Annexure D2

ALLIED HEALTH PROFESSIONS COUNCIL OF SOUTH AFRICA
Annual Financial Statements
for the year ended 31 December 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Allied Health Professions Council of South Africa (AHPCSA) is astatutory health body established in terms of the Allied Health Professions Act; 63 of 1982 (The act) in order to control all allied health professions; which includes Aromatherapy, Chinese Medicine and Acupuncture, Chiropractic, Homeopathy, Naturopathy, Osteopathy, Phytotherapy, Reflexology, Therapeutic Message Therapy, Therapeutic Reflexology, Unani-Tibb. Councillors listed below are responsible for the period 01 January2022 to 31 December 2022
Councillors	Dr Wendy Ericksen-Pereira Dr Christopher Yelverton Dr Joanne Gilbert Dr Radmila Razlog Dr James Dawson Dr Darren Carpenter Dr Yumna Mayet Dr Lishanti Naicker Ms Magrieta Marais Ms Maggie Roux Ms Nalini Maharaj Mr Bruce Mbedzi Prof Ditaba Mphuthi Prof Lulama Qalinge Dr Johan Smit Ms Gugu Mokoape
Registered office	Castelli Suite IL Villaggio 5 de Haviland Cresent South Persequor Technopark Pretoria 0184
Business address	Castelli Suite IL Villaggio 5 de Haviland Cresent South Persequor Technopark Pretoria 0184
Postal address	Private Bag X 28 Lynwood Ridge Pretoria 0040
Bankers	First National Bank
Auditors	GHV Audit Inc Chartered Accountants (SA) Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

General Information

Preparer	The annual financial statements were internally compiled by: P.C. van der Walt Director
Issued	12 April 2023

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

Level of assurance

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

Preparer

P.C. van der Walt
Director

Published

12 April 2023

Councillors Responsibilities and Approval

The Councillors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Council 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 external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

The Councillors have reviewed the Council's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditors and their report is presented on page 9 - 8.

The annual financial statements set out on pages 9 to 16, which have been prepared on the going concern basis, were approved by the Council and were signed on its behalf by:

Approval of annual financial statements

Dr Wendy Ericksen-Pereira	**Dr Christopher Yelverton**
Johannesburg	

Wednesday, 12 April 2023

Councillors Report

The Councillors have pleasure in submitting their report on the annual financial statements of ALLIED HEALTH PROFESSIONS COUNCIL OF SOUTH AFRICA for the year ended 31 December 2022.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. 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 Council are set out in these annual financial statements.

2. Councillors

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

Councillors	Office	Profession
Dr Wendy Ericksen-Pereira	Chairperson	Naturopathy
Dr Christopher Yelverton	Vice-Chairperson	Chiropractic
Dr Joanne Gilbert		Therapeutic Aromatherapy
Dr Radmila Razlog		Homeopathy
Dr James Dawson		Osteopathy
Dr Darren Carpenter		Chinese Medicine and Acupuncture
Dr Yumna Mayet		Unani-Tibb
Dr Lishanti Naicker		Ayurveda
Ms Magrieta Marais		Therapeutic Massage Therapy
Ms Maggie Roux		Therapeutic Reflexology
Ms Nalini Maharaj		Legal Representative
Mr Bruce Mbedzi		National Department of Health
Prof Ditaba Mphuthi		Community Representative
Prof Lulama Qalinge		Community Representative
Dr Johan Smit		Community Representative
Ms Gugu Mokoape		Community Representative

3. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Council or in the policy regarding their use.

At 31 December 2022 the Council's's investment in property, plant and equipment amounted to R2 607 513 (2021:R2 618 136), of which R2 696 (2021: R6) was added in the current year through additions.

4. Events after the reporting period

The Councillors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Councillors Report

5. Auditors

GHV Audit Inc continued in office as auditors for the Councillors for 2022.

At the AGM, the Council will be requested to reappoint GHV Audit Inc as the independent external auditors of the Council and to confirm Mr. W.E Groenewald as the designated lead audit partner for the 2023 financial year.

