

Pretoria Institute for Architecture
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

Pretoria Institute for Architecture

**GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021**

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Institute is a voluntary association to promote the architectural profession in Pretoria
Executive Committee	J Malan C McCusker (Ms) I Ortner (Ms) M D van Wyk (Ms)
Business address	273 Tram Street Nieuw Muckleneuk 0181
Postal address	P O Box 35161 Menlo Park 0102
Bankers	ABSA Bank of SA
Auditors	G W Lippert

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

The annual financial statements have been independently reviewed under regulation 29 to the Companies Act, 2008.

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PREPARATION OF THE FINANCIAL STATEMENTS

The responsibility of the office bearers with respect to the preparation of the financial statements is described in the executive committee members' report. Individuals who prepared or supervised the preparation of the financial statements:

Executive committee official
M D van Wyk (Ms)
Executive Officer

Assisted in compilation by
G W Lippert
CA (SA)

**EXECUTIVE COMMITTEE MEMBERS' RESPONSIBILITY AND APPROVAL
FOR THE YEAR ENDED 30 JUNE 2021**

EXECUTIVE COMMITTEE MEMBERS' RESPONSIBILITY AND APPROVAL

The executive committee members are responsible for the maintenance of adequate accounting records and the context and integrity of the annual financial statements and related information. It is also their responsibility to determine that the basis of accounting described in the notes to the financial statements is an acceptable basis for preparing and presenting financial statements in the circumstances. The reviewer is responsible to determine that the annual financial statements are in agreement with the accounting records.

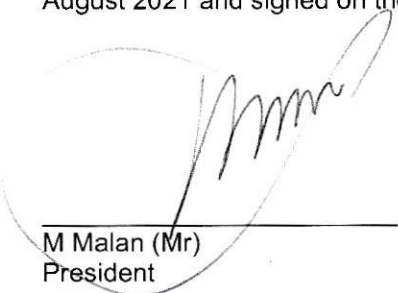
The annual financial statements are prepared in accordance with the basis of accounting described in the notes to the financial statements and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The executive committee members are also responsible for the institute's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the executive committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review and the executive committee are of the opinion, based on the information and explanations given by management, that the financial records may be relied on for the preparation of the annual financial statements.

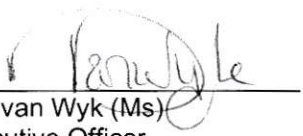
The annual financial statements have been prepared on the going concern basis, since the executive committee have every reason to believe that the trust has adequate resources in place to continue in operational existence for the foreseeable future.

The external reviewer is responsible for independently reviewing and reporting on the institute's annual financial statements, as required by the constitution. The annual financial statements have been examined by the institute's external reviewer and their report is presented on 4.

The annual financial statements set out on pages 1 to 14, were approved by the executive committee on 27 August 2021 and signed on their behalf by:



M Malan (Mr)
President



M D van Wyk (Ms)
Executive Officer

INDEPENDENT REVIEWER'S REPORT TO THE EXECUTIVE COMMITTEE MEMBERS OF Pretoria Institute for Architecture

Executive Committee Members' Responsibility for the Financial Statements

The executive committee are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and in the manner required by the Companies Act of South Africa, and for such internal control as they 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 based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 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 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of review evidence obtained. A review also requires performance of additional review procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects, the financial position of the company as at 30 June 2021, 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 (IFRS for SMEs) and the requirements of the Companies Act of South Africa.


G.W. Lippert
CA (SA)
27 August 2021

Castle Walk Corporate Park
Block C, room 4
467 Nossob Street
Erasmuskloof
Pretoria, 0181

**EXECUTIVE COMMITTEE MEMBERS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The members of the Executive Committee submit their report for the year ended 30 June 2021, as follows:

1. General review

The Executive Committee is the controlling body of Pretoria Institute for Architecture. No material fact or circumstance has occurred between the accounting date and the date of this report.

2. Nature of business

The Institute is engaged in the provision of services to architects in general to which there has been no major change during the financial year under review.

3. Statement of responsibility

The members of the executive committee are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting practice.

The members of the executive committee are also responsible for the institute's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and loss. Nothing has come to the attention of the members of the executive committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the members of the executive committee have every reason to believe that the institute has adequate resources in place to continue in operation for the foreseeable future.

