

**SOUTH AFRICAN INSTITUTE OF PHYSICS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

These annual financial statements were prepared by:
GJ de Beer
CA(SA)

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

Issued 19 June 2020

SOUTH AFRICAN INSTITUTE OF PHYSICS
Annual Financial Statements for the year ended 31 March 2020
General Information

Country of incorporation and domicile	South Africa
Registered office	CSIR Main Campus Building 42 CSIR North Gate Entrance Meiring Naude Road Brummeria
Business address	CSIR Main Campus Building 42 CSIR North Gate Entrance Meiring Naude Road Brummeria
Postal address	Postnet Suite 165 Private Bag X025 Lynnwood Ridge 0040
Reviewers	Mazars Registered Auditor
Level of assurance	These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: GJ de Beer CA(SA)
Issued	19 June 2020

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

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

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Annual Financial Statements for the year ended 31 March 2020
Treasurers' Responsibilities and Approval

The treasurer is required by the Companies Act of South Africa, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements fairly present the state of affairs of the institute as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities, the Companies Act of South Africa and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the Companies Act of South Africa and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The treasurer is 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 treasurer has reviewed the institute's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, He is satisfied that the institute has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the institute's annual financial statements. The annual financial statements have been examined by the institute's independent reviewer and their report is presented on page 4.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the treasurer and the president on 19 June 2020 and were signed on its behalf by:

President: SAIP

Honorary Treasurer: SAIP

Independent Reviewer's Report

To the trustee of South African Institute of Physics

We have reviewed the annual financial statements of South African Institute of Physics, set out on pages 6 to 10, which comprise the statement of financial position as at 31 March 2020 and the statement of profit or loss and other comprehensive income and statement of changes in equity for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

Treasurers' Responsibility for the Annual Financial Statements

The institute's treasurers is responsible for the preparation of the 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 treasurers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Independent Reviewer's Report

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of South African Institute of Physics 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.

Other Matter

We draw your attention to the fact that supplementary information set out on 11 to 13 page does not form part of the annual financial statements and is presented as additional information. We have not reviewed this information and accordingly do not express a conclusion thereon.

Mazars
JJ Eloff
Registered Auditor
19 June 2020
Pretoria

SOUTH AFRICAN INSTITUTE OF PHYSICS
Annual Financial Statements for the year ended 31 March 2020
Statement of Financial Position as at 31 March 2020

Figures in Rand	2020	2019
Assets		
Current Assets		
Trade and other receivables	689,884	411,710
Cash and cash equivalents	5,833,916	6,218,146
	6,523,800	6,629,856
Total Assets	6,523,800	6,629,856
Equity and Liabilities		
Equity		
Reserves	3,169,761	3,802,221
Retained income	3,259,326	2,703,984
	6,429,087	6,506,205
Liabilities		
Current Liabilities		
Trade and other payables	94,713	123,651
Total Equity and Liabilities	6,523,800	6,629,856

SOUTH AFRICAN INSTITUTE OF PHYSICS
Annual Financial Statements for the year ended 31 March 2020
Statement of Comprehensive Income

Figures in Rand		2020	2019
Membership fees	5	699,798	632,748
Other income			
Other income		9,600	17,993
Sponsorship and student prizes		42,627	18,500
Interest received		319,118	393,231
		371,345	429,724
Operating expenses			
Affiliation fees		-	980
Bad debts		177,054	174,624
Bank charges		15,304	13,569
Honoraria		35,205	21,585
Other expenses		119,774	143,775
Prizes		72,258	57,000
Reviewers' remuneration		31,730	23,500
Travel - local		64,476	36,198
		515,801	471,231
Profit for the year		555,342	591,241
Other comprehensive income		-	-
Total comprehensive income for the year		555,342	591,241

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Annual Financial Statements for the year ended 31 March 2020
Statement of Changes in Equity

Figures in Rand	Other NDR	Retained income	Total equity
Balance at 01 April 2018	4,740,379	2,112,743	6,853,122
Profit for the year	-	591,241	591,241
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	591,241	591,241
Transfer between reserves	125,446	-	125,446
Net income	(1,063,604)	-	(1,063,604)
Total changes	(938,158)	-	(938,158)
Balance at 01 April 2019	3,802,221	2,703,984	6,506,205
Profit for the year	-	555,342	555,342
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	555,342	555,342
Transfer between reserves	1,301,742	-	1,301,742
Net income	(1,934,202)	-	(1,934,202)
Total changes	(632,460)	-	(632,460)
Balance at 31 March 2020	3,169,761	3,259,326	6,429,087

The amount of R1,301,742 in other non distributable reserves relates to contributions made to projects that was not allocated to projects prior to 1 April 2019. R0 was allocated in the current year. The remaining balance of R1,301,742 is yet to be allocated.

SOUTH AFRICAN INSTITUTE OF PHYSICS
Annual Financial Statements for the year ended 31 March 2020
Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee, 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 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, 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.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the entity has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when they are extinguished, i.e. the contract is discharged, cancelled or expires.