GvH
Audit Incorporated

Registered Auditors
Reg. No: 2010/014176/21
Vat No: 4080257134
Practice No: 902100

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Independent Auditor's Report

To the Councillors of ALLIED HEALTH PROFESSIONS COUNCIL OF SOUTH AFRICA

Opinion

We have audited the annual financial statements of ALLIED HEALTH PROFESSIONS COUNCIL OF SOUTH AFRICA (the Council) set out on pages 9 to 16, which comprise the statement of financial position as at 31 December 2022, statement of income and retained earnings, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of ALLIED HEALTH PROFESSIONS COUNCIL OF SOUTH AFRICA as at 31 December 2022, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Council in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Councillors are responsible for the other information. The other information comprises the information included in the document titled "ALLIED HEALTH PROFESSIONS COUNCIL OF SOUTH AFRICA annual financial statements for the year ended 31 December 2022", which includes the Councillors Report as required by the Companies Act of South Africa and the supplementary information as set out on page 17. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The Councillors are responsible for the preparation and fair presentation of the annual 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 Councillors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Audit Incorporated

Registered Auditors
Reg. No: 2010/014176/21
Vat No: 4080257134
Practice No: 902100

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Ulrich: 083 415 5607

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0157

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of the Councillors use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WE

GHV Audit Inc
Mr. W.E Groenewald
Partner
Chartered Accountants (SA)
Registered Auditors

14 March 2023
Pretoria

Statement of Financial Position as at 31 December 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	2 607 513	2 618 136
Intangible assets	3	131 403	198 971
		2 738 916	**2 817 107**
Current Assets			
Trade and other receivables	4	350 185	-
Cash and cash equivalents	5	2 459 386	2 196 365
		2 809 571	**2 196 365**
Total Assets		**5 548 487**	**5 013 472**
Equity and Liabilities			
Equity			
Retained income		5 538 514	4 890 453
Liabilities			
Current Liabilities			
Trade and other payables	6	9 973	123 019
Total Equity and Liabilities		**5 548 487**	**5 013 472**

Statement of Income and Retained Earnings

Figures in Rand	Note(s)	2022	2021
Revenue	7	5 885 383	5 109 704
Cost of sales	8	-	(975)
Gross profit		**5 885 383**	**5 108 729**
Other income		-	6
Operating expenses	9	(5 407 832)	(6 346 644)
Operating profit (loss)		**477 551**	**(1 237 909)**
Investment revenue	13	170 510	140 791
Profit (loss) for the year		**648 061**	**(1 097 118)**
Opening balance		4 890 452	5 987 571
Retained income at the end of the year		**5 538 513**	**4 890 453**

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash receipts from customers		5 535 198	5 109 704
Cash paid to suppliers and employees		(5 439 990)	(6 592 959)
Cash generated from (used in) operations	14	95 208	(1 483 255)
Interest income		170 510	140 791
Net cash from operating activities		**265 718**	**(1 342 464)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 696)	(6)
Sale of property, plant and equipment	2	-	6
Net cash from investing activities		**(2 696)**	**-**
Total cash movement for the year		**263 022**	**(1 342 464)**
Cash at the beginning of the year		2 196 365	3 538 828
Rounding		(1)	1
Total cash at end of the year	5	**2 459 386**	**2 196 365**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual 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 of South Africa. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 Council 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 Council 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 Council.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	Indefinite
Furniture and fixtures	Straight line	5 Years
Office equipment	Straight line	5 Years
IT equipment	Straight line	3 Years
Kitchen Equipment	Straight line	5 Years

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.

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.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 Years

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 Revenue

Revenue is recognised to the extent that the Council 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 Council. 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.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	2 579 178	-	2 579 178	2 579 178	-	2 579 178
Furniture and fixtures	107 591	(89 539)	18 052	104 895	(81 359)	23 536
Office equipment	132 851	(122 574)	10 277	132 851	(117 435)	15 416
IT equipment	82 863	(82 857)	6	82 863	(82 857)	6
Kitchen Equipment	4 198	(4 198)	-	4 198	(4 198)	-
Total	**2 906 681**	**(299 168)**	**2 607 513**	**2 903 985**	**(285 849)**	**2 618 136**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Buildings	2 579 178	-	-	2 579 178
Furniture and fixtures	23 536	2 696	(8 180)	18 052
Office equipment	15 416	-	(5 139)	10 277
IT equipment	6	-	-	6
	2 618 136	**2 696**	**(13 319)**	**2 607 513**

Details of properties

Land and buildings are situated at: Castelli Suite II Villaggio, 5 de HavillandCrescent South, Persequor Technopark, Pretoria.

