

# 2018/19

## INTEGRATED ANNUAL REPORT



**saiba**  
SOUTHERN AFRICAN INSTITUTE  
FOR BUSINESS ACCOUNTANTS

**AW**  
ACCOUNTING WEEKLY

**CFO  
TALKS**

**BA**  
BUSINESS & ACCOUNTING  
REVIEW

SAIBA is a non-profit, tax-exempt and membership-driven professional body for accountants. We have been bestowed with statutory recognition in more than 10 laws and regulations and are a recognised accounting body within Southern Africa. Members and potential members are treated as individuals with unique needs, values, interests and career goals. We are here to help them reach their career goals. Our mandate is to act in the public interest, through regulating member conduct and providing member support services. We are all about adding value to our membership through public-private partnerships and actively search for meaningful relationships with other professional bodies, institutes of education, government bodies and commercial partners with the aim of providing our members access to focused and specialised services at reduced rates.

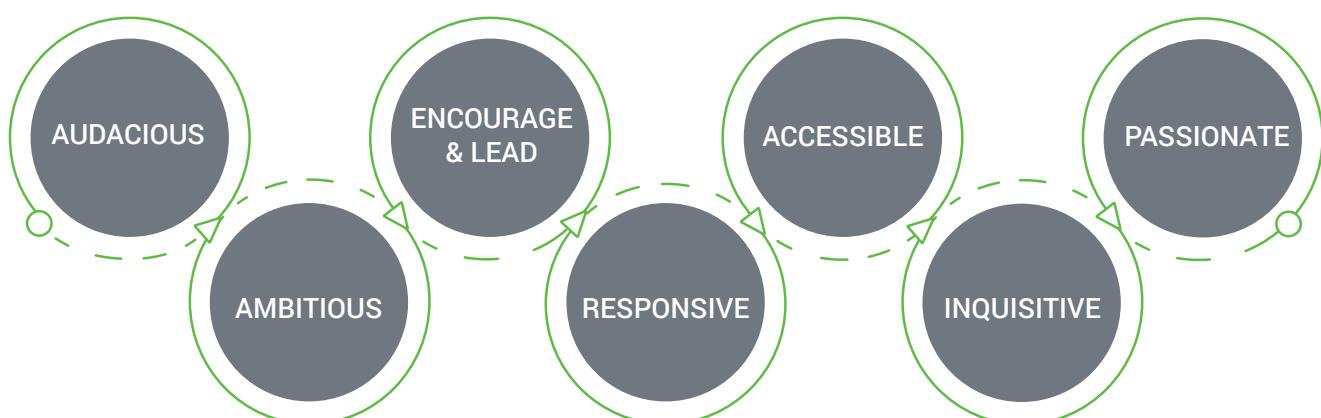
SAIBA was born in 1987 and by 2010 had managed to gather all of 300 members. This all changed in 2012 when we became an inclusive body with a strong focus on empowerment and ensured that the market is equally accessible to all types of accountants. We have rallied about 8000 accountants to join SAIBA and help us spread the good news of the value we offer.

We offer members accessible and recognisable designations that deliver opportunity. More than 50% of our members are employed in business, the public sector or academia. The remainder manage their own accountancy practices within the private sector.

SAIBA members are a unique community of passionate finance professionals, and we are just as passionate to see them excel in their professional development. We interact with our members via social media, forums, events and publications.

SAIBA has actively helped many aspiring accountants become qualified and designated - assisting them to start and run their own successful accounting practices or climb the corporate ladder from junior accountant to chief financial officer.

Our ongoing purpose is to develop a community of successful accounting professionals who excel in their career goals. To achieve our purpose, the following core values was identified as necessary to ensure we deliver quality, value and convenience to members and designation holders:



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***This Report provides information that gives our stakeholders insight into our activities that aligns with our strategic objective of developing successful accountants.***

The Report is our primary report to our members and other stakeholders with the aim of presenting a clear depiction of who we are, what we do and how we do it, and how we align our activities to the environment in which we operate in the context of the economy, society and the natural environment, in accordance with our strategic opportunities and risks.

The information contained within this Report provides our stakeholders with an overview of the business activities since the previous financial year. This is our fifth Integrated Annual Report which covers the period 1 July 2018 to 30 June 2019 and builds on the 2017/18 Report.

The integrated Reporting process, as well as the content of the Report, is guided by the principles and requirements of the International Integrated Reporting Framework (IR) and the King IV Report on Corporate Governance for South Africa 2016 (King IV). The audited annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The factors that impact value creation for our stakeholders over the short, medium and long term, were considered, and determined the content included in the Report.

As we move forward and continue to implement our aggressive growth strategic plan, we remain dedicated to assisting aspiring accountants to qualify, upskill and gain experience in their field. Training and development are therefore key aspects to what we are. We compete with established institutes in the sector and innovatively seek to differentiate ourselves to stand out from the crowd.

SAIBA is restricted in terms of the type of income that can be generated, and actively searches for meaningful relationships with other professional bodies, institutes of education, government bodies and commercial partners.

Joint agreements give members access to focused and specialised services, provided by a variety of quality professional body and commercial partners. Expenses are incurred in support of the income generating activities. As some income sources are project based some expenses can be varied to ensure SAIBA continues to operate as a solvent and liquid company.

Certain statements in this Report constitute some forward-looking statements which involve both known and unknown risks and uncertainties that may cause the actual results and outcome thereof to be materially different from those anticipated. No assurance can be given that future results and outcomes will be achieved.

In summary, the Report extends beyond financial reporting and fairly presents material information needed by our stakeholders to understand how we create value and to make an informed assessment of the performance and prospects of SAIBA. Our material matters which are those challenges that has a significant impact on SAIBA's ability to be sustainable, and as described on page xx of this Report, influence our strategy and inform the content of this Report.

The SAIBA Board of Directors (the "Board") acknowledges that it has overall accountability for the Report. Having reviewed the Report, the Board, supported by the recommendations of the Audit and Risk Committee, confirmed that the Report presents a fair view of the performance and practices of SAIBA during the 2018/19 financial year.

The Board accordingly approved the Report on xxx for release to SAIBA stakeholders.

***This Report represents our continued efforts to improve the quality of the feedback presented to our stakeholders. We welcome all feedback which can be sent via email to [saiba@saiba.org.za](mailto:saiba@saiba.org.za).***

## MESSAGE FROM THE CHAIRMAN



*Where the heart is willing, it will find a thousand opportunities but where the heart is unwilling, it will find a thousand excuses"*

Greetings to all our loyal members and supportive stakeholders of this great Professional Institute called SAIBA.

To our members, on behalf of the Board, Management and the staff, we would like to thank you for your loyalty, continued support and investment in our beloved organisation. Thank you for choosing SAIBA as your professional home. God bless you!

South Africa faces numerous economic, social and political challenges, and SAIBA has not been exempted from these challenges. Despite these challenges, we have once again been able to exceed our targets for the year.

As mentioned in my previous messages, we remain committed to implementing our 5-year strategic plan focusing mainly on member growth and development, and the Report provides you with an overview of the progress we have made thus far and builds on the previous reports.

The Board continues to maintain adherence to good corporate governance structures and processes that provide for sound management and oversight of SAIBA and all our activities. We also recognise the expert input from our CEO whom, with the assistance of a dynamic team, navigate the various challenges we as an organisation face in line with our structures and processes that translated into fruitful results for SAIBA. To my fellow Board members, thank you for your support, guidance and valuable contributions during the past year.

In closing, I would like to express my thanks to all SAIBA's stakeholders. To our members, we look forward to continuing on this journey with you and see you all grow and succeed. To our executive management and employees, I value your commitment to the organisation and appreciate all the hard work during the past year, your hearts have certainly been willing which resulted in several opportunities for SAIBA.

We look forward to the forthcoming year, the new members that will join our SAIBA family and the challenges that may arise and believe that with the expertise and insights of our Board and the rest of our team, we will continue to grow and meet our targets in spite of the challenges we may face.

United we will stand, divided we will fall.

Rivhathihi, Simunye, Sisonke, Re ngata ye tee, Hi vanhu vanwe, Sento ennye, Sibanye, Ons is een, We are One.

Warm regards,

A handwritten signature in black ink, appearing to read "Prof. D R Thakhathi".

Prof. D R Thakhathi



***“Failure is simply the opportunity to begin again, this time more intelligently.” - Henry Ford***

SAIBA has grown significantly for the period 1 July 2018 to 30 June 2019. We have truly been blessed to grow revenue from R10 739 436 (2018) to R14 253 192 (2019). Our efforts and activities for the period has resulted in 2 439 applications, 1 576 approvals adding up to a total membership number of 7 854. But to be honest it took a lot of failures to get where we are. Henry Ford said it more than 100 years ago and it's still true. Thomas Edison, by example, “failed” 9,000 times before he was successful with his light bulb invention.

The secret to converting failure to success is loop-learning: Do-Fail-Think-Repeat. Critically analysing the failure and then seeking creative ways to implement the new understanding across the whole team. This has been our formula.

As a company we are still a very young team with the average employee age of 32 and the median term of service being 4 years. There will always be missed opportunities but as long as we improve incrementally our upwards projection will continue.

The 4th Industrial Revolution will not be making matters easier. Integrating large volumes of data and multiple ways of delivering a solution whilst competing at the speed of light will require our team to be creative problem solvers. This is not easy and requires trust, intelligence and goodwill between our Board, management, employees, members and regulators.

The SAIBA Board and members have shown great insight in allowing management the freedom to fail. This allowed us to grow as a team and deploy unique and innovative means to improve our value offering to members, the public and other stakeholders, without the need to be governed through spreadsheets and bureaucracy.

The freedom to fail also means that we are open to new ideas and technology. We are willing to face this reality head-on and will not shy away from adjusting our business model, or solutions to address the current state of corporate financial reporting scandals.

2019 has been a very interesting and exciting year for SAIBA. Our activities and results are represented in our Annual Financial Statements and explains the results of our efforts:

- Our net surplus of R 198,902 (2018: R1,155,713) reflected the benefits we strive to offer our members, which included i) no membership fee increases; ii) PI cover included at no additional cost for BAP's; iii) member networking events including the Accounting and Finance Show, the Practice Management Conference and CFO Talks events.
- The combined revenue generated from membership fees, exams, licenses and other sources increased by approximately R4,5 million to over R15 million.
- Total operating expenses increased with approximately R5,5 million to R15,519,129.

