

The Professional Body For Supply Chain Management (NPC)
Formerly The Association for Operations Management of Southern Africa
(Registration number 1999/024216/08)
Trading as SAPICS
Financial statements
for the year ended 31 December 2023

These financial statements were prepared by:
JP Smit
CA(SA) / RA

GZ & Co.
Registered Auditors
Issued 29 April 2024

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

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Financial Statements for the year ended 31 December 2023

General Information

Nature of business and principal activities

Acting as the society for companies and individuals involved in supply chain management

Directors

C Wilson
DS Crewe-Brown
JA Tukker
K Pretorius
MJB Schoemaker
N Reddy-Ramsunder
SI Engelbrecht
T Molo
SM Phetla

Company registration number

1999/024216/08

The Professional Body For Supply Chain Management (NPC)

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(Registration number: 1999/024216/08)

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Financial Statements for the year ended 31 December 2023

Index

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

	Page
Independent Reviewer's Report	3
Directors' Responsibilities and Approval	4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Financial Statements	12 - 15
Detailed Income Statement	16 - 17

Level of assurance

These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

JP Smit
CA(SA) / RA

Published

29 April 2024

Independent Reviewer's Report

To the members of The Professional Body For Supply Chain Management (NPC)

We have reviewed the financial statements of The Professional Body For Supply Chain Management (NPC), set out on pages 6 to 15, which comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are 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 71 of 2008, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer 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 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.

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 The Professional Body For Supply Chain Management (NPC) as at 31 December 2023, 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 71 of 2008.

GZ & Co.
Registered Auditors



Elke Bantz

29 April 2024
Johannesburg

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The 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.

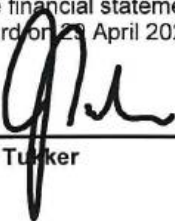
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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 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 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 December 2024 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 independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewer and their report is presented on page 3.

The financial statements set out on pages 6 -16, which have been prepared on the going concern basis, were approved by the board on 29 April 2024 and were signed on its behalf by:



JA Tucker



MJB Schoemaker

Johannesburg

Monday, 29 April 2024

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Directors' Report

The directors submit their report for the year ended 31 December 2023.

1. Review of activities

Main business and operations

The source of material, education and information is a significant activity of the Association, as is the sourcing of qualified course providers to deliver the education, who acts as resellers.

2. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Authorised and issued share capital

The society was incorporated as an association not for gain in terms of section 21 of the Companies Act of 1999 and therefore does not have any share capital. Since the inception of the Companies Act 71 of 2008, the company is now classified as a non-profit company.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

SM Phetla - appointed 25/05/2023
C Wilson
DS Crewe-Brown
JA Tukker
K Pretorius
MJB Schoemaker
N Reddy-Ramsunder - appointed 25/05/2023
SI Engelbrecht
T Moloji

5. Auditors

GZ & Co. Registered Auditors will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	5	5
Intangible assets	3	-	769 867
		5	769 872
Current Assets			
Inventories	4	-	28 075
Trade and other receivables	5	760 214	1 723 227
Cash and cash equivalents	6	488 598	570 035
		1 248 812	2 321 337
Total Assets		1 248 817	3 091 209
Equity and Liabilities			
Equity			
Retained income		381 687	(1 745 863)
Liabilities			
Current Liabilities			
Trade and other payables	7	867 130	4 837 072
Total Equity and Liabilities		1 248 817	3 091 209

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue	8	18 712 938	14 185 234
Cost of sales	9	(13 882 602)	(10 245 292)
Gross profit		4 830 336	3 939 942
Other income		14 074	142 293
Operating expenses		(2 639 676)	(3 587 898)
Operating profit	10	2 204 734	494 337
Investment revenue		12 157	7 694
Finance costs		(89 349)	(164 332)
Profit for the year		2 127 542	337 699

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2022	(2 083 562)	(2 083 562)
Profit for the year	337 699	337 699
Balance at 01 January 2023	(1 745 863)	(1 745 863)
Profit for the year	2 127 542	2 127 542
Balance at 31 December 2023	381 687	381 687

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash (used in) generated from operations	13	(4 245)	193 123
Interest income		12 157	7 694
Finance costs		(89 349)	(164 332)
Net cash from operating activities		(81 437)	36 485
Total cash movement for the year			
Cash at the beginning of the year		570 035	533 550
Total cash at end of the year	6	488 598	570 035

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The 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 71 of 2008. The 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 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.

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.

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

Item		Average useful life
Marketing equipment	Straight line	50%
Computer software	Straight line	50%

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

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.

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Accounting Policies

1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Tax

Tax expenses

No provision has been made for taxation as the entity is exempt from tax.

1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.5 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.

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.