	2022	2021
Terms and conditions		
- Purchase price: 22 April 2014	2 550 000	2 550 000
- Additions since purchase or valuation	29 178	29 178
	2 579 178	**2 579 178**

3. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Computer software, other	675 687	(544 284)	131 403	675 687	(476 716)	198 971

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Closing balance
Computer software, other	198 971	(67 568)	131 403

4. Trade and other receivables

	2022	2021
Trade receivables	306 997	-
VAT	43 188	-
	350 185	**-**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 459 386	2 196 365

6. Trade and other payables

Trade payables	9 973	64 387
VAT	-	58 632
	9 973	**123 019**

7. Revenue

Rendering of services	5 885 383	5 109 704

8. Cost of sales

Rendering of services		
Cost of services	-	975

9. Operating expenses

Operating expenses include the following expenses:

Operating lease charges		
Equipment		
• Contractual amounts	15 541	14 549
Depreciation and amortisation	80 888	80 551
Employee costs	2 961 449	3 511 142

10. Auditor's remuneration

Fees	46 000	18 140

11. Employee cost

Employee costs		
Basic	2 252 790	2 885 502
WCA	8 170	11 016
Honorarium	700 489	614 624
	2 961 449	**3 511 142**

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

12. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

Depreciation		
Property, plant and equipment	13 319	12 982
Amortisation		
Intangible assets	67 569	67 569
Total depreciation, amortisation and impairments		
Depreciation	13 319	12 982
Amortisation	67 569	67 569
	80 888	**80 551**

13. Investment revenue

Interest revenue		
Bank	170 510	140 791

14. Cash generated from (used in) operations

Profit (loss) before taxation	648 061	(1 097 118)
Adjustments for:		
Depreciation and amortisation	80 888	80 551
Profit on sale of assets	-	(6)
Interest received	(170 510)	(140 791)
Changes in working capital:		
Trade and other receivables	(350 185)	422 681
Trade and other payables	(113 046)	(748 572)
	95 208	**(1 483 255)**

15. Comparative figures

Certain comparative figures have been reclassified.

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue	7	**5 885 383**	**5 109 704**
Cost of sales	8	**-**	**(975)**
Gross profit		**5 885 383**	**5 108 729**
Other income			
Gains on disposal of assets		-	6
Operating expenses			
Accounting fees		(269 629)	(219 560)
Advertising		(79 878)	(35 182)
Auditors remuneration	10	(46 000)	(18 140)
Bank charges		(12 046)	(15 665)
Computer expenses		(60 452)	(125 306)
Depreciation, amortisation and impairments		(80 888)	(80 551)
Employee costs		(2 961 449)	(3 511 142)
Communication Social office expence		-	(26 302)
Fines and penalties		(4 012)	-
Insurance		(12 888)	(13 091)
Lease rentals on operating lease		(15 541)	(14 549)
Legal expenses		(1 473 004)	(1 880 320)
Levies		(44 570)	(32 635)
Utilities		(114 802)	(110 228)
Postage		(870)	(3 410)
Printing and stationery		(45 673)	(34 140)
Repairs and maintenance		(8 452)	(55 223)
Security		(25 395)	(14 563)
Subscriptions		(16 398)	(85 730)
Telephone and fax		(34 272)	(31 944)
Training		-	(9 900)
Travel - local		(101 613)	(29 063)
		(5 407 832)	**(6 346 644)**
Operating profit (loss)		**477 551**	**(1 237 909)**
Investment income	13	170 510	140 791
Profit (loss) for the year		**648 061**	**(1 097 118)**