4. Contribution

Contributions paid by members and other income earned during the year were sufficient to meet expenditure, resulting in a surplus of R4 330 (2020: R156 347) for the year.

5. Executive Committee

The executive committee consists of the following members:

J Malan
C McCusker (Ms)
I Ortner (Ms)
M D van Wyk (Ms)

6. Reviewer

The reviewer of the Institute is:

G W Lippert

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 R	2020 R
Revenue	2	1,134,382	1,394,128
Cost of sales	3	(51,137)	(60,062)
Gross profit		1,083,245	1,334,066
Other income		443,148	709,808
Operating expenses		(1,672,631)	(2,149,881)
Results from operating activities	4	(146,238)	(106,007)
Investment income	5	150,572	262,354
Finance costs	6	(4)	-
Surplus for the year		4,330	156,347

**STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021**

	Note	2021 R	2020 R
ASSETS			
Non-current Assets		2,708	15,375
Property, plant and equipment	7	2,708	15,375
Current Assets		3,842,290	3,754,650
Inventories	8	34,265	37,519
Trade and other receivables	9	13,095	106,895
Cash and cash equivalents	10	3,794,930	3,610,236
TOTAL ASSETS		3,844,998	3,770,025
EQUITY AND LIABILITIES			
Equity		3,709,718	3,705,388
Trust capital	11	3,709,718	3,705,388
Current Liabilities		135,280	64,637
Trade and other payables	12	135,280	64,637
TOTAL EQUITY AND LIABILITIES		3,844,998	3,770,025

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 R	2020 R
Cash flows from operating activities			
Cash generated from operations	13	34,126	(238,720)
Interest received		150,572	262,354
Finance costs		(4)	-
		<u>184,694</u>	<u>23,636</u>
Cash flows from investing activities		<u>-</u>	<u>-</u>
Net movement in cash and cash equivalents		184,694	23,636
Cash and cash equivalents at beginning of period		3,610,236	3,586,600
Cash and cash equivalents at end of period	10	<u>3,794,930</u>	<u>3,610,236</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

**2021
R**

**2020
R**

1. Basis of preparation and accounting policies

The financial statements have been prepared on the historical cost basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The principle accounting policies of the institute is set out below.

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). The financial reporting framework principally provides for the measurement of financial statement items at cost or at fair value, as appropriate. The measurement bases for individual financial statement items are identified in the accounting policies described below.

The Institute's functional currency is the South African Rand, i.e. the currency of the primary economic environment in which it operates. Currencies other than the body corporate's functional currency are foreign currencies. The Institute's presentation currency is the same as its functional currency.

The financial statements disclose comparative figures in respect of the previous comparable period. The principal accounting policies have been consistently applied in all material respects, unless indicated otherwise.

1.1 Accounting judgements and estimates

Significant management judgements

As part of the process of applying accounting policies, management is required to make a number of judgements, assumptions and estimates pertaining to the application of criteria for purposes of classifying/categorising financial statement items and the recognition and measurement of transactions and items. These judgements affect the reported amounts of assets, liabilities, income and expenses.

Significant management judgements are addressed in the individual accounting policies described below.

Estimation uncertainty

The application of accounting policies for purposes of recognising and measuring the carrying amounts of certain financial statement items require management to make estimates of certain circumstances and conditions, based on assumptions concerning related events, actions, plans and/or future outcomes. Actual results may differ from such estimates. Estimates and their underlying assumptions are reviewed at least on an annual basis and any revisions are recognised in the period of the revision and in future periods affected.

1.2 Property, plant and equipment

Items of property plant and equipment are carried at cost less accumulated depreciation and less accumulated impairment losses. The cost of an item of property plant and equipment includes its purchase price (excluding trade discounts and rebates), non-refundable purchase taxes, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and estimated costs of dismantling and removing the item. The subsequent cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item when it is probable that the future economic benefits within the part will flow to the body corporate and its cost can be measured reliably. Costs relating to regular repairs and maintenance are recognised in profit or loss when incurred. Net gains on disposal of items of property, plant and equipment are recognised within "other income" in profit or loss and net losses are recognised within "operating costs".

Items of property plant and equipment, other than land, are depreciated by writing off the depreciable amount of each asset over its estimated useful life, taking into account that significant parts of an asset

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2021 **2020**
R **R**

may have different useful lives. The methods of depreciation, useful lives and residual values are reviewed annually, if there are indications that it has changed since the most recent reporting date.

