THE SOUTHERN AFRICAN INSTITUTE FOR BUSINESS ACCOUNTANTS NPC
(REGISTRATION NUMBER 1990/005364/08)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Professional body for business accountants
DIRECTORS	DR Thakhathi M Lemmer ES Klue NF van Wyk S Corrigan
REGISTERED OFFICE	10 Centuria Park 265 Von Willich Avenue Centurion 0046
BUSINESS ADDRESS	10 Centuria Park 265 Von Willich Avenue Centurion 0046
POSTAL ADDRESS	PO Box 7905 Centurion
BANKERS	ABSA Bank Limited
AUDITORS	SizweNtsalubaGobodo Inc Registered Auditor
SECRETARY	C van Dyk
COMPANY REGISTRATION NUMBER	1990/005364/08
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
PREPARER	The financial statements were internally compiled by: DJ Oosthuizen CA(SA)
PUBLISHED	09 November 2015

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

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The following supplementary information does not form part of the financial statements and is unaudited:

DIRECTORS' RESPONSIBILITIES AND APPROVAL

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 financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page s 6 to 7.

The financial statements set out on pages 4 to 23, which have been prepared on the going concern basis, were approved by the board on 09 November 2015 and were signed on its behalf by:

DR Thakhathi	**NF van Wyk**

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of The Southern African Institute for Business Accountants NPC for the year ended 30 June 2014.

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 South 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 financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

3. DIRECTORATE

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

Directors	
DR Thakhathi	Chairperson
M Lemmer	Director
ES Klue	Director
NF van Wyk	Director
S Corrigan	Director

4. DIRECTORS' INTERESTS IN CONTRACTS

The directors' interest in services rendered to the company during the financial year under review have been disclosed in note 17 of the financial statements.

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 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.

DIRECTORS' REPORT

7. AUDITORS

SizweNtsalubaGobodo Inc will continue in office in accordance with section 90 of the Companies Act.

8. SECRETARY

The company secretary is Mr C van Dyk.

9. 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.

Sizwe Ntsaluba Gobodo

AUDIT • ADVISORY • FORENSICS

OPPORTUNITY. EXCEEDED.

Independent Auditor's Report

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

We have audited the financial statements of The Southern African Institute for Business Accountants NPC, as set out on pages 8 to 23 which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Head Office
20 Morris Street East, Woodmead, 2191
P.O. Box 2939, Saxonworld, 2132
Tel: +27 (0) 11 231 0600
Fax: +27 (0) 11 234 0933

Opinion

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 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The report is the responsibility of the respective preparers. Based on reading the report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly do not express an opinion on the report.

Supplementary Information

Without qualifying our audit opinion, we draw attention to the supplementary information set out in page 24 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express and opinion thereon.

SizweNtsalubaGobodo

SizweNtsalubaGobodo Inc
Alex Philippou
Engagement Director
Registered Auditor

9 November 2015

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Figures in Rand	Note(s)	2014	2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	85 620	126 468
CURRENT ASSETS			
Trade and other receivables	4	468 667	218 907
Cash and cash equivalents	5	952 869	1 218 945
		1 421 536	**1 437 852**
Total Assets		**1 507 156**	**1 564 320**
EQUITY AND LIABILITIES			
EQUITY			
Incorporation Capital		6 895	6 895
Retained income		1 072 298	1 056 999
		1 079 193	**1 063 894**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	427 963	500 426
Total Equity and Liabilities		**1 507 156**	**1 564 320**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	**Note(s)**	**2014**	**2013**
Revenue	9	3 755 822	2 969 355
Other income	10	-	77 724
Operating expenses		(3 809 694)	(3 247 869)
Operating surplus/ (deficit)	11	**(53 872)**	**(200 790)**
Investment revenue	12	69 345	35 468
Finance costs		(174)	(34)
Surplus (deficit) for the year		**15 299**	**(165 356)**
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		**15 299**	**(165 356)**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Incorporation Capital	Retained income	Total equity
Balance at 01 July 2012	**6 895**	**1 222 355**	**1 229 250**
Deficit for the year	-	(165 356)	(165 356)
Other comprehensive income	-	-	-
Total comprehensive deficit for the year	**-**	**(165 356)**	**(165 356)**
Balance at 01 July 2013	**6 895**	**1 056 999**	**1 063 894**
Surplus for the year	-	15 299	15 299
Other comprehensive income	-	-	-
Total comprehensive surplus for the year	**-**	**15 299**	**15 299**
Balance at 30 June 2014	**6 895**	**1 072 298**	**1 079 193**