- The total operating expenses exceeded the revenue generated from members with approximately R1.2 million due to i) a R750k increase in the debtors impairment provision as per the requirements of IFRS 9, which was implemented for the first time during this financial year, ii) as well as a 100% provision for the October'19 CFO World Congress tour cost which amounted to R485k of which invoices would be issued to delegates to recoup costs.
- Other key increases related to the following rounded figures:
  - R230k - advertising and exhibitions to promote membership. (Advertising)
  - R350k - membership system improvements and development costs. (Computer expenses).
  - R350k - consulting fees for submissions, technical guides, legal fees due to the CA Charter and CPD provider engagements, and disciplinary costs. (Consulting fees)
  - R2,4m - employee costs due to i) an increase in the number of employees from 14 to 17, ii) salary increases to align with the Patterson Scale, and iii) bonus payments for the achievement of targets. (Employee costs).
  - R420k - events hosting in the form of conferences. (Events costs)
  - R250k - increase in insurance due to PI cover for members. (Insurance).
  - R110k - CFO interviews in the form of podcasts. (PR, design and podcasts costs).
  - R400 000 for development of courses and exams. (Technical Support and Upskilling).
- The increase in trade and other receivables from R3,988,847 (2018) to R6,224,287 (2019) reflects the expansion of the SAIBA business model to include tenders, CPD and events.

The 2019 trade and other receivables figure consists of:

- R2m owed to SAIBA by FASSET in respect of Grants;
- R2.8m current membership fees outstanding;
- R1.2m in membership fees outstanding for more than a year for which payment arrangements are in place;
- Smaller amounts include R200k outstanding from CPD and event fees.
- We constantly monitor the movements within debtors, implement debit order campaigns, follow a strict collection policy, enforce standards of compliance and CPD, and made a provision for the impairment of debtors to the value of R1,631,309 (2019). (R1,325,309 (2018)).

The detailed income statement reflects the expenditure on the activities as determined in our 5-year strategic plan. This plan represents the Board's vision as to the means to achieve our goals of sustainable membership development. In summary these activities relate to:

- **2018 Elections:** SAIBA participated as an election observer to the IEC monitoring the accessibility of voting stations to the disabled by utilising our member's skills as assurance providers. Our findings were handed to the IEC and will contribute to enhancing accessibility to the disabled.
- **CFOTalks:** We developed an online podcast platform to stream interviews with CFOs. To date we have interviewed more than 20 high level CFOs of large Companies. We use this platform to build awareness of the SAIBA CFO designation and to build a network of CFOs to provide support to the SAIBA empowerment fund. To supplement the CFO podcasts, we also host CFO events in partnership with AdaptIT and hosted 4 events in 2019.
- **AccountingWeekly:** This is our flagship news portal for accountants and auditors which retains one of the highest search ratings on Google. This is an invaluable tool to generate interest in SAIBA from potential members and a tool to engage with regulators with the aim of influencing legislation.
- **Accounting and Finance Show:** In partnership with Terrapin SAIBA hosted a 2-day conference that took place during May 2019 at the Sandton Convention Centre which was attended by more than 3000 accountants and auditors.
- **Practice Management Bootcamp and AGM:** In partnership with Intuit Quickbooks we hosted a national conference to assist members with improving their practice management skills. This event was attended by more than 300 members over a 2-day period that took place during November 2018 at The Maslow, Menlyn Maine, Pretoria.
- **Budget Breakfast Trilogy:** We partnered with SAIT to host the 2019 Budget Breakfast Trilogy in Cape Town and Johannesburg during February 2019. More than 700 delegates participated in these events.
- **Regulator engagement:** We regularly meet and make submission on legislative improvements to a number of regulators within our sector. These included: IRBA, National Lotteries Board, CIDB, and CIPC. We achieved success with the IRBA being invited to apply for audit accreditation.

- **Schools:** A number of meetings and workshops was held with the Gauteng Department of Education to review the requirements for financial statements of Schools and the audit vs accounting officer requirements. We developed a guide for members to assist with performing reporting engagements for Schools. SAIBA and FEDSAS also met to understand the need of the unions as to School reporting.
- **CFO World Congress:** We launched a CFO tour to Italy to coincide with the 49th World Congress of CFOs to be held in Matera, Italy.
- **Namibia:** We met with the Companies registrar and Tax authorities as well as the FIC agency in Namibia and started to participate in their stakeholder meetings. We subsequently organised a Conference with Regulators to introduce members to the latest updates and future plans of the Namibian regulating authorities. More than 200 Namibian members of SAIBA attended the event.
- **SAQA:** Successfully maintaining the registration of our designations with the South African Qualifications Authority (SAQA).
- **CIPC:** Successfully maintaining the registration of our designations with the Companies Intellectual Properties Commission (CIPC).
- **Disciplinary processes:** We reviewed and enhanced our investigations and disciplinary processes with the assistance of our Company Secretary and Legal Advisors. A number of cases was dealt with during the year and more than R100 000 of penalties issued.
- **SAIBA Academy:** We continued with the planning process for the establishment of a SAIBA Academy with the aim of enabling SAIBA to offer CPD directly to members, enhancing our ability to monitor CPD compliance and increasing the value proposition of being a SAIBA member. SAIBA Academy will include services related to CPD, specialist licences, upskilling courses and CFO courses.
- **FASSET Tender:** A lot of effort and time has been allocated to the FASSET tender which will enable more than 80 unemployed black graduates to become full members of SAIBA, by offering Workplace Readiness Training. The service delivery of the project is going well but the FASSET receipts are 5-months behind schedule increasing pressure and tension with service providers.
- **CPD:** A need arose to re-align our CPD objectives with those of our CPD provider, which is to provide a complete and integrated educational platform for our members.

The change required extensive legal assistance and input from Management in order to align expectations and deliverables to the benefit of our members.

- **SARS:** We met and made a number of submissions to SARS relating to our application for RCB status. Amendments to the SAIBA MOI is required and our legal advisors have been working on the revisions.
- **PAFA:** SAIBA was allowed as a full PAFA member in 2019. This means we are now a member of the Pan-African Federation of Accountants now sharing a network of 45 accounting bodies in Africa.
- **Staff:** We appointed additional staff to take on duties as follows:
  - Tania Lee as Project Director specifically to oversee and ensure the success of our projects including but not limited to the launch of our new Academy, various empowerment initiatives, obtaining sponsorships etc.
  - Jenny Grimmer as Events and Marketing Co-ordinator to assist us with arranging and co-ordinating various events and campaigns for our members.
  - Warren Adams as Accountant to ensure the finances remain stable and in line with targets.
  - Wesley de Kock as Business Consultant to assist members with upskilling, obtaining licenses and assist in obtaining additional income from sponsorship and advertising.
- **Sponsorships:** sponsoring the Irene home as part of our Mandela day celebrations.

Our focus continues to be on working with corporate partners including, Draftworx, Intuit QuickBooks and SA Accounting Academy (SAAA) to whom we owe immense gratitude for sticking with us through thick and thin. We do this under the guidance of a Board that acts with insight and a willingness to make the hard decisions and with a dedicated staff that believes in our mission. We will continue reinforcing the projects mentioned and looking for more opportunities for expansion within the guiding principle of meaningful and lasting value. Working the way we do, flexible and responsive to changes in market conditions, will not be possible without the ongoing support of our valued members.

Warm regards,



Nicolaas van Wyk

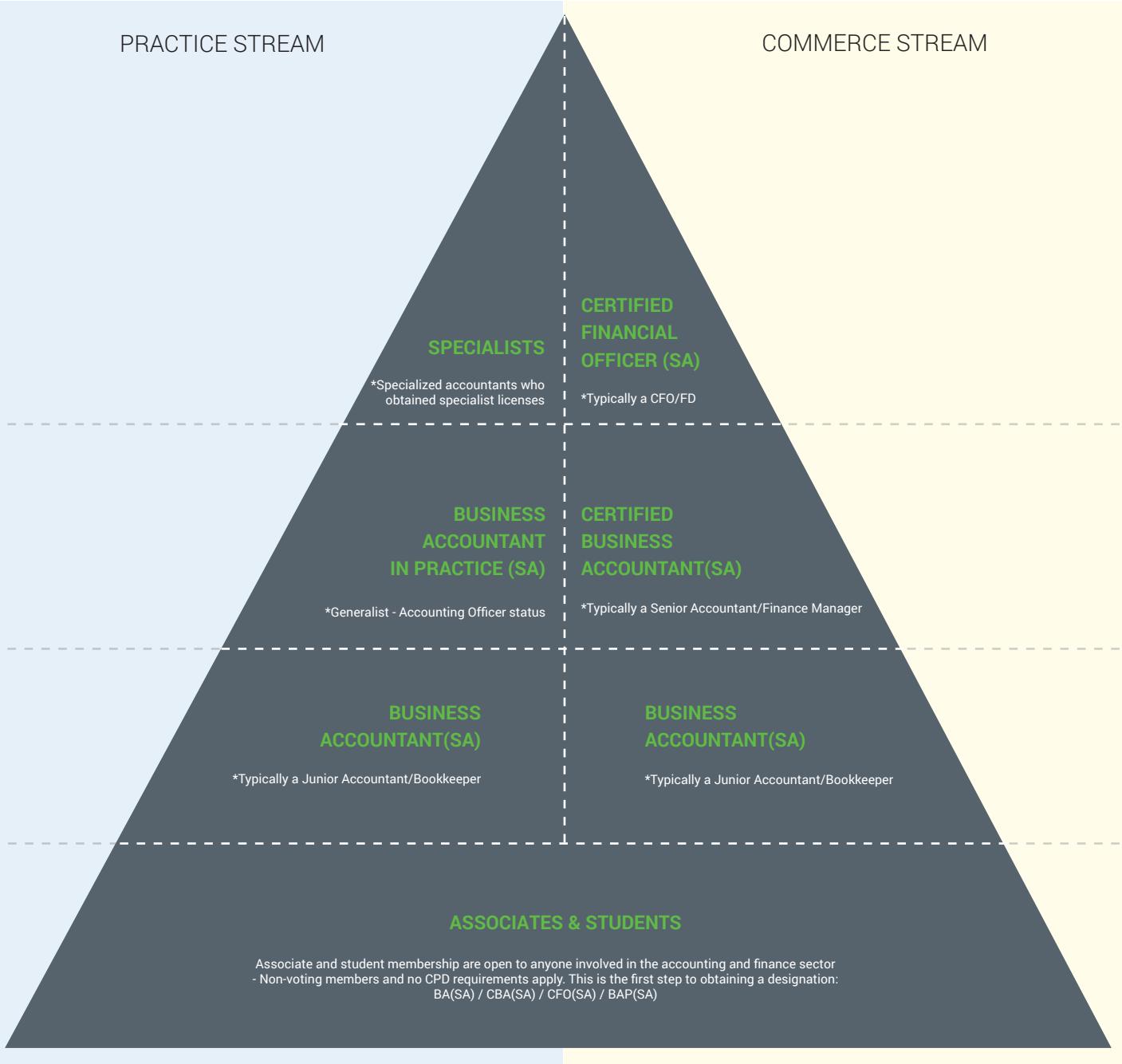
# ORGANISATIONAL OVERVIEW

SAIBA follows an open-access model, therefore, anyone involved in the accounting and finance sector can become associated with the organisation, become part of an inclusive accounting community and connect with a community of thousands of like-minded finance professionals who share ideas, advice and expertise.