The depreciation methods and depreciation rates applicable to each category of property, plant and equipment are as follows:

Asset category	Depreciation method	Useful life (years)
Computer equipment	Straight line	3
Furniture and fittings	Straight line	6
Office equipment	Straight line	5
Computer software	Straight line	2

1.3 Financial instruments

The following basic financial instruments have been recognised as financial assets and financial liabilities, as appropriate, in the statement of financial position:

Trade and other receivables
Bank and cash balances
Trade and other payables

Basic financial instruments are initially recognised at transaction price, including transaction costs. Subsequent to initial recognition, these instruments are measured at each reporting date at amortised cost less impairment, using the effective interest method. Adjustments through the amortisation process or as a result of impairment are recognised as part of finance costs in profit or loss.

Debt instruments classified as current assets or current liabilities, including trade and other receivables and, trade and other payables are measured at the undiscounted amount of cash or other consideration expected to be received or paid. However, if credit is extended beyond normal credit terms measurement is at the present value of the future payments discounted at a market rate of interest for a similar debt instrument (i.e. at amortised cost using the effective interest method).

Cash and cash equivalents

The actual bank balances are shown. Outstanding cheques are included in trade and other payables, and outstanding deposits are included in trade and other receivables.

Trade and other receivables

Trade and other receivables represent the total of unsettled amounts receivable from clients, and is shown at the carrying amount after provision for doubtful debts.

Trade and other payables

Trade and other payables represent the total amount payable to creditors and suppliers, and/or the short term portion of loans payable. The accounts are payable within 12 months.

1.4 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell. Cost includes the costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using the first-in, first-out cost formula.

1.5 Equity

Equity is the residual interest in the assets of the entity after deducting all its liabilities. Equity in the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

**2021
R**

**2020
R**

statement of financial position consists of undrawn income.

1.6 Revenue recognition

Revenue is derived from the invoiced value of subscriptions received.

Revenue from the sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been transferred to the buyer, the entity no longer has effective control over the goods sold and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Furthermore, revenue is recognised net of any returns of goods.

Revenue in the form of subscriptions is recognised when the person subscribe to the institute according to institute rules.

1.7 Cost of sales

Cost of sales comprises the carrying amount of inventories that is recognised as an expense when the inventories concerned are sold. The carrying amount of inventories is determined in accordance with the accounting policy relating to inventories.

1.8 Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and may include interest expenses, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings. All borrowing costs are recognised as an expense in the period in which they are incurred within "finance costs".

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits comprise salaries and wages, bonuses and short-term compensated absences. The cost of these benefits is accounted for in the period in which the services are rendered by employees.

1.10 Taxation

In view of the fact that the institute is a society of persons established to promote the common interest of persons, carrying on the architectural profession, it is exempt from tax on profits in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act.

1.11 Cash flow

For the purpose of the statement of cash flows, cash and cash equivalents includes all cash on hand, deposits, investments in money markets and bank accounts in overdraft.

2. Revenue

Sale of goods	82,655	89,429
Subscriptions received	1,051,727	1,304,699
	1,134,382	1,394,128

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 R	2020 R
3. Cost of sales		
Opening stock	37,519	40,186
Purchases	47,883	57,395
Closing stock	(34,265)	(37,519)
	<u>51,137</u>	<u>60,062</u>
4. Results from operating activities		
Loss for the year from operating activities	<u>(146,238)</u>	<u>(106,007)</u>
5. Investment income		
<i>Interest received</i>		
Bank	<u>150,572</u>	<u>262,354</u>
6. Finance costs		
Trade payables	<u>4</u>	<u>-</u>
7. Property, plant and equipment		

	Cost	2021 Accumula- ted deprecia- tion and impairment	Carrying amount	Cost	2020 Accumula- ted deprecia- tion and impairment	Carrying amount
	R	R	R	R	R	R
Computer equipment	67,468	(64,760)	2,708	67,468	(60,420)	7,048
Office equipment	72,580	(72,580)	-	72,580	(72,571)	9
Furniture and fittings	319,133	(319,133)	-	319,133	(310,816)	8,317
Professional books	3,149	(3,149)	-	3,149	(3,149)	-
Computer software	9,480	(9,480)	-	9,480	(9,479)	1
	<u>471,810</u>	<u>(469,102)</u>	<u>2,708</u>	<u>471,810</u>	<u>(456,435)</u>	<u>15,375</u>

