

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

FINANCIAL STATEMENTS
for the year ended 31 December 2010

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Facilities Management Association
National Council	Keith Thompson - President Cliff Hocking - Immediate Past President Thabiso Khoncha - Vice President Douglas Weinnch - Treasurer Kim Veltman - Secretary Nicolette van den Eijkel Andre Klopper Arend van der walt Brendon Burger Bill Ward Chris Aslett Ernest Sikupela Hombisa Hombela Bubu Janine Jacobs John Samuel Maja Macdougall Makhwenkwe Lukuko Ronald Nothnagel Shaud Ward
Postal Address	P.O. Box 90 Witkoppen 2068
Bankers	First National
Treasurer	Douglas R Weinrich CA(SA) RAA Chartered Accountants (SA) Registered Auditor

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

FINANCIAL STATEMENTS

for the year ended 31 December 2010

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

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Council's Responsibilities and Approval	3
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Cash flow statement	8
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DOUGLAS R WEINRICH CA(SA) INC

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UNAUDITED REPORT OF THE TREASURER

TO THE MEMBERS OF SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

I have Reviewed the annual financial statements of South African Facilities Management Association set out on pages 3 to 10 for the year ended 31 December 2010. These financial statements are the responsibility of the Associations National Council. My responsibility is to prepare and present these financials statements in a manner to fairly present the results of the Association for the year under review

Opinion

In my opinion, the unaudited annual financial statements fairly present, in all material respects, the financial position of the Association at 31 December 2010 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

Douglas R Weinrich CA(SA),RAA
Chartered Accountant (S.A.)
Registered Accountant and Auditor

Randburg
19th April 2011

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

Council's Responsibilities and Approval for the year ended 31 December 2010

The council are required to maintain adequate accounting records and are responsible for the content and integrity of the unaudited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the unaudited annual financial statements fairly present the state of affairs of the association as at the end of the financial year and the results of its operation and cash flows for the period then ended in conformity with South African Statements of Generally Accepted Accounting Practice.

The unaudited annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The council 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 unaudited annual financial statements. However, any system of internal financial control can provide only reasonable and not absolute, assurance against material misstatement or loss.

The council have reviewed the associations cash flow forecast for the year to 31 December 2010 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The unaudited annual financial statements set out on pages 5 to 10, which have been prepared on the going concern basis, were approved by the board on 19th April 2010 and were signed on this behalf by

KEITH THOMPSON

KIM VELTMAN

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

The President's Report

The President submits his report for the year ended 31 December 2010.

1. Review of activities

Main business and operations

The association is engaged in the development of the facilities management industry and operates principally in South Africa.

The operating results and state of affairs of the association are fully set out in the attached unaudited annual financial statements and do not in our opinion require any further comment.

2. Post balance sheet events

The council are not aware of any matter or circumstances arising since the end of the financial year which require further comment.

3. National council

The council of the association during the year and to the date of this report are as follows:

Name	Changes
Cliff Hocking - Immediate past President	
Douglas Weinrich - Treasurer	
Nicolette van den Eijkel - Secretary	
John Samuel	
Bill Ward	
Ernest Sikupela	
Rnald Nothnagel	
Maja Macdougall	
Thabiso Khoncha	
Andre Klopper	
Chris Aslett	
Keith Thompson - President	
Hombisa Hombela Bubu	
Brendon Burger	
Shaun Ward	
Makhwenkwe Lukuko	
Arend van der walt	Appointed 25th August 2010
Jannie Jacobs	Appointed 25th August 2010
Xoliswa Boqwana	Appointed 25th August 2010

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

1. Statement of Changes In Equity

Balance at 01 January 2009	<u>(31,591)</u>	<u>(31,591)</u>
Changes in equity		
Surplus for the year	244,563	244,563
Balance at 01 January 2010	<u>212,972</u>	<u>212,972</u>
Changes in equity		
Surplus for the year	180,300	180,300
Balance at 31 December 2,010	<u>393,272</u>	<u>393,272</u>