What lies at the core of SAIBA is a desire to help connect, develop and recognise our members as accounting and finance professionals.

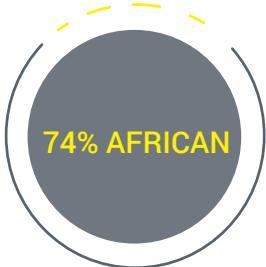
The open-access model followed by SAIBA mandates that our membership and designation entry requirements are set at a very competitive level compared to other bodies in the sector. However, this is balanced with a strictly enforced CPD regime applicable to all designation holders and annually assessed through a licensing system.

Members fall into various membership tiers, according to experience and qualifications.

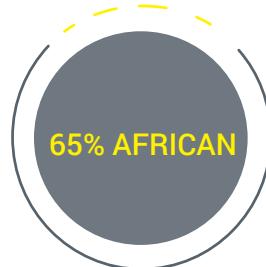


## MEMBERSHIP DEMOGRAPHICS

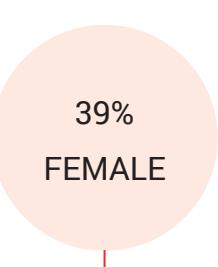
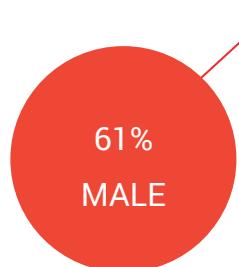
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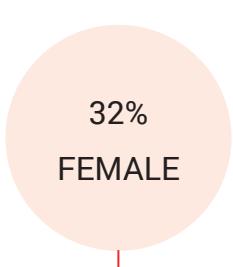
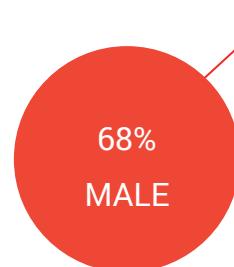
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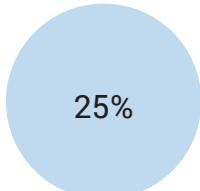
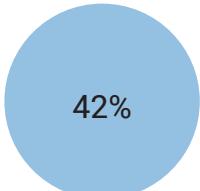
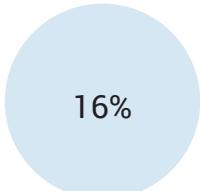
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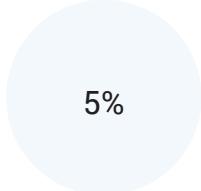
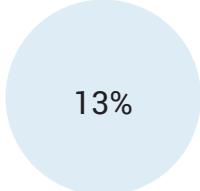
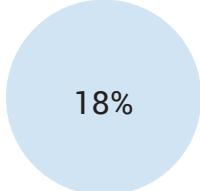
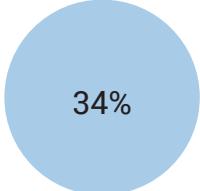
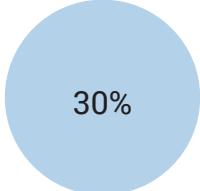
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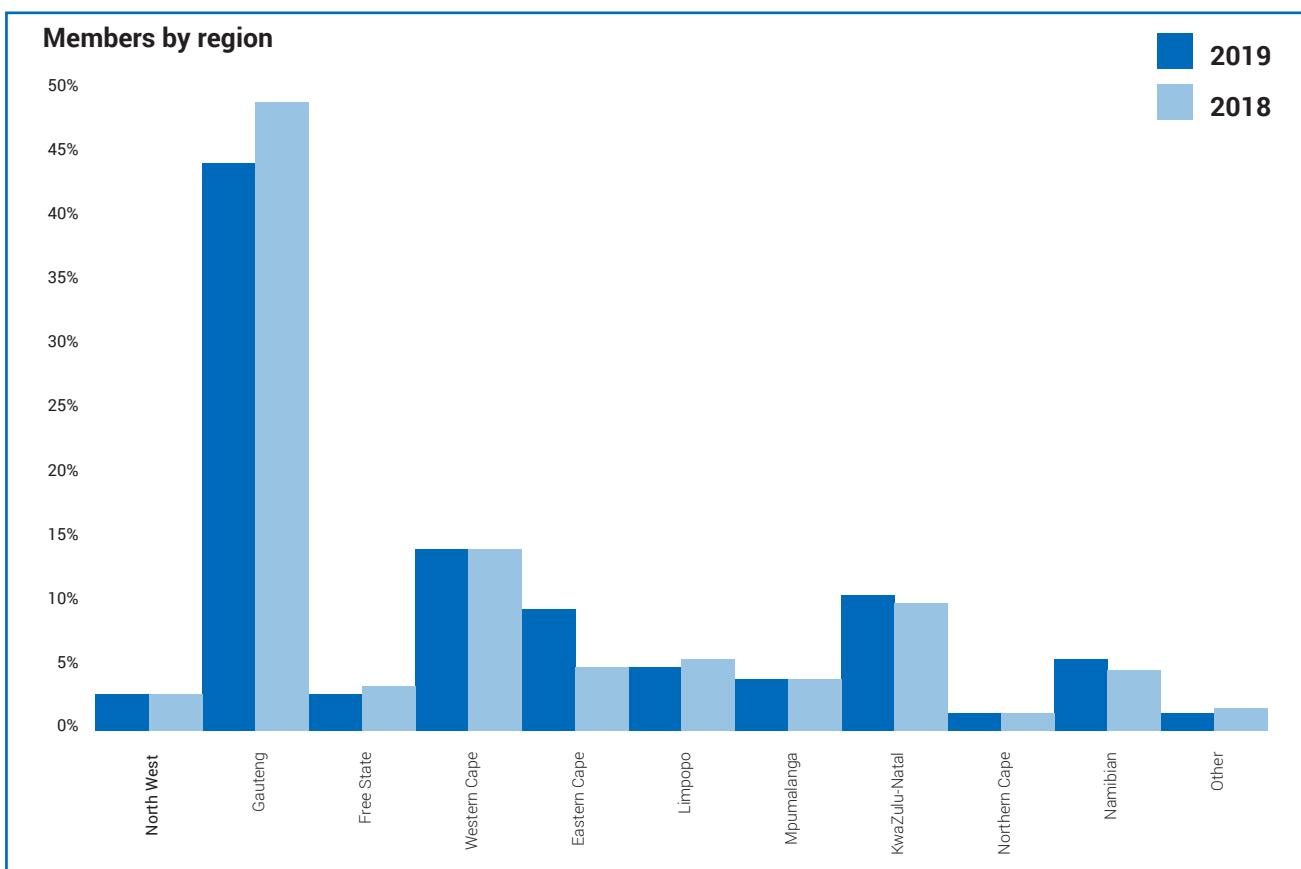
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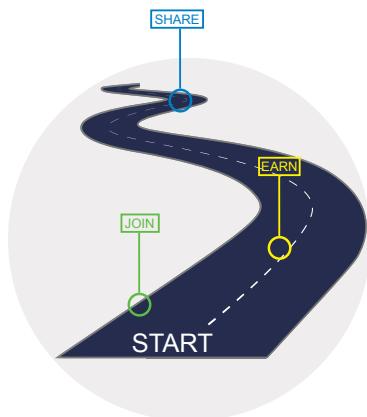
SAIBA Active Membership Composition		DESIGNATION HOLDERS				
Year	Saiba Associates	BA (SA)	CBA(SA)	CFO (SA)	BAP(SA)	TOTAL
2016	2851	808	13	6	2506	6184
2017	1739	1225	22	12	2900	5898
2018	1806	1500	35	38	3495	6874
2019	2366	1819	28	43	3528	7784
Suspended		-666				

New membership applications			
	Applications	SAIBA Associates	Designation Holders
2016	1967	860	491
2017	2440	1516	915
2018	2303	1267	759
2019	2439	560	1016



#### World-wide representation

Through our association with the International Association of Financial Executives (IAFEI: [www.iafei.org](http://www.iafei.org)), SAIBA has representation via the 18 member institutes with a total membership of over 20 000 financial executives.



**JOIN** | Join SAIBA - the gateway to the accounting profession, as we join forces in developing your career.

**EARN** | Depending on your qualifications and experience, you choose the designation that will best help you further your career.

**SHARE** | Share in the benefits associated with being a member, career guidance, technical support, partner rewards etc.

	CAPITALS	OUTPUTS	OUTCOMES
FINANCIAL	Membership fees	Designations are awarded to members. Special discount offerings to members.	R14.2 million revenue derived
	Licensing fees	Licences awarded to members specialising in special areas of interest.	
	Grant/Tender Income	Public interest protected – ensure that accountants are equipped to render professional services. Accountants empowered and upskilled to enter the workspace or increase their earning potential.	
	*Sponsorship		*R1.4 million other income generated
INTELLECTUAL	Registration of designations and trademarks	SAIBA developed its own, internally generated membership system, to constantly improve the way communication with members takes place. The system was launched during June 2016.	R180k invested in equipment and intangible assets.
	Internally developed membership system	We have four designations registered with SAQA – <ul style="list-style-type: none"> <li>Business Accountant - BA (SA)</li> <li>Certified Business Accountant - CBA (SA)</li> <li>Certified Financial Officer - CFO (SA)</li> <li>Business Accountant in Practice - BAP (SA)</li> </ul> We have registered the following trademarks – <ul style="list-style-type: none"> <li>CFO Talks</li> <li>Accounting Weekly</li> </ul>	We successfully maintained our 4 designations with SAQA.
HUMAN	Human Resources Skills and development training	By partnering with service providers, we ensure that our members receive a variety of training and development options to suit their needs and to ensure that they remain competent and equipped for the environment in which they operate in.  Staff members receive regular training and are developed and supported to ensure career growth and success. Volunteers, being SAIBA members, operate within regions, to ensure development and growth of members involved.  The Board of Directors is tasked with the responsibility to identify, oversee and manage the economic, environment, social risk and opportunities, and is supported by constituted Board committees.	17 Staff members  R7.5 million paid in salaries  Salaries aligned to Patterson PayScale  Bonuses paid for the achievements of aggressive growth targets
	Stakeholder engagement Memorandums of Understanding Approved Providers	SAIBA has agreements with the following entities to provide members with the best value for money product offerings, and to assist members with starting their new business to obtain clients – <ul style="list-style-type: none"> <li>SAIT</li> <li>Sage</li> <li>Intuit Quickbooks</li> <li>Draftworx</li> <li>IAFEI</li> </ul>	Employment equity position: 59% black 76% women
NATURAL	Natural resources	SAIBA continues its efforts to minimise our environmental footprint by working towards a paperless environment and better use of technology	

## STAKEHOLDER ENGAGEMENT

The Board supports stakeholder engagement and communication strategies that support transparent, understandable and reciprocal communication. SAIBA maintains continuous engagement with its identified key stakeholder groups to promote the achievement of strategic objectives, and to support economic, social and environmentally sustainable business practices.

