

Pain SA

(Registration number 133-276 NPO)
Financial statements
for the year ended 28 February 2014

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To improve the study and management of pain in all its aspects in South Africa
Council members	Dr J. Smuts (President) Dr P. Kamerman (President Elect) Dr S. Chetty (Treasurer) Ms D. Devan (Secretary) Dr M. Raff Dr L. Gwyther Dr P. du Plessis Prof H. Meyer Dr R. Parker Dr B. Sarembock Dr A. Wadley
Postal address	Postnet Suite 199 Private Bag X2600 Houghton Johannesburg 2041
Bankers	Standard Bank Limited
Auditors	HP AUDIT Chartered Accountants (S.A.) Registered Auditor
Secretary	D. Devan
Preparer	The financial statements were internally compiled by: PR Potgieter Chartered Accountant (S.A.)
Published	09 May 2014

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Index

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

Index	Page
Council's Responsibilities and Approval	3
Independent Auditors' Report	4
Council's 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 - 13
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Income Statement	14 - 15
Tax Computation	16
Supplementary Information	17

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Council's Responsibilities and Approval

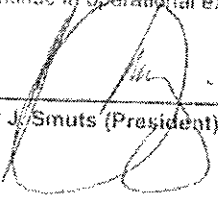
The members of the council are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the society 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 International Financial Reporting Standards for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

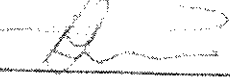
The members of the council acknowledge that they are ultimately responsible for the system of internal financial control established by the society and place considerable importance on maintaining a strong control environment. To enable the members of the council to meet these responsibilities, the members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

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

The members of the council have reviewed the society's cash flow forecast for the year to 28 February 2015 and, in the light of this review and the current financial position, they are satisfied that the society has or has access to adequate resources to continue in operational existence for the foreseeable future.



Dr J. Smuts (President)



Ms D. Devan (Secretary)

25/6/2014

Independent Auditors' Report

To the members of Pain SA

We have performed the agreed-upon procedures (enumerated below) with respect to the annual financial statements of the Pain SA (133-276 NPO) for the reporting period ended 28 February 2014. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures that were performed are as follows:

A. Procedures performed

1. We confirmed bank accounts / investments from external sources.
2. We have checked all payments made in excess of R10 000 for authorization and validity.
3. We ensured that the sponsorship income and related expenses were correctly recorded, and that unspent sponsorship monies are carried forward to the next year (on the Statement of Financial position).
4. We ensured that the annual financial statements were prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

B. Findings

We have performed the abovementioned audit procedures satisfactorily and no exceptions were found.

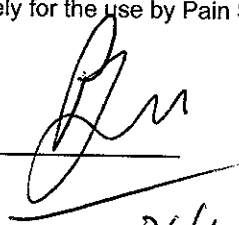
This report relates only to the accounts and items specified above and does not extend to the financial statements of The Pain SA (133-276 NPO).

Because the above procedures do not constitute either an audit or a review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the financial statements for the financial reporting period ended 28 February 2014.

Had we performed additional procedures or had we performed an audit or review or other assurance engagements on the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the use by Pain SA (133-276 NPO) and is not to be used for any other purpose or distributed to any other parties.

PR Potgieter
Partner
Registered Auditor


26/6/2014

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Council's Report

The members of the council have pleasure in submitting their report on the financial statements of Pain SA for the year ended 28 February 2014.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. 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 society are set out in these financial statements.

2. Directorate

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

Directors

Dr J. Smuts (President)
Dr P. Kamerman (President Elect)
Dr S. Chetty (Treasurer)
Ms D. Devan (Secretary)
Dr M. Raff
Dr L. Gwyther
Dr P. du Plessis
Prof H. Meyer
Dr R. Parker
Dr B. Sarembock
Dr A. Wadley

There have been no changes to the members of the council for the year under review.

3. Events after the reporting period

The members of the council 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 members of the council believe that the society has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The members of the council have satisfied themselves that the society is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members of the council are not aware of any new material changes that may adversely impact the society. The members of the council 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 society.

5. Auditors

HP AUDIT continued in office as auditors for the company for 2014.

6. Secretary

The secretary of the society is Miss D. Devan.

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Statement of Financial Position as at 28 February 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Deferred tax	2	56,971	98,595
Current Assets			
Cash and cash equivalents	3	1,500,858	1,367,355
Total Assets		1,557,829	1,465,950
Equity and Liabilities			
Equity			
Retained income		1,073,787	869,159
Liabilities			
Current Liabilities			
Current tax payable		280,571	242,616
Trade and other payables	5	3	2,051
Deferred sponsorship income	4	203,468	352,124
		484,042	596,791
Total Equity and Liabilities		1,557,829	1,465,950

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue	6	36,500	42,800
Other income	7	687,434	606,613
Operating expenses		(476,317)	(158,194)
Operating surplus		247,617	491,219
Investment revenue	8	36,590	23,142
Profit before taxation		284,207	514,361
Taxation	9	(79,579)	(144,021)
Surplus for the year		204,628	370,340
Other comprehensive income		-	-
Total comprehensive income for the year		204,628	370,340

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 March 2012	498,819	498,819
Profit for the year	370,340	370,340
Other comprehensive income	-	-
Total comprehensive income for the year	370,340	370,340
Balance at 01 March 2013	869,159	869,159
Surplus for the year	204,628	204,628
Other comprehensive income	-	-
Total comprehensive income for the year	204,628	204,628
Balance at 28 February 2014	1,073,787	1,073,787

Note(s)

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash generated from operations	10	96,913	845,393
Interest income		36,590	23,142
Net cash from operating activities		133,503	868,535
Total cash movement for the year		133,503	868,535
Cash at the beginning of the year		1,367,355	498,819
Total cash at end of the year	3	1,500,858	1,367,354

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the cash flow basis, except for sponsorship income that has not been utilised which has been accrued, 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

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.2 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 and for the carry forward of unused tax losses and unused tax credits.

