenses			
Administration and management fees		18 868	-
Advertising		238 894	-
Allowances		-	7 796 630
Auditors remuneration	15	285 614	311 576
Bad debts		479 995	-
Bank charges		49 203	67 998
Capex expenditure		-	7 958 008
Computer expenses		198 992	-
Consulting fees		3 903 122	181
Consumables		236 070	-
Curriculum materials		-	519 278
Depreciation, amortisation and impairments		439 550	441 894
Employee costs		42 059 639	33 582 555
Enterprise development costs		-	467 303
Entertainment		31 215	49 352
Fines and penalties		19 995	-
General expenses		209 251	1 387 388
IT expenses		694 037	-
Insurance		46 178	43 120
Learners allowances		-	2 059
Lease rentals on operating lease		10 431 196	5 370 337
Legal expenses		166 525	1 495 558
Loss on exchange differences		85 051	-
Printing and stationery		252 733	-
Professional services		-	12 945 258
Protective clothing		403 214	-
Repairs and maintenance		2 561 355	-
Royalties and license fees		151 836	-
Security		28 708	-
Staff welfare		330 763	-
Training		3 060 007	-
Transport and freight		814 254	-
Travel - local		888 799	28 394
Utilities		1 928 393	-
		70 013 457	**72 466 889**

TAX COMPUTATION

	2022 R
Net loss per income statement	(613 576)
Permanent differences (Non-deductible/Non taxable items)	
Interest paid to South African Revenue Service	9 214
Penalties paid to South African Revenue Service	19 995
	29 209
Temporary differences	
Depreciation on leasehold improvements	131 108
Prepayments - 2021	9 011
Provision for leave pay - 2022	1 586 432
Provision for leave pay - 2021	(1 674 916)
Deferred revenue - 2022	12 205 484
Section 24C allowance - 2022	(12 205 484)
Deferred revenue - 2021	(9 293 133)
Section 24C allowance - 2021	9 293 133
	51 635
Imputed net income from CFC	-
Assessed loss brought forward	-
Assessed loss for 2022 - carried forward	**(532 732)**
Tax thereon @ 28% in the Rand	**-**
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	241 716
Interest paid	9 214
Penalty	19 995
Amount refunded/(paid) in respect of prior year	(94 093)
Amount owing/(prepaid) in respect of prior year	**176 832**
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	-
1st provisional payment	-
2nd provisional payment	(213 266)
Other payments	-
Amount owing/(prepaid) at the end of year	**(36 434)**

The supplementary information presented does not form part of the annual financial statements and is unaudited