Stakeholder engagement is crucial to meeting our strategic objectives and key to our value creation.

STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	HOW WE RESPOND
Members	Technical assistance and information. Value for money. Career/practice management guidance. Service levels.	Newsletters Free webinars on practice management and legislative updates Member surveys.
Members	Market-related remuneration Training and development.	Remuneration Policy providing guidance to fair remuneration. Regular staff meetings and training sessions.
Universities/colleges	Educate future accounting professionals.	Attend open days. Participate in development of curricula.
Suppliers	Establish lasting relationships.	Ad hoc meetings Day-to-day interaction.
Approved providers	Brand exposure to SAIBA members.	Link members with approved providers and their products at a negotiated discounted rate.
Regulators	Compliance with standards and regulations.	Scheduled meetings Ad hoc telephonic and written communication.
Government	Protect the public interest. Maintain standards of the profession.	Submissions and engagements to enhance awareness and contribute to development of relevant and effective laws.

## MANAGING OUR RISKS AND OPPORTUNITIES

SAIBA has embraced a collaborative, strategic philosophy to risk management, which includes identifying and addressing the threats and opportunities SAIBA faces. To ensure that SAIBA's approach to risk management incorporates diverse perspectives, SAIBA seeks to involve appropriate personnel at all levels of SAIBA in the identification of risks, as well as the creation of practical strategies to help mitigate risks.

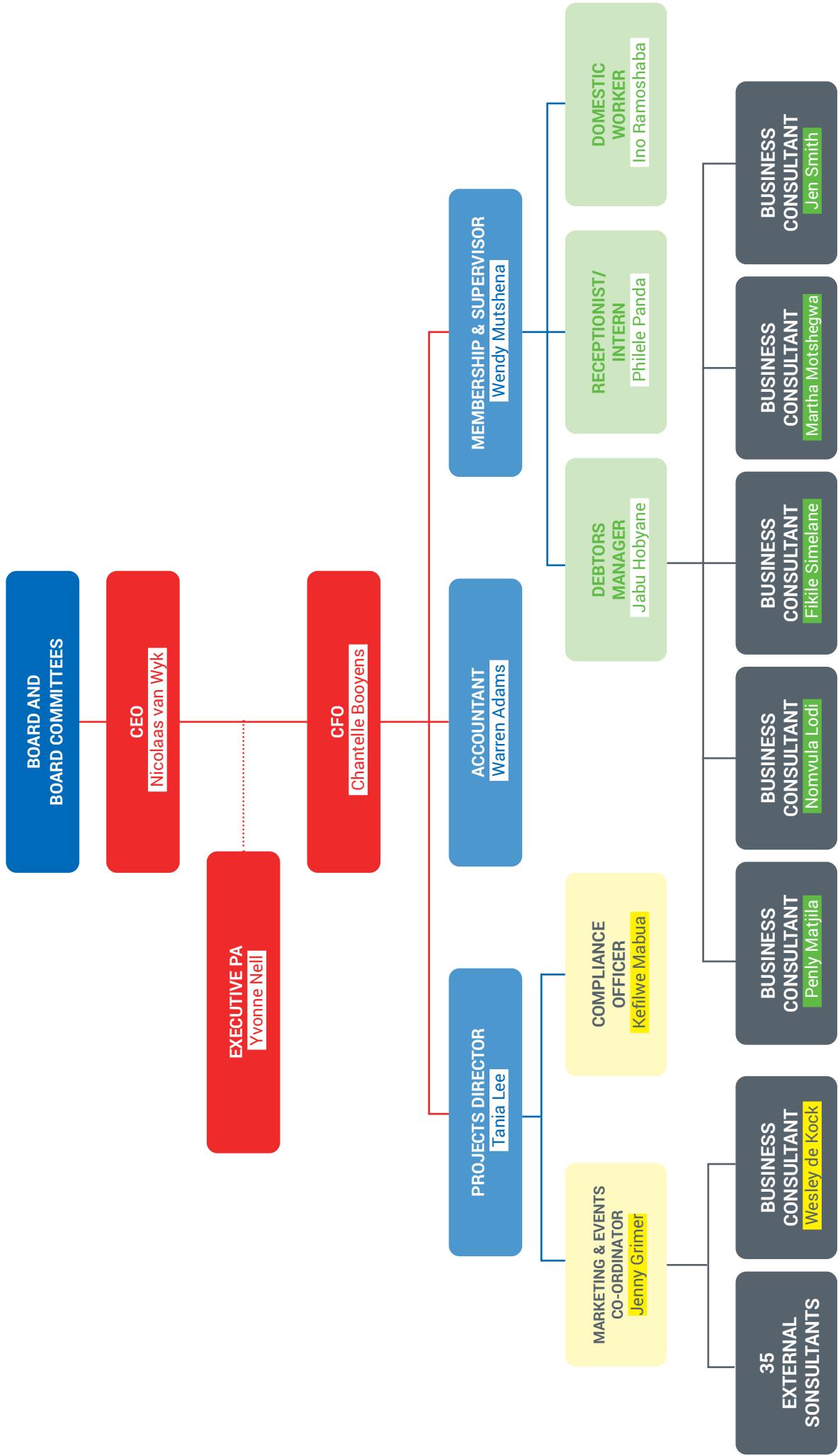
SAIBA is committed to identifying and managing risks in line with best corporate governance practices and in the application of the relevant rules and regulations, as well as the principles laid down in King IV. It is, however, not always possible to identify all risks that may arise. The goal of managing risk is therefore not the avoidance thereof but balancing risks with the achievement of the strategic goals of SAIBA.

All identified and relevant risks are Reported to the Audit and Risk Committee, who ultimately Reports to the Board.

SAIBA identified and recorded key risks and associated mitigation strategies in a consolidated institutional risk matrix as follows:

STRATEGIC OBJECTIVE	RISK	ROOT CAUSE TO RISK	MITIGATING ACTION PLAN	OPPORTUNITIES
Growth and retention of membership	Fraud and corruption: Complaints regarding members and responsibility to public	Fraud and or misrepresentation by members - members erroneously holding themselves out as Accounting Officers or performing specialist work without the prerequisite license.	<ul style="list-style-type: none"> <li>Enforcement of CPD Policy</li> <li>Annual Practice License written by BAP's (to be launched 2019)</li> <li>Incorporated layers to membership - Generalists vs Specialists (licenses)</li> </ul>	Brand awareness Enhanced member value proposition
Long term financial sustainability	Economic conditions – SAIBA not a going concern	Members inability to pay their fees due to economic pressure	<ul style="list-style-type: none"> <li>Create awareness around flexible payment options available to members.</li> <li>Actively seek partnerships that will enhance the member value proposition - e.g. Intuit Quickbooks Online Accountant.</li> </ul>	Strengthen and improve existing processes - personalised and improved service delivery to members.
Information security and protection	Information, system, integrity and security risk Cyber attacks	Limited financial resources available	<ul style="list-style-type: none"> <li>Regularly update and improve IT policies and systems</li> <li>Ongoing training and support</li> </ul>	Continuously improve on processes as recommended during it audit. Upskill staff
Compliance and competency	Members erroneously holding themselves out as Accounting Officers	Lack of awareness of different membership tiers and what it entails	<ul style="list-style-type: none"> <li>Improve FAQ section on website.</li> <li>Introduce "Know How" videos on each membership type.</li> </ul>	Increase competency and professionalism of members

## MANAGEMENT STRUCTURE



## MANAGEMENT STRUCTURE

### MEET THE TEAM

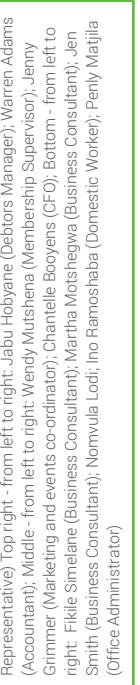
**Top Left - from left to right:** Jarrod Victor (SAAA CPD Representative); Wesley de Kook (Business Consultant); Warren Adams (Debtors Manager); Martha Motshewa (Business Consultant); Jenny Grimmer (Marketing and events co-ordinator); Chantelle Booysen (CEO); Fikile Simelane (Business Consultant); Jen Smith (Business Consultant); Nonvula Lodi; Ino Ramoshaba (Domestic Worker); Penny Matjila (Office Administrator).



**Top Right - from left to right:** Jabu Hobyane (Debtors Manager); Warren Adams (Accountant); Jenny Grimmer (Membership Supervisor); Chantelle Booysen (CEO); Nonvula Lodi (Director: Projects); Nonvula Lodi (Business Consultant); Penny Matjila (Office Administration); Wendy Mutshewa (Membership Supervisor); Jen Smith (Business Consultant); Nonvula Lodi; Ino Ramoshaba (Domestic Worker); Penny Matjila (Office Administrator).



**Top Left to Top Right:** Stephen Corrigan (Board member); Shandukani Manyaka (Education Manager); Yvonne Nell (Personal Assistant); Fikile Simelane (Business Consultant); Jabu Hobyane (Business Consultant); Martha Motshewa (Business Consultant); Jen Smith (Business Consultant); Wendy Mutshewa (Membership Supervisor); Nonvula Lodi (Business Consultant); Kefilwe Mabua (CPD Compliance Officer); Phyllie Panda (Receptionist); Nicolaas van Wyk (CEO). Bottom from Left to Right: Michael Sass (Board member); Chantelle Booysen (CEO); Gronie Hluyo (Board member); Professor R Thakkhathi (Chairman).