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

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Accounting Policies

1.3 Grants

Grants are recognised when there is reasonable assurance that:

- the society will comply with the conditions attaching to them; and
- the grants will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the profit or loss (separately).

1.4 Revenue

Revenue consist of annual membership fees received and is recognised in the income statement as and when is received.

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Notes to the Financial Statements

Figures in Rand	2014	2013
2. Deferred tax		
Deferred tax asset	56,971	98,595
Reconciliation of deferred tax asset / (liability)		
At beginning of year	98,595	-
Originating from temporary difference on deferred sponsorship income	(41,624)	98,595
	56,971	98,595
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Standard Bank Current Account	608,047	505,187
Standard Bank Market Link Account	892,811	862,168
	1,500,858	1,367,355
4. Deferred sponsorship income		
Mundi Pharma	88,280	332,000
World Federation of Societies of Anaesthesiologists	115,188	20,124
	203,468	352,124
5. Trade and other payables		
Congress amounts payable	3	2,051
6. Revenue		
Membership fees	36,500	42,800
7. Other income		
Royalties received	66,922	46,351
Sponsorship received	378,730	60,152
Congress income	241,782	420,110
Other income - Medtronic	-	80,000
	687,434	606,613
8. Investment revenue		
Interest revenue		
Bank	36,590	23,142

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Notes to the Financial Statements

Figures in Rand

2014

2013

9. Taxation

Major components of the tax expense

Current

Local income tax - current period	37,955	242,616
-----------------------------------	--------	---------

Deferred

Originating and reversing temporary differences	41,624	(98,595)
---	--------	----------

	79,579	144,021
--	---------------	----------------

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	284,207	514,361
-------------------	---------	---------

Tax at the applicable tax rate of 28% (2013: 28%)	79,578	144,021
---	--------	---------

Tax effect of adjustments on taxable income

Deferred sponsorship income	(41,623)	98,595
-----------------------------	----------	--------

	37,955	242,616
--	---------------	----------------

10. Cash generated from operations

Profit before taxation	284,207	514,361
------------------------	---------	---------

Adjustments for:

Interest received - investment	(36,590)	(23,142)
--------------------------------	----------	----------

Changes in working capital:

Trade and other payables	(2,048)	2,050
--------------------------	---------	-------

Deferred sponsorship income	(148,656)	352,124
-----------------------------	-----------	---------

	96,913	845,393
--	---------------	----------------

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
Revenue			
Membership fees		36,500	42,800
Other income			
Royalties received		66,922	46,351
Sponsorship received		378,730	60,152
Congress income		241,782	420,110
Other income - Medtronic		-	80,000
Interest received	8	36,590	23,142
		724,024	629,755
Expenses (Refer to page 15)			
		(476,317)	(158,194)
Profit before taxation			
		284,207	514,361
Taxation	9	79,579	144,021
Profit for the year			
		204,628	370,340

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
Operating expenses			
Accounting fees		(21,375)	-
Advertising		(12,500)	-
Bank charges		(751)	(547)
Clinical guidelines		(248,052)	-
Congress expenses		(4,995)	-
Consulting and professional fees		(23,011)	(17,297)
Internet expenses		(45,543)	(35,044)
Meeting expenses		(29,995)	(41,309)
Training		(70,031)	(60,152)
Travel - local		(20,064)	(3,845)
		(476,317)	(158,194)

Pain SA

(Tax registration number)

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Tax Computation

Figures in Rand	2014
Net profit per income statement	284,207
Temporary differences	
Amounts previously taxed as received in advance	(352,124)
Amounts received in advance - current year	203,469
	(148,655)
Taxable income for 2014	135,552
Tax thereon @ 28% in the Rand	37,955
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	242,616
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	37,955
1st provisional payment	-
2nd provisional payment	-
	37,955
Amount owing/(prepaid) at the end of year	280,571

Pain SA

(Registration number 133-276 NPO)

Financial Statements for the year ended 28 February 2014

Supplementary Information

1. Deferred sponsorship income brought forward

	2014	2013
Mundi Pharma	332,000	-
World Federation of Societies of Anaesthesiologists	20,124	-
	<hr/> 352,124	<hr/> -

2. Sponsorship received

	2014	2013
Janssen-Cilag	25,000	-
Mundi Pharma	4,332	332,000
World Federation of Societies of Anaesthesiologists	101,856	80,276
	<hr/> 131,188	<hr/> 412,276

3. Direct expenditure

	2014	2013
Janssen-Cilag	(25,000)	-
Mundi Pharma	(248,052)	-
World Federation of Societies of Anaesthesiologists	(6,792)	(60,152)
	<hr/> (279,844)	<hr/> (60,152)

4. Deferred sponsorship income

	2014	2013
Mundi Pharma	88,280	332,000
World Federation of Societies of Anaesthesiologists	115,188	20,124
	<hr/> 203,468	<hr/> 352,124