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

INCOME STATEMENT

for the year ended 31 December 2010

	Notes	2010 R	2009 R																																												
Membership Income	2	511,675	391,050																																												
Net Conference Income		190,651	112,995																																												
Advertisng Income		2,600	-																																												
Gross profit on trading		704,926	504,045																																												
Interest received		8,137	4,384																																												
Training Endorsement Income		1,500	-																																												
Expenditure		534,263	263,866																																												
<table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%;">Advertising, promotions and entertainment</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">16,468</td> <td style="width: 20%; text-align: right;">(470)</td> </tr> <tr> <td>Bank charges</td> <td></td> <td style="text-align: right;">2,221</td> <td style="text-align: right;">1,617</td> </tr> <tr> <td>Website costs</td> <td></td> <td style="text-align: right;">44,714</td> <td style="text-align: right;">34,930</td> </tr> <tr> <td>Entertainment</td> <td></td> <td style="text-align: right;">927</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Legal Expenses</td> <td></td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">-</td> </tr> <tr> <td>W.C. Functions</td> <td></td> <td style="text-align: right;">3,445</td> <td style="text-align: right;">7,650</td> </tr> <tr> <td>Printing and stationery</td> <td></td> <td style="text-align: right;">13,080</td> <td style="text-align: right;">6,585</td> </tr> <tr> <td>Secretarial Fees</td> <td></td> <td style="text-align: right;">388,399</td> <td style="text-align: right;">189,554</td> </tr> <tr> <td>Subscriptions</td> <td></td> <td style="text-align: right;">40,665</td> <td style="text-align: right;">24,000</td> </tr> <tr> <td>Telephone and fax</td> <td></td> <td style="text-align: right;">3,600</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Travel - local</td> <td></td> <td style="text-align: right;">10,744</td> <td style="text-align: right;">-</td> </tr> </tbody> </table>				Advertising, promotions and entertainment		16,468	(470)	Bank charges		2,221	1,617	Website costs		44,714	34,930	Entertainment		927	-	Legal Expenses		10,000	-	W.C. Functions		3,445	7,650	Printing and stationery		13,080	6,585	Secretarial Fees		388,399	189,554	Subscriptions		40,665	24,000	Telephone and fax		3,600	-	Travel - local		10,744	-
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Operating profit before taxation		180,300	244,563																																												
Taxation		-	-																																												
Profit		180,300	244,563																																												
Undrawn profits/(accumulated loss) at beginning of year		212,972	(31,591)																																												
Undrawn profits at end of year		393,272	212,972																																												

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

BALANCE SHEET

as at 31 December 2010

	Notes	2010 R	2009 R
CAPITAL EMPLOYED			
Undrawn profits		393,272	212,972
		<u>393,272</u>	<u>212,972</u>
EMPLOYMENT OF CAPITAL			
Net current assets		393,272	212,972
Current assets			
Bank balances	3	<u>470,982</u>	<u>252,158</u>
Current liabilities			
Accounts payable		<u>77,710</u>	<u>39,186</u>
		<u>393,272</u>	<u>212,972</u>

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

CASH FLOW STATEMENT

for the year ended 31 December 2010

	Notes	2010 R	2009 R
Cash flows from operating activities			
Cash receipts from customers		704,926	504,045
Cash paid to suppliers and employees		<u>(494,239)</u>	<u>(261,662)</u>
Cash generated by operating activities	3.1	210,687	242,383
Interest received		<u>8,137</u>	<u>4,384</u>
Net cash from operating activities		<u>218,824</u>	<u>246,767</u>
Increase in cash and cash equivalents		218,824	246,767
Cash and cash equivalents at beginning of period	3.2	<u>252,158</u>	<u>5,391</u>
Cash and cash equivalents at end of period	3.2	<u><u>470,982</u></u>	<u><u>252,158</u></u>

SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2010

1. Accounting

The financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the corporation which are consistent with those of the previous year.

1.1 Revenue

The amounts included in revenue arising from receipts of fees per category are included in revenue are as follows:

Platinum	261,500	240,000
Gold	30,000	24,000
Silver.	60,000	16,000
Blue	85,000	60,000
Individual	<u>75,175</u>	<u>51,050</u>
	<u>511,675</u>	<u>391,050</u>

2. Gross revenue

Gross revenue comprises the net invoiced value of goods and services supplied.

3. Notes to the cash flow statement

3.1 Reconciliation of cash flows generated from operations

Operating profit before interest	172,163	240,179
Movements in working capital		
Increase in accounts payable	<u>38,524</u>	<u>2,204</u>
	<u>210,687</u>	<u>242,383</u>

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Bank balances	<u>470,982</u>	<u>252,158</u>
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SOUTH AFRICAN FACILITIES MANAGEMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2010

4. Contingent Liabilities

To the best of the member's knowledge the Council and Association has no material contingent liabilities.

5. Subsequent events

There have been no events subsequent to the date of these financials that would have a material effect thereon.