**Top Left - from left to right:** Phyllie Panda (Receptionist); Warren Adams (Accountant); Middle - from left to right: Wendy Mutshewa (Membership Supervisor); Jenny Grimmer (Marketing and events co-ordinator); Chantelle Booysen (CEO); Bottom - from left to right: Fikile Simelane (Business Consultant); Martha Motshewa (Business Consultant); Jen Smith (Business Consultant); Nonvula Lodi; Ino Ramoshaba (Domestic Worker); Penny Matjila (Office Administrator).



**Top Left to Top Right:** Phillipine Panda (Receptionist); Jarrod Victor (SAAA CPD Representative); Top right - from left to right: Jabu Hobyane (Debtors Manager); Warren Adams (Accountant); Middle - from left to right: Wendy Mutshewa (Membership Supervisor); Jenny Grimmer (Marketing and events co-ordinator); Chantelle Booysen (CEO); Bottom - from left to right: Fikile Simelane (Business Consultant); Martha Motshewa (Business Consultant); Jen Smith (Business Consultant); Nonvula Lodi; Ino Ramoshaba (Domestic Worker); Penny Matjila (Office Administrator).



# meet the board



**Professor Davhana Thakhathi**  
Chairperson

**Gronnie Hugo**  
Non-Executive Director



**Pieter de Jager**  
Non-Executive Director

**Lerato Legadima**  
Non-Executive Director

**Stephen Corrigan**  
Non-Executive Director



**Chantelle Booyens**  
Executive Director (CFO)

**Nicolaas van Wyk**  
Executive Director (CEO)

BOARD COMPOSITION AND ATTENDANCE AT BOARD MEETINGS			
BOARD MEMBER	DESIGNATION	(RE-) APPOINTMENT DATE	MEETINGS ATTENDED
DR Thakhathi (Chairperson)	Non-executive Director	07-03-2017	3/4
G Hluyo	Non-executive Director	31-05-2018	2/4
SR Corrigan	Non-executive Director	31-05-2018	1/4
LLS Legadima	Non-executive Director	31-05-2018	1/4
PC de Jager	Non-executive Director	07-03-2017	3/4
NF van Wyk	Executive Director	01-03-2013	4/4
Ms C Booyens	Executive Director	07-03-2017	4/4

#### Board subcommittee structure

The Board has established several standing committees with delegated authority from the Board. Each committee has agreed terms of reference as approved by the Board that addresses issues such as composition, duties, responsibilities and scope of authority, which are reviewed annually. Although the board delegates certain functions to these committees, it retains ultimate responsibility for their activities. The work of the Board, to identify, oversee and manage economic, environment and social risk and opportunities, is supported by constituted Board committees. The Board committees are formal statutory committees in terms of the Companies Act and sub-committee of the Board, with enough non-executive representation. The Board is satisfied that the committees conducted their business in line with their terms of reference, discharging their responsibilities contained therein.

# REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (the "Committee") is constituted as a statutory committee in terms of its statutory duties as set out in section 94(7) of the Companies Act and a subcommittee of the Board with responsibilities that include the statutory duties prescribed by the Companies Act, activities recommended by King IV, as well as additional responsibilities assigned by the Board.

The Committee functions within documented terms of reference and complies with the relevant legislation, regulation and governance codes. The terms of reference have been approved by the Board and is reviewed as and when appropriate. The Committee conducts its affairs in compliance with its terms of reference and discharges its responsibilities contained therein. The Committee has an independent role with accountability to both the Board and to SAIBA members and comprised 3 (three) non-executive directors. These directors include suitably skilled directors having recent and relevant financial experience. The Committee is elected by SAIBA members at the annual general meeting. The following directors serve on the Committee:

We, the Audit and Risk Committee members –

#### External audit

- nominated SizweNtsabulaGobodo Grant Thornton Inc ("SNG") as the external auditor, with Ms Jeanine Clark-Nelmapius as the designated auditor to the members for appointment as auditor for the financial year ended 30 June 2019, and ensured that the appointment complied with all legal and regulatory requirements for the appointment of an auditor;
- approved SNG's engagement letter, the plan and the budgeted audit fees payable to SNG;
- discussed the audit to assess the effectiveness of the auditor;
- obtained a statement from the auditor confirming that its independence was not impaired.

#### Financial statements

- concluded that the annual financial statements fairly present the financial position of SAIBA at the end of the financial year;
- recommended the annual financial statements and integrated annual report for the financial year ended 30 June 2019 for approval to the SAIBA Board.

#### Risk management

- reviewed quarterly risk reports containing pertinent risks and opportunities;
- recommended that all risks identified by the other Board committees be incorporated into the risk register.

#### 2019/2020 Budget

- reviewed and recommended that the draft 2019/120 budget be referred to the Board for approval.

#### Internal control

- considered the reports of SNG on SAIBA's systems of internal control, including financial controls, business risk management and maintenance of effective internal control systems;
- received assurances that proper accounting records were maintained given the size of SAIBA and number of staff, and that the systems safeguarded SAIBA's assets against unauthorised use or disposal.

#### Governance

- reviewed and recommended that the Committee's Terms of Reference be referred to the Board for final approval;
- reviewed and recommended various policies for Board approval.

#### Integrated annual report

- reviewed this report, taking cognisance of material factors and risks that may impact the integrity thereof, and recommended that the Board approve the Integrated Annual Report of SAIBA for the year ended 30 June 2019.

The Committee is satisfied that it has fulfilled its duties during the year under review.  
On behalf of Audit and Risk Committee:

Stephen Corrigan  
Chairperson

MEMBERS	MEETINGS
Stephen Corrigan (Chairperson)	3/3
Gronie Hluyo	2/3
Pieter de Jager	1/3

# REPORT OF THE SOCIAL AND ETHICS, REMUNERATION AND NOMINATIONS COMMITTEE

## Social and Ethics, Remuneration and Nominations Committee

This report is presented to SAIBA members in The Social and Ethics, Remuneration and Nominations Committee (the "Committee") is a statutory committee, which assists the Board with monitoring SAIBA's performance as a good and responsible corporate citizen within a framework of legislative compliance and prevailing codes of good corporate governance.

The Committee functions within documented Terms of Reference and complies with the relevant legislation, regulation and governance codes.

Its Terms of Reference have been approved by the Board and is reviewed as and when appropriate. The Committee conducts its affairs in compliance with its Terms of Reference and discharges its responsibilities contained therein.

We, the Social and Ethics Committee members -

- reviewed and monitored progress with the Social and Ethics Compliance Framework, including: i) health and safety compliance levels; ii) labour relations and working conditions; iii) ethics and compliance; iv) training and development skills; v) transformation and broad-based black economic empowerment progress;
- reviewed and made recommendations on the composition of the Board;
- reviewed and monitored the implementation of the Remuneration Policy;
- reviewed and recommended that the Committee's Terms of Reference be referred to the Board for final approval;
- reviewed and recommended various policies for Board approval.

These activities show SAIBA's initiatives having regard to its responsibility to society and the environment in which it operates, while remaining accountable to its members in terms of financial performance. The Committee is satisfied that it has fulfilled its duties during the year under review.

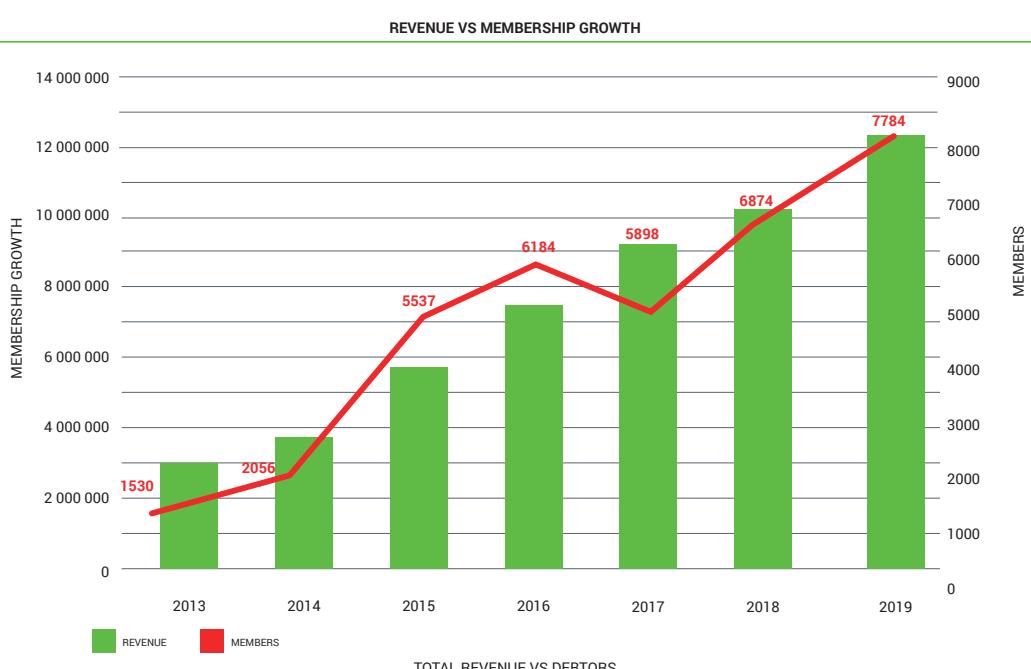
During the period under review, no substantive non-compliance with legislation and regulations, or nonadherence with the codes of best practice, relating to the areas within the mandate of the Committee, has been brought to its attention.

On behalf of the Social and Ethics, Remuneration and Nominations Committee.

Pieter de Jager  
Chairperson

MEMBERS	MEETINGS
Pieter de Jager (Chairperson)	3/3
Professor RD Thakhathi	1/3
Gronie Hluyo	3/3

## our performance at a glance



The 2019 trade and other receivables figure consists of:

- R2m owed to SAIBA by FASSET for the delivery of a Workplace Readiness Program;
- R2.8m current membership fees outstanding;
- R1.2m in membership fees outstanding for more than a year for which payment arrangements are in place;
- Smaller amounts include R200k outstanding from CPD and event fees.

## ALLIANCES AND ASSOCIATIONS

We are formally associated with the following establishments –



### CFO Talks ®

CFO Talks, powered by SAIBA, is devoted to sharing ideas and conversations between CFOs, a platform which facilitates insightful and powerful talks relevant to CFOs. CFO Talks™ is an initiative between IAFEI, UNISA SBL, CIMA and SAIBA. Through our network, we can source and connect knowledgeable thought leaders with the CFO community, covering all issues affecting the CFO, including business, social, technical and global issues.



### Accounting Weekly

Accounting Weekly, powered by SAIBA, is a dedicated news portal for accounting and finance professionals. The daily updates provide news and information with a distinct accounting flavour. Its approach is both local and global, featuring developments within economies, industries and in practice – ranging from the big four to smaller firms. Other information includes updates in information technology, regulation, and financial reporting.