1.6 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.7 Borrowing costs

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

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in Rand 2023 2022

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	38 923	(38 922)	1	38 923	(38 922)	1
Marketing equipment	51 312	(51 308)	4	51 312	(51 308)	4
Total	90 235	(90 230)	5	90 235	(90 230)	5

Reconciliation of property, plant and equipment - 2023

	Opening balance	Closing balance
IT equipment	1	1
Marketing equipment	4	4
	5	5

Reconciliation of property, plant and equipment - 2022

	Opening balance	Closing balance
IT equipment	1	1
Marketing equipment	4	4
	5	5

3. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Professional development	771 467	(771 467)	-	771 467	(1 600)	769 867

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Professional development	769 867	(769 867)	-

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Professional development	771 467	(1 600)	769 867

4. Inventories

Education and training material	-	28 075
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The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in Rand	2023	2022
5. Trade and other receivables		
Trade receivables	213 026	298 650
Professional membership and exams	-	879 107
Prepaid - Conference expenses	547 188	545 470
	760 214	1 723 227
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	488 598	570 035
7. Trade and other payables		
Advanced billing	142 933	1 787 729
Audit fee provision	44 095	40 095
Regional conference	27 409	27 402
Sundry payables	18 507	17 912
Trade payables	619 338	1 555 709
Upavon Management (Pty) Ltd	10	1 405 076
VAT	14 838	3 149
	867 130	4 837 072
8. Revenue		
Education material	5 425 239	5 255 774
Events	10 774 978	6 378 167
Examination fees	430 568	697 920
Membership	2 082 153	1 853 373
	18 712 938	14 185 234
9. Cost of sales		
Classes of business		
Education material	4 265 096	3 951 634
Events	8 542 373	5 138 095
Examination fees	309 799	403 551
Membership	765 334	752 012
	13 882 602	10 245 292

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in Rand	2023	2022
10. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	17 771	-
Profit on exchange differences	(14 074)	(105 381)
Amortisation on intangible assets	769 867	1 600
Employee costs	678 633	1 086 519
11. Taxation		
No provision has been made for taxation as the entity is exempt from tax.		
12. Reviewer remuneration		
Fees	44 000	40 095
13. Cash (used in) generated from operations		
Profit before taxation	2 127 542	337 699
Adjustments for:		
Depreciation and amortisation	769 867	1 600
Interest received	(12 157)	(7 694)
Finance costs	89 349	164 332
Changes in working capital:		
Inventories	28 075	(20 425)
Trade and other receivables	963 021	(528 715)
Trade and other payables	(3 969 942)	246 326
	(4 245)	193 123

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in Rand

2023

2022

14. Related parties

Relationships

Upavon Management (Pty) Ltd

Organiser of the annual SAPICS conference and exhibition events

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

On 16 November 2020 a new agreement was concluded between Upavon and SAPICS. This agreement in summary reads as following:

- Commencement date of 01 January 2021 with a validity period of 5 years.
- Upavon is entitled to remuneration in the form of Event Management Fees for services rendered by Upavon in relation to the management of the SAPICS events
- Termination period is 3 calendar months' notice and subject to a termination fee determined as a percentage of the total previous year's Event Management Fees in respect of the annual conference.
- Repayment of debt will be calculated as 80% of event profit as well as 50% of any annual profit achieved by SAPICS.
- Interest is payable at the prime rate as adjusted by the Reserve Bank from time to time and such interest shall be compounded
- After settlement of all debts, SAPICS shall effect payment to Upavon of 40% of the event net profit while the agreement still subsists

The debt was settled on 31 August 2023.

Amounts included in Trade receivable (Trade Payable) regarding related parties

Upavon Management (Pty) Ltd - Accrued debt - (1 405 069)

Related party transactions

Interest paid to (received from) related parties

Upavon Management (Pty) Ltd 89 349 164 332

Administration fees paid to (received from) related parties

Upavon Management (Pty) Ltd - Management - 1 172 400

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Membership fees		2 082 153	1 853 373
Examination fees		430 568	697 920
Educational material		5 425 239	5 255 774
Events		10 774 978	6 378 167
	8	18 712 938	14 185 234
Cost of sales			
Opening stock		(28 075)	(7 650)
Purchases		(13 854 527)	(10 265 717)
Closing stock		-	28 075
	9	(13 882 602)	(10 245 292)
Gross profit		4 830 336	3 939 942
Other income			
Sundry Income		-	36 912
Interest received		12 157	7 694
Profit and loss on exchange differences		14 074	105 381
		26 231	149 987
Expenses (Refer to page 17)		(2 639 676)	(3 587 898)
Operating profit	10	2 216 891	502 031
Finance costs		(89 349)	(164 332)
(Loss) / profit for the year		2 127 542	337 699

The Professional Body For Supply Chain Management (NPC)

Formerly The Association for Operations Management of Southern Africa

(Registration number: 1999/024216/08)

Trading as SAPICS

Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Operating expenses			
Accounting fees		210 261	163 899
Administration and management fees		-	1 528 262
Advertising		67 734	80 371
Auditors remuneration	12	44 000	40 095
Bank charges		34 150	42 919
Computer expenses		126 613	146 207
Consulting and professional fees		298 400	179 305
Depreciation, amortisation and impairments		769 867	1 600
Donations		-	12 500
Employee costs		678 633	1 086 519
Entertainment		4 235	1 991
Exhibition costs		14 225	33 489
Fines and penalties		-	24 718
Insurance		2 395	-
Marketing expense		265	2 948
Office rental		17 771	-
Postage		220	583
Printing and stationery		1 092	13 026
Professional development		1 000	3 600
Profit and loss on exchange differences		2 760	-
Promotions		9 954	29 390
Public relation expenses		137 260	137 009
Subscriptions		179 862	-
Telephone and fax		17 374	59 467
Travel - local		21 605	-
		2 639 676	3 587 898