The carrying amount can be reconciled as follows:

	Carrying amount opening balance	Additions	Deprecia- tion and impairment	Disposals and write- offs	Transfers	Carrying amount closing balance
	R	R	R	R	R	R
2021						
Computer equipment	7,048	-	(4,340)	-	-	2,708
Office equipment	9	-	(9)	-	-	-
Furniture and Fittings	8,317	-	(8,317)	-	-	-
Computer software	1	-	(1)	-	-	-
	<u>15,375</u>	<u>-</u>	<u>(12,667)</u>	<u>-</u>	<u>-</u>	<u>2,708</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 R	2020 R
8. Inventories		
Stock on hand	34,265	37,519
There were no significant differences between the replacement cost and the values shown for other stock categories. Where necessary, specific provision is made for obsolete, damaged and slow-moving stock.		
9. Trade and other receivables		
Trade receivables	950	96,988
VAT	12,145	9,907
	13,095	106,895
10. Cash and cash equivalents		
Cash at bank	122,615	37,049
Cash on hand	302	1,736
Funds on Savings	3,672,013	3,571,451
	3,794,930	3,610,236
11. Trust capital		
Balance at the beginning of the year	3,705,388	3,549,041
Surplus for the year	4,330	156,347
Balance at the end of the year	3,709,718	3,705,388
12. Trade and other payables		
Trade payables	18,365	25,010
Accruals	97,987	9,362
Sundry creditors	18,928	30,265
	135,280	64,637

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 R	2020 R
13. Cash generated from operations		
Profit before tax	4,330	156,347
<i>Adjusted for:</i>		
Depreciation	12,667	56,072
Interest received	(150,572)	(262,354)
Finance cost	4	-
	<u>(137,901)</u>	<u>(206,282)</u>
<i>Movement in working capital:</i>		
Decrease in inventories	3,254	2,667
Decrease/(increase) in trade and other receivables	96,038	(64,948)
(Decrease)/increase in trade and other payables	68,405	(126,503)
	<u>167,697</u>	<u>(188,784)</u>
Net cash generated from operations	<u>34,126</u>	<u>(238,719)</u>
14. Accountant's remuneration		
Accounting fees	<u>82,360</u>	<u>71,200</u>
15. Depreciation		
Office equipment	9	494
Furniture and fittings	8,318	48,803
Computers	4,339	6,775
Computer Software	1	-
	<u>12,667</u>	<u>56,072</u>

**DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 R	2020 R
Revenue	2	1,134,382	1,394,128
Sale of goods		82,655	89,429
Subscriptions received		1,051,727	1,304,699
Cost of sales	3	51,137	60,062
Closing stock		(34,265)	(37,519)
Opening stock		37,519	40,186
Purchases		47,883	57,395
Gross profit		1,083,245	1,334,066
Other income		443,148	709,808
Advertising, awards and sponsorships received		8,562	28,687
Commissions		1,525	195
Courses and forums		433,061	654,121
Donations		-	26,805
Gross income before expenses		1,526,393	2,043,874
Operating expenses (refer to next page)		1,672,631	2,149,881
Results from operating activities	4	(146,238)	(106,007)
Investment income	5	150,572	262,354
Interest received		150,572	262,354
Finance costs	6	(4)	-
Surplus for the year		4,330	156,347

**DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 R	2020 R
Operating expenses		1,672,631	2,149,881
Accounting fees	14	82,360	71,200
Advertising		61,417	48,493
Awards		8,000	-
Bank charges		20,671	21,796
Cleaning		895	2,000
Computer expenses		29,188	28,006
Courses and forums		154,950	393,045
Depreciation	15	12,667	56,072
Gifts		8,385	10,783
Insurance		11,944	16,159
Leasing and rental charges		321,174	318,144
Legal fees		8,000	1,051
Members education and exhibition		14,898	2,304
Printing and stationery		3,713	16,330
Publications and subscriptions		24,848	27,301
Refreshments and entertainment		9,756	18,687
Repairs and maintenance		-	40
Salaries, wages and employment expenses		867,584	1,050,306
Sponsorships		-	10,000
Storage and warehousing		3,600	3,303
Telephone and communications		28,581	30,404
Travelling		-	24,457