### International Association of Financial Executives Institutes (IAFEI)

SAIBA is a member of IAFEI, the global society for finance executives that represents more than 22000 CFOs, FDs, FMs in more than 21 countries. SAIBA CBA(SA) and CFO(SA) members gain access to a network of global finance executives.



### South African Institute of Tax Professionals (SAIT)

SAIBA signed a mutual recognition agreement with SAIT. SAIBA members who have been awarded a SAIBA designation, receive 50% discount of SAIT membership.



### Institute of Certified Bookkeepers (ICB)

SAIBA signed a mutual recognition agreement with ICB. ICB members who have obtained an NQF 6 (old) qualification may apply for SAIBA BAP(SA) status.



### UNISA School for Business Leadership (UNISA SBL)

The MBL programme of UNISA (SBL) has been accredited by SAIBA for the attainment of the CFO(SA) designation.



### SA Accounting Academy

Our approved CPD provider ensuring quality seminars, conferences and webinars to satisfy our members' CPD requirements which is now hosted within our SAIBA Academy.



### Fasset: Finance & Accounting Services Sector Education & Training Authority.

The finance and accounting services sector is particularly important because it is the largest employer of people with financial management, accounting, and auditing skills. In 2012 more than 135 000 people worked in the sector. Fasset's mission is to increase the flow of new finance and accountancy entrants to employment; develop and grow the skills required in the sector, and facilitate transformation of the finance and accountancy sector.



### Department of Social Development (DSD)

SAIBA, SAIT and the DSD launched a volunteer project to help non-profit organisations (NPOs) become compliant with their financial Reports and tax returns. An estimated, 80 000 NPOs are non-compliant and can benefit from the [www.npoassist.co.za](http://www.npoassist.co.za) volunteer project.



### Draftworx

Through our partnership with Draftworx, our members have access to discount on training, seminars or workshops.



### QuickBooks

SAIBA partnered with QuickBooks, the world's largest accounting software solutions company, to bring our members exclusive QuickBooks offers.



### Aon South Africa (Pty) Ltd (AON)

In proud association with AON, the leading specialty insurance brokers in South Africa, we have structured a unique offering for SAIBA Members to address these risks, at highly preferential rates.



### CIGFARO

In recognising the synergies that exist between their respective organisations, both the SAIBA and CIGFARO have established an institution-to-institution agreement in terms of which both organisations will benefit. CIGFARO plays a role as a professional body in the Public Sector and is keen to play a constructive role in the policy formulation process relating to Public Sector finance and related profession. The MOU between SAIBA and CIGFARO enables SAIBA members that have been awarded the SAIBA designations to register with CIGFARO at a 50% discount.



### Tax Shop

The Tax Shop provides technical support functions to SAIBA members at no costs and assists members with establishing formalised accounting practices. This includes assistance with starting and running an accounting firm.



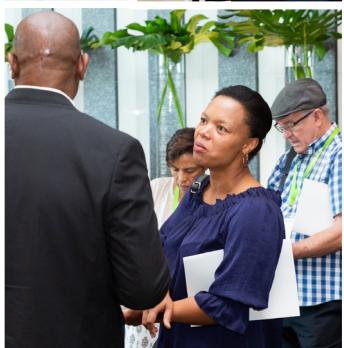
### TVET Colleges

During the year SAIBA entered into an MOU with a number of Technical Vocational Education and Training (TVET) colleges to assist with placement of accounting students and sharing of resources. We view these as significant growth areas for SAIBA and will aggressively pursue more MOUs with all TVET colleges in South Africa. These MOUs gives us direct access to the Department of Education and possible funding opportunities.

## GALLERY OF EVENTS



# practice management bootcamp





# practice management bootcamp





# regulating the profession in namibia



## member workshops



## saiba participating as observers during the election



## mandela day



## cfo talks events and interviews



## engaging with regulators and government



## staff training and team building



## ADMINISTRATION

**REGISTERED NAME:** The Southern African Institute for Business Accountants NPC

**PHYSICAL ADDRESS:**  
2 Oxford Office Park  
3 Bauhinia Street  
Highveld Technopark  
Centurion  
0140

**POSTAL ADDRESS:**  
P O Box 7905  
Centurion  
0046

**TELEPONE NUMBER:** +27 12 643 1800

**FAX NUMBER:** 086 508 2923

**EMAIL ADDRESS:**  
[saiba@saiba.org.za](mailto:saiba@saiba.org.za)  
[info@cfotalks.com](mailto:info@cfotalks.com)  
[info@accountingweekly.com](mailto:info@accountingweekly.com)

**WEBSITE:**  
[www.saiba.org.za](http://www.saiba.org.za)  
[www.cfotalks.com](http://www.cfotalks.com)  
[www.accountingweekly.com](http://www.accountingweekly.com)

**AUDITORS:** Sizwe Ntsaluba Gobodo Grant Thornton Inc

**BANKERS:** ABSA

The Southern African Institute for Business Accountants NPC  
(Registration number 1990/005364/08)  
Annual Financial Statements  
for the year ended 30 June 2019

## **The Southern African Institute for Business Accountants NPC**

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

### **General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Professional body for business accountants
<b>Directors</b>	DR Thakhathi LL Legadima SR Corrigan PC de Jager NF van Wyk C Booyens
<b>Registered office</b>	2 Oxford Office Park 3 Bauhinia Street Highveld Technopark Centurion 0169
<b>Business address</b>	2 Oxford Office Park 3 Bauhinia Street Highveld Technopark Centurion 0169
<b>Postal address</b>	PO Box 7905 Centurion 0046
<b>Bankers</b>	ABSA Bank Limited
<b>Auditor</b>	SizweNtsalubaGobodo Grant Thornton Inc Registered Auditors
<b>Secretary</b>	A Jones
<b>Company registration number</b>	1990/005364/08
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: DJ Oosthuizen CA(SA)

# **The Southern African Institute for Business Accountants NPC**

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

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Statement of Financial Position	9
Statement of Surplus/Deficit and Other Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 20
Notes to the Annual Financial Statements	21 - 31
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	32 - 33

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Directors' Responsibilities and Approval

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The directors 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 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 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 International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards 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 of directors 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 annual 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 next 12 months and in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 6 to 8.

The annual financial statements set out on pages 9 to 32, which have been prepared on the going concern basis, were approved by the board of directors on 14 February 2020 and were signed on their behalf by:



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DR Thakhathi - Chairperson



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NF van Wyk - CEO

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of The Southern African Institute for Business Accountants NPC for the year ended 30 June 2019.

### 1. Nature of business

The main objectives and purposes of the company are to establish and provide membership, tiered recognition, designations, certifications and licensing for persons to be employed, or self-employed as accountants and finance professionals in commerce, private practice, the public sector and academia, and all other objectives relating hereto. The company operates principally in Southern Africa.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in notes 2 and 3.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Directorate

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

Directors	Office	Designation	Nationality	Changes
DR Thakhathi	Director	Non-executive	South African	
LL Legadima	Director	Non-executive	South African	
SR Corrigan	Director	Non-executive	South African	
PC de Jager	Director	Non-executive	South African	
G Hluyo	Director	Non-executive	Zimbabwean	Resigned Thursday, 20 June 2019
NF van Wyk	Director	Executive	South African	
C Booyens	Director	Executive	South African	

### 4. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

### 5. Events after the reporting period

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

### 6. Going concern

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

### 7. Auditors

SizweNtsalubaGobodo Grant Thornton Inc continued in office as auditors for the company for 2019.

# **The Southern African Institute for Business Accountants NPC**

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## **Directors' Report**

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### **8. Company Secretary**

The company secretary is Mrs A Jones, which replaced Mr CJ van Dyk who resigned with effect of the 1st of February 2019.

**Business address:**

First Floor, Block A, Sandton Close 2  
Cnr Norwich Close & 5th Street  
Sandton  
2196

### **9. Date of authorisation for issue of financial statements**

The annual financial statements have been authorised for issue by the directors on Friday, 06 December 2019. No authority was given to anyone to amend the annual financial statements after the date of issue.

### **10. Liquidity and solvency**

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa, and believe that the company is liquid and solvent at the approval date of the financial statements.

### Independent Auditor's Report

To the members of The Southern African Institute for Business Accountants NPC

#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the annual financial statements of The Southern African Institute for Business Accountants NPC set out on pages 9 to 30 which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Southern African Institute for Business Accountants NPC as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

##### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Southern African Institute for Business Accountants NPC Annual Financial Statements for the year ended 30 June 2019", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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



Victor Sekese [Chief Executive]

A comprehensive list of all  
Directors is available at the  
company offices or registered  
office

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SizweNtsalubaGobodo Grant Thornton Incorporated Registration Number: 2005/034639/21

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements***

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Jeanine Nellmapius-Clarke  
**SizweNtsalubaGobodo Grant Thornton Inc**  
Director  
Registered Auditor

16 March 2020

Summit Place Office Park, Building 4  
221 Garstfontein Road  
Menlyn, Pretoria  
Gauteng

**The Southern African Institute for Business Accountants NPC**

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

**Statement of Financial Position as at 30 June 2019**

Figures in Rand	Note(s)	2019	2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	59 020	82 967
Intangible assets - internally generated	5	292 557	292 557
Other financial assets	6	-	21 618
		<b>351 577</b>	<b>397 142</b>
<b>Current Assets</b>			
Trade and other receivables	7	6 224 287	3 988 847
Cash and cash equivalents	8	1 330 030	669 813
		<b>7 554 317</b>	<b>4 658 660</b>
<b>Total Assets</b>		<b>7 905 894</b>	<b>5 055 802</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained surplus		<b>1 434 152</b>	<b>1 235 246</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	6 471 742	3 820 556
<b>Total Equity and Liabilities</b>		<b>7 905 894</b>	<b>5 055 802</b>

**The Southern African Institute for Business Accountants NPC**

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

**Statement of Surplus/Deficit and Other Comprehensive Income**

Figures in Rand	Note(s)	2019	2018
Revenue	10	14 253 192	10 739 436
Other operating income	11	1 421 928	427 800
Other operating gains/(losses)	12	25 495	892
Other operating expenses		(15 519 129)	(10 014 668)
<b>Operating surplus</b>	<b>13</b>	<b>181 486</b>	<b>1 153 460</b>
Investment income	14	17 416	4 562
Finance costs	15	-	(2 309)
<b>Surplus for the year</b>		<b>198 902</b>	<b>1 155 713</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>198 902</b>	<b>1 155 713</b>

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
<b>Balance at 01 July 2017</b>	<b>79 533</b>	<b>79 533</b>
Surplus for the year	1 155 713	1 155 713
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1 155 713</b>	<b>1 155 713</b>
<b>Balance at 01 July 2018</b>	<b>1 235 250</b>	<b>1 235 250</b>
Surplus for the year	198 902	198 902
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>198 902</b>	<b>198 902</b>
<b>Balance at 30 June 2019</b>	<b>1 434 152</b>	<b>1 434 152</b>

Note(s)

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	773 343	251 770
Interest income		17 416	4 562
Finance costs		-	(2 309)
<b>Net cash from operating activities</b>		<b>790 769</b>	<b>254 023</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(25 475)	(19 701)
Sale of property, plant and equipment	4	220	1 999
Purchase of other intangible assets	5	(152 342)	(288 110)
Proceeds of financial assets		47 054	283 917
<b>Net cash from investing activities</b>		<b>(130 543)</b>	<b>(21 895)</b>
<b>Total cash movement for the year</b>		<b>660 216</b>	<b>232 128</b>
Cash at the beginning of the year		669 813	437 685
<b>Total cash at end of the year</b>	8	<b>1 330 029</b>	<b>669 813</b>

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

#### 1.2 Significant Judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### Critical Judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

##### Key sources of estimation uncertainty

###### Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

###### Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

###### Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.3 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 year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition.