1.2 Tax

The institute is exempt from taxation.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, excluding sales taxes and discounts.

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

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
2. Trade and other receivables		
Trade receivables	689,884	411,710
3. Cash and cash equivalents		
Cash on hand	4,626	1,357
Bank balances	451,750	1,425,412
Short-term deposits	5,377,540	4,791,377
	5,833,916	6,218,146
4. Trade and other payables		
Trade payables	27,030	23,500
VAT	45,530	78,631
Other payables	22,153	21,520
	94,713	123,651
5. Revenue		
Membership fees	699,798	632,748
6. Other income		
Other income	9,600	17,993
Sponsorship and student prizes	42,627	18,500
	52,227	36,493
7. Investment revenue		
Interest revenue		
Bank	319,118	393,231
8. Taxation		
No provision has been made for 2020 as the institute is exempt from taxation (PBO exemption number 930009759)		
9. Reviewer remuneration		
Fees	31,730	23,500

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Trust Funds

Figures in Rand	2020	2019
1. African Light Source 2015 Conference		
Opening balance	7,568	47,519
Contributions	15,101	108,479
Costs	(121,779)	(148,430)
	<u>(99,110)</u>	<u>7,568</u>
2. African School of Physics		
Opening balance	1,664,782	1,861,316
Contribution	300,000	1,105,538
Costs	(258,705)	(1,302,072)
	<u>1,706,077</u>	<u>1,664,782</u>
3. SAIP 2019		
Opening balance	(440,447)	-
Contributions	1,373,169	-
Costs	(943,098)	(440,447)
	<u>(10,376)</u>	<u>(440,447)</u>
4. Biophysics project		
Opening balance	120,274	192,307
Costs	(52,481)	(72,033)
	<u>67,793</u>	<u>120,274</u>
5. ICPE 2018		
Opening balance	22,671	-
Contributions	-	344,775
Costs	-	(322,104)
	<u>22,671</u>	<u>22,671</u>
6. DPCMM		
Opening balance	47,195	43,875
Contributions	19,659	3,452
Costs	(16,000)	(132)
	<u>50,854</u>	<u>47,195</u>

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Trust Funds

7. Entrepreneurs Workshop

Opening balance	109,078	111,350
Contributions	-	45,000
Costs	(10,048)	(47,272)
	99,030	109,078

8. Marketing & Outreach

Opening balance	57,313	112,922
Contributions	325,000	-
Costs	(336,333)	(55,609)
	45,980	57,313

9. SACPM

Opening balance	626,809	586,674
Contributions	332,393	562,882
Costs	(575,183)	(522,747)
	384,019	626,809

10. SAIP 2017

Opening balance	116,248	130,248
Costs	(116,248)	(14,000)
	-	116,248

11. Physics Graduates Database

Opening balance	21,888	41,888
Costs	-	(20,000)
	21,888	21,888

12. SAIP 2018

Opening balance	160,226	(161,636)
Contribution	636	353,977
Costs	(13,000)	(32,115)
	147,862	160,226

13. SOFIANOS

Opening balance	5,495	5,495
Costs	(5,495)	-
	-	5,495

14. S339 SYMPOSIUM

Opening balance	-	51,406
Costs	-	(51,406)
	-	-

15. National Science Week

Opening balance	17,919	18,382
Contributions	79,848	144,480
Costs	(88,069)	(144,943)
	9,698	17,919

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Trust Funds

16. SAIP 2016		
Opening balance	96,200	96,200
Costs	(96,200)	-
	-	96,200
17. SAIP Conference Reserve Fund		
Opening balance	149,063	149,063
Contributions	116,248	-
	265,311	149,063
18. SAIP Office DST Grant		
Opening balance	(603,960)	(337,332)
Contributions	2,600,000	1,500,000
Costs	(1,918,055)	(1,766,628)
	77,985	(603,960)
19. SAPHO		
Opening balance	39,680	95,900
Contributions	18,547	5,100
Costs	(40,300)	(61,320)
	17,927	39,680
20. Student Chapter Project		
Opening balance	9,123	9,123
	9,123	9,123
21. SAIP Office Project		
Opening balance	1,330,977	1,223,594
Contribution	108,222	110,623
Cost	(1,100,000)	(3,240)
	339,199	1,330,977
22. Undergraduate Degree Project		
Opening balance	134,505	188,085
Costs	-	(53,580)
	134,505	134,505
23. WIPISA		
Opening balance	111,941	133,136
Costs	(33,858)	(21,195)
	78,083	111,941

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Trust Funds

24. Teacher Development Project

Opening balance	(31,572)	15,421
Contributions	103,186	30,000
Costs	(91,798)	(76,993)
	<u>(20,184)</u>	<u>(31,572)</u>

25. Radiation

Contributions	15,000	-
	<u>15,000</u>	<u>-</u>

26. COSFLOW 2020

Contributions	359,283	-
Costs	(303,302)	-
	<u>55,981</u>	<u>-</u>