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 year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and 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. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

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Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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.

### 1.4 Intangible assets - internally generated

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated impairment losses.

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.4 Intangible assets - internally generated (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets as management believes that the useful is indefinite but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets - internally generated.

### 1.5 Financial Instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income.

Financial assets which are debt instruments:

- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost.
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 21 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.5 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

#### Trade and other receivables

##### Classification

Trade and other receivables are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

##### Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

##### Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

##### Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

##### Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

##### Credit risk

Details of credit risk are included in the trade and other receivables note (note 7) and the financial instruments and risk management note (note 21).

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.5 Financial instruments (continued)

#### Trade and other payables

##### Classification

Trade and other payables (note 9) are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 15).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

### 1.6 Financial instruments: IAS 39 comparatives

#### Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

#### Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

#### Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.6 Financial instruments: IAS 39 comparatives (continued)

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

#### Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

#### 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.

### 1.7 Tax

#### Tax expenses

No provision has been made for 2019 tax as the company is exempt of paying taxes in terms of section 10(1)(d)(iv)(bb).

### 1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.9 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.10 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

### 1.11 Revenue

The company recognises revenue from the following major sources:

- Membership fees.
- Licence/exam fees.
- Grant income.

Revenue is measured based on the consideration specified in a contract with a member and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a member.

# The Southern African Institute for Business Accountants NPC

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Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### Revenue (continued)

#### Membership fees

Membership fees are recognised in the financial period in which the application for membership is approved or renewed.

The prospective member applies for Associate membership via the online application portal. The prospective member needs to accept the company's terms and conditions and pay the association fee before a membership number is issued and the revenue recognised. The Associate member can then apply for one of the designations and provide the required supporting documentation as per the specific designation applied for. The designation application is assessed and if requirements are met and the application is approved, a proforma invoice is issued to the member for payment. The membership fee is only recognised once the proforma invoice is paid or a commitment/promise is shown by member to pay the fees. The commitment/promise includes the signing of a debit order instruction. The terms and conditions prescribe the process for membership cancellation and require notice of cancellation at least 30 days prior to the renewal date. Membership is automatically renewed if no cancellation instruction is received. The automated system sends communications to the members notifying them of the membership renewal which will be due within 30 days from renewal date. If a member doesn't make a payment arrangement or full payment for his/her membership fees, or fails to adhere to the payment arrangements made, the membership is suspended and will be re-activated upon receipt of payment. Membership fees for which the members' profile has been suspended, is provided for in the impairment provision.

#### Licence/exam fees

Exam fees are recognised in the period the member applies for the specific exam and the proforma invoice sent to the member is paid or a commitment/promise is shown by the member to pay the fees

License fees are recognised in the period the member applies for a specific license and the proforma invoice is paid or a commitment/promise is shown by member to pay the fees. License fees are generated in the instance where a member wishes to practice as a specialist in a specific field and the SAIBA license is a pre-requirement.

#### Grant income

Revenue from the FASSET grant is recognised when the performance obligation is rendered in terms of the service level agreement.

During the period under review SAIBA also recognised grant income resulted from a FASSET notice to refund Professional Bodies with the actual Continuous Professional Development (CPD) expenditure incurred by its member.

#### 1.12 Other income

Other income is measured at the fair value of the consideration received or receivable, excluding VAT.

#### 1.13 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### 1.14 Related party

A related party transaction is disclosed for a person or a close family member and/or related entity of that person, if that person or a close family member and/or related entity of that person

- has control or joint control over the company;
- has significant influence over the company; or
- is a member of the key management personnel of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the company and include:

- that person's children and spouse or domestic partner;
- children of that person's spouse or domestic partner; and
- dependants of that person or that person's spouse or domestic partner.

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

Figures in Rand

2019

2018

### 2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

#### Application of IFRS 9 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the company's financial statements are described below.

##### Classification and measurement of financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

##### Impact

There is no significant difference between the application of IAS 39 and IFRS 9 to the financial instruments identified in the 2019 financial year for classification and measurement. Although the impact of impairment is immaterial, the expected credit loss simplified approach to trade receivables will be applied. Trade receivables are mostly current and the impact of that default would be immaterial.

#### Application of IFRS 15 Revenue from contracts with customers

In the current year, the company has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016).

IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Refer to the revenue accounting policy for additional details.

The company has applied IFRS 15 with an initial date of application of 01 July 2018 in accordance with the fully retrospective transitional approach. No adjustment of initially applying IFRS 15 has been made to the opening balance of equity at 01 July 2018. The comparative information has therefore not been restated.

##### Impact

There was no significant impact identified with the application of IFRS 15 and therefore were comparative revenue not restated.

# The Southern African Institute for Business Accountants NPC

(Registration number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

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### 3. New Standards and Interpretations

#### 3.1 Standards and Interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact

### 4. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	162 808	(136 134)	26 674	165 446	(122 414)	43 032
Office equipment	2 060	(2 058)	2	2 060	(2 058)	2
IT equipment	251 252	(218 911)	32 341	244 161	(204 231)	39 930
Computer software	31 400	(31 397)	3	31 400	(31 397)	3
<b>Total</b>	<b>447 620</b>	<b>(388 500)</b>	<b>59 020</b>	<b>443 067</b>	<b>(360 100)</b>	<b>82 967</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	43 032	-	(156)	(16 202)	26 674
Office equipment	2	-	-	-	2
IT equipment	39 930	25 475	(5)	(33 059)	32 341
Computer software	3	-	-	-	3
	<b>82 967</b>	<b>26 476</b>	<b>(161)</b>	<b>(49 261)</b>	<b>59 020</b>

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	59 438	-	-	(16 406)	43 032
Office equipment	12	-	-	(10)	2
IT equipment	48 943	19 701	(3 329)	(25 385)	39 930
Computer software	3	-	-	-	3
	<b>108 396</b>	<b>19 701</b>	<b>(3 329)</b>	<b>(41 801)</b>	<b>82 967</b>

#### Expected useful lives and estimated residual values

No adjustments have been made to the carrying value of property, plant and equipment and the depreciation expense although the expected useful lives and residual values have been reviewed at year end. The carrying value of property, plant and equipment would have increased by R38 797 (2018: R27 610) if these adjustments were made. The directors are of the opinion that the effect is not material to the financial statements.

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### 5. Intangible assets - internally generated

	2019		2018	
	Cost / Valuation	Accumulated amortisation	Cost / Valuation	Accumulated amortisation
Member and learner management system	250 000	-	250 000	250 000
CFO Talks ®	20 213	-	20 213	20 213
Accounting Weekly ®	22 344	-	22 344	22 344
<b>Total</b>	<b>292 557</b>	-	<b>292 557</b>	<b>292 557</b>

### Reconciliation of Intangible assets - Internally generated - 2019

	Opening balance	Additions	Impairment loss	Total
Member and learner management system	250 000	152 342	(152 342)	250 000
CFO Talks ®	20 213	-	-	20 213
Accounting Weekly ®	22 344	-	-	22 344
	<b>292 557</b>	<b>152 342</b>	<b>(152 342)</b>	<b>292 557</b>

### Reconciliation of Intangible assets - Internally generated - 2018

	Opening balance	Additions	Impairment loss	Total
Member and learner management system	179 499	245 553	(175 052)	250 000
CFO Talks ®	-	20 213	-	20 213
Accounting Weekly ®	-	22 344	-	22 344
	<b>179 499</b>	<b>288 110</b>	<b>(175 052)</b>	<b>292 557</b>

### Other Information

The Member and Learner Management System ("the system") is used to record all the details of members and accounting entries of members' transactions. The system is recognised at cost less impairment losses. The useful life of the system is indefinite, as management believe that the system will be used by the company until an improved system is available in the market which will exceed the current benefits. SAIBA was approached by a professional body to purchase the system for R250 000 as it is specifically designed to cater for the professional body's environment. The professional body was subsequently unable to acquire the systems due to a lack of funds. The fair value is taken as R 250 000 as management believes that due to the effectiveness of the system the current annual economic benefits exceed the costs if the company had to hire a similar system and/or employed more employees.

The useful lives of the CFO Talks ® and Accounting Weekly ® are indefinite as the management will continue to further develop the intangible assets to subscribe more members in the future.

CFO Talks ® and Accounting Weekly ® are registered trademarks of SAIBA undergoing continuous development and expansion in order to increase SAIBA's exposure and visibility to the wider public and stakeholders in the Accounting profession.

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### 6. Other financial assets - Comparative information as per IAS 39

#### Loans and receivables

The Southern African Institute for Business Accountants (Namibia)	-	21 618
Unsecured loan bearing interest at rates determined from time to time. The loan has been repaid during the financial year under review.		

#### Non-current assets

Loans and receivables	-	21 618
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### 7. Trade and other receivables

#### Financial instruments:

Trade receivables	7 814 930	5 273 275
Loss allowance/provision for impairment	(1 631 309)	(1 325 094)
Trade receivables at amortised cost	6 183 621	3 948 181
Deposits	40 666	40 666
<b>Total trade and other receivables</b>	<b>6 224 287</b>	<b>3 988 847</b>

#### Split between non-current and current portions

Current assets	6 224 287	3 988 847
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#### Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	6 224 287	3 988 847
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#### Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if members fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

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### 7. Trade and other receivables (continued)

The company's historical credit loss experience does not show significantly different loss patterns for different member segments. The expected credit losses are based on the loss allowance matrix which differentiates between payment arrangements and no payment arrangements with members which have outstanding balances due. The loss allowance provision is determined as follows:

	2019	2019	2018	2018
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
<b>Expected credit loss rate:</b>				
Receivables: prior years - formal payment arrangements	1 175 449	451 243	793 157	366 540
Receivables: prior years - no formal payment arrangements	1 075 008	412 685	725 382	335 219
Receivables: current year - formal payment arrangements	4 885 555	673 753	3 296 623	547 282
Receivables: current year - no formal payment arrangements	678 918	93 628	458 113	76 053
<b>Total</b>	<b>7 814 930</b>	<b>1 631 309</b>	<b>5 273 275</b>	<b>1 325 094</b>

### Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

### 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	547 383	362 382
Short-term deposits	782 647	307 431
	<b>1 330 030</b>	<b>669 813</b>

The fair value of cash and cash equivalents approximates their carrying amounts.

The company has ceded R50 000 of the investment account balance in favour of ABSA Bank Limited as security for the company's debit order facility.

### Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit risk of funds invested in current/short-term deposits are limited because the counter party is a bank with a stable credit rating assigned by international credit-rating agencies and is regulated by the South African Reserve Bank which monitors the financial performance, capital ratios and conduct amongst banks. Accordingly, there is no material expected credit loss from a Probability of Default, Loss Given Default or any material Exposure at Default.

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### 9. Trade and other payables

#### Financial instruments:

Trade payables	1 676 998	389 761
Deferred revenue	3 000 228	2 216 055
Employee accruals	825 198	126 030
VAT (including deferred VAT)	969 318	1 088 710
	<b>6 471 742</b>	<b>3 820 556</b>

#### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

The deferred revenue, R 3 000 228, relates to membership fees received in advance for which SAIBA is obligated to provide membership support services, CPD updates and incurring costs related to sustain professional designations.

### 10. Revenue

#### Revenue from contracts with customers

Membership fees	12 045 738	10 009 785
License/exam fees	463 447	729 651
Grant income	1 744 007	-
	<b>14 253 192</b>	<b>10 739 436</b>

#### Membership fees

No membership fee increases were affected during the financial year under review. The revenue increase from the comparative year represents a true reflection of the growth in members.

### 11. Other operating income

Sponsorships	1 112 363	388 596
Sundry income	309 565	39 204
	<b>1 421 928</b>	<b>427 800</b>

### 12. Other operating gains (losses)

#### Gains (losses) on disposals, scrappings and settlements

Property, plant and equipment	4	59	(1 330)
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#### Foreign exchange gains (losses)

Net foreign exchange gains	25 436	2 222
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#### Total other operating gains (losses)

	<b>25 495</b>	<b>892</b>
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### 13. Operating profit (loss)

Operating surplus for the year is stated after charging (crediting) the following, amongst others:

#### Auditor's remuneration - external

Audit fees	91 770	68 037
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#### Employee costs

Salaries, wages, bonuses and other benefits	7 491 457	5 034 298
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## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>13. Operating profit (loss) (continued)</b>		
<b>Leases</b>		
<b>Operating lease charges</b>		
Premises	417 978	415 899
Equipment	117 248	126 331
	<b>535 226</b>	<b>542 230</b>
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	49 261	41 801
<b>Impairment losses</b>		
Intangible assets	152 342	175 052
<b>14. Investment income</b>		
<b>Interest income</b>		
<b>Investments in financial assets:</b>		
Bank and other cash	17 416	4 562
<b>15. Finance costs</b>		
Bank overdraft	-	2 309
<b>16. Taxation</b>		
No provision has been made for 2019 tax as the company is exempt of paying taxes in terms of section 10(1)(d)(iv)(bb).		
<b>17. Cash generated from operations</b>		
Profit before taxation	198 902	1 155 713
<b>Adjustments for:</b>		
Depreciation and amortisation	49 261	41 801
(Gains) losses on disposals and scrappings of assets	(59)	1 330
Gains on foreign exchange	(25 436)	(2 222)
Interest income	(17 416)	(4 562)
Finance costs	-	2 309
Net impairments	152 342	175 052
<b>Changes in working capital:</b>		
Trade and other receivables	(2 235 440)	(1 066 809)
Trade and other payables	2 651 189	(50 842)
	<b>773 343</b>	<b>251 770</b>
<b>18. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	488 694	394 821

Operating lease payments represent rentals payable by the company for its office. Leases are negotiated for an average term of three years effective 1 July 2016 to 30 June 2019. No contingent rent is payable. The company has renewed the lease agreement for only the next 12 months ending 30 June 2020.

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### 19. Related parties - 30 June 2018

#### Relationships

Entities with mutual directors

SA Accounting Academy Proprietary Limited (SAAA)  
The South African Institute of Tax Professionals NPC  
(SAIT)

Directorate

Refer to directors' report

#### Related party balances

##### Loan accounts - Owing (to) by related parties

SA Accounting Academy Proprietary Limited (SAAA)	-	70 097
The South African Institute of Tax Professionals NPC (SAIT)	-	(9 540)

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

NF van Wyk - bonus	(192 500)	-
C Booyens - bonus	(44 254)	-
SA Accounting Academy Proprietary Limited (SAAA)	210 107	-
SA Accounting Academy Proprietary Limited (SAAA)	(628 187)	-

##### Compensation to directors and other key management

Short-term employee benefits (salary)	3 828 582	2 529 573
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### 20. Directors' emoluments

#### Executive

2019

	Emoluments	Bonus	Company contributions	Reimbursements	Total
NF van Wyk	2 060 868	832 500	60 000	11 792	2 965 160
C Booyens	813 168	44 254	6 000	-	863 422
	<b>2 874 036</b>	<b>876 754</b>	<b>66 000</b>	<b>11 792</b>	<b>3 828 582</b>

2018

	Emoluments	Bonus	Company contributions	Reimbursements	Subsistence	Total
NF van Wyk	1 718 000	75 000	82 000	24 377	6 166	1 905 543
C Booyens	595 530	22 500	6 000	-	-	624 030
	<b>2 313 530</b>	<b>97 500</b>	<b>88 000</b>	<b>24 377</b>	<b>6 166</b>	<b>2 529 573</b>

#### Non-executive

2019

	Directors' fees	Total
DR Thakhathi	60 000	60 000

2018

	Directors' fees	Total
DR Thakhathi	60 000	60 000

# The Southern African Institute for Business Accountants NPC

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Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

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2019 2018

### 21. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	6 224 287	6 224 287	6 224 287
Cash and cash equivalents	8	1 330 030	1 330 030	1 330 030
		<b>7 554 317</b>	<b>7 554 317</b>	<b>7 554 317</b>

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	3 988 847	3 988 847	3 988 847
Cash and cash equivalents	8	669 813	669 813	669 813
		<b>4 658 660</b>	<b>4 658 660</b>	<b>4 658 660</b>

#### Categories of financial liabilities

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	6 471 742	6 471 742	5 986 742

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	3 820 553	3 820 553	3 820 553

#### Capital risk management

The capital structure and gearing ratio of the company at the reporting date was as follows:

Trade and other payables	9	6 471 742	3 820 553
Cash and cash equivalents	8	(1 330 030)	(669 813)
<b>Net borrowings</b>		<b>5 141 712</b>	<b>3 150 740</b>
Equity		1 434 152	1 235 250
Gearing ratio		359 %	255 %

# The Southern African Institute for Business Accountants NPC

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## Notes to the Annual Financial Statements

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### 21. Financial instruments and risk management (continued)

#### Financial risk management

##### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

##### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Trade receivables comprise a widespread member base. Management evaluated credit risk relating to members on an ongoing basis. If members are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the member, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The maximum exposure to credit risk is presented in the table below:

	7	2019			2018		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	7 855 596	(1 631 309)	6 224 287	5 313 941	(1 325 094)	3 988 847

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2018

### 21. Financial instruments and risk management (continued)

#### Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2019

	Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>			
Trade and other payables	5 986 742	5 986 742	6 471 742

2018

	Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>			
Trade and other payables	9	3 820 553	3 820 553

#### Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

### 22. Going concern

The annual 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.

### 23. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report, which has a significant effect on these financial statements.

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## Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
<b>Revenue</b>			
Membership fees		12 045 738	10 009 785
License/Exam fees		463 447	729 651
Grant income		1 744 007	-
	10	<b>14 253 192</b>	<b>10 739 436</b>
<b>Other operating income</b>			
Sponsorships		1 112 363	388 596
Sundry income		309 565	39 204
	11	<b>1 421 928</b>	<b>427 800</b>
<b>Other operating gains (losses)</b>			
Gains (losses) on disposal of assets		59	(1 330)
Foreign exchange gains		25 436	2 222
	12	<b>25 495</b>	<b>892</b>
<b>Expenses (Refer to page 33)</b>			
<b>Operating profit</b>		<b>(15 519 129)</b>	<b>(10 014 668)</b>
Investment income	13	<b>181 486</b>	<b>1 153 460</b>
Finance costs	14	17 416	4 562
Surplus for the year	15	-	(2 309)
		<b>198 902</b>	<b>1 156 713</b>

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## Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
<b>Other operating expenses</b>			
Accounting fees		25 620	25 340
Advertising, congresses and exhibitions		483 956	215 327
Auditors remuneration	13	91 770	68 037
Bad debts		1 619 565	1 201 754
Bank charges		171 182	109 508
Cleaning		5 245	9 723
Commission paid		-	40 788
Committee meetings		25 103	20 741
Computer expenses		525 116	177 297
Consulting fees		1 022 455	680 390
Depreciation		49 261	41 801
Employee costs		7 491 457	5 034 298
Entertainment		95 849	56 392
Events costs		950 900	82 404
Fines and penalties		22 863	-
HR Consulting and recruitment costs		13 996	136 347
Impairment of intangible assets		152 342	175 052
Insurance		378 358	128 707
Lease rentals on operating lease		535 226	542 230
Legal fees - debt collection		4 374	51 479
Municipal expenses		70 141	64 125
PR, design and podcasts costs		152 237	41 959
Postage		50 874	93 142
Printing and stationery		36 931	30 257
RPL assessments costs		18 901	35 362
Repairs and maintenance		7 517	1 227
Secretarial, disciplinary and legal fees		350 095	135 722
Subscriptions		41 620	18 305
Technical support and upskilling		667 712	273 880
Telephone and fax		206 760	176 187
Training		64 925	28 755
Travel - local		134 889	112 497
Travel - overseas		51 889	205 635
		<b>15 519 129</b>	<b>10 014 668</b>