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	15	(313 668)	261 492
Interest income	12	69 345	35 468
Finance costs		(174)	(34)
Net cash from operating activities		**(244 497)**	**296 926**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(21 579)	(126 449)
Sale of property, plant and equipment	3	-	775
Net cash from investing activities		**(21 579)**	**(125 674)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Total cash movement for the year		**(266 076)**	**171 252**
Cash at the beginning of the year		1 218 945	1 047 693
Total cash at end of the year	5	**952 869**	**1 218 945**

ACCOUNTING POLICIES

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.2 PROPERTY, PLANT AND EQUIPMENT

The cost of 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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Average useful life
Furniture and fixtures	5 years
IT equipment	3 years
Computer software	2 years

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

ACCOUNTING POLICIES

1.3 FINANCIAL INSTRUMENTS

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.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include interest.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

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

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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.

ACCOUNTING POLICIES

1.4 TAX

Tax expenses

The company is exempt from paying tax in accordance with section 10(1)(d)(iv)(bb) of the Income Tax Act.

1.5 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.

1.6 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.

The recoverable amount of an asset 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.

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.

1.7 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.

1.8 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

ACCOUNTING POLICIES

1.9 REVENUE

Revenue from membership fees are recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for the right to use one of the designations provided by the company,net of discounts and VAT where there is reasonable assurance that income will be received and all attaching conditions will be complied with.Thus the revenue is recognised when the consideration is receivable and the membership fees entitles the members the use of an appropriate designation only.

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

1.10 OTHER INCOME

Other income is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

1.11 BORROWING COSTS

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

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2014	2013

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED WITH EFFECTIVE DATE IN 2014

IFRS 7	Financial Instrument: Disclosure (Amendment)	1 January 2013
IAS 32	Financial Instruments Presentation (Amendment)	1 January 2013
IAS 36	Impairment of Assets (Amendment)	1 January 2013
IFRS 13	Fair Value Measurement: (New)	1 January 2013
IAS 16	Property, Plant and Equipment: (Amendment)	1 January 2013
IAS1	Presentation of financial statements (Amendments)	1 January2013
IAS 19	Employee Benefits (Amendment)	1 January 2013

2.2 STANDARDS WHICH HAVE BEEN ISSUED EFFECTIVE DATES SUBSEQUENT TO THE FINANCIAL PERIOD UNDER REVIEW AND HAVE THEREFORE NOT BEEN ADOPTED

IFRS 13	Fair Value Measurement (Amendment)	1 July 2014
IAS 16	Property Plant and Equipment (Amendment)	1 July 2014
IAS 24	Related Party Disclosure (Amendment)	1 July 2014
IAS 19	Employee Benefits (Amendment)	1 July 2014
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments (Amendment)	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2014	2013

3. PROPERTY, PLANT AND EQUIPMENT

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	83 910	(67 906)	16 004	83 910	(54 845)	29 065
IT equipment	185 102	(118 731)	66 371	163 523	(83 837)	79 686
Computer software	28 945	(25 700)	3 245	28 945	(11 228)	17 717
Total	**297 957**	**(212 337)**	**85 620**	**276 378**	**(149 910)**	**126 468**

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	29 065	-	(13 061)	16 004
IT equipment	79 686	21 579	(34 894)	66 371
Computer software	17 717	-	(14 472)	3 245
	126 468	**21 579**	**(62 427)**	**85 620**

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	37 633	5 546	(775)	(13 339)	29 065
IT equipment	10 080	91 958	-	(22 352)	79 686
Computer software	-	28 945	-	(11 228)	17 717
	47 713	**126 449**	**(775)**	**(46 919)**	**126 468**

4. TRADE AND OTHER RECEIVABLES

	2014	2013
Membership fees due	448 753	147 448
Deposits	19 914	19 914
VAT	-	51 545
	468 667	**218 907**

All amounts are short term. The carrying value of the trade and other receivables reflects the approximate fair value at year end.

The membership fees are past due but not impaired and have been reviewed for indicators of impairment. No provisions for impairment were raised during the financial year.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2014	2013
Cash on hand	-	19
Bank balances	203 952	334 554
Short-term deposits	748 917	884 372
	952 869	**1 218 945**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2014	2013

6. TRADE AND OTHER PAYABLES

Trade payables	243 274	266 481
VAT	12 755	-
Employee accruals	38 570	-
Membership paid in advance	126 595	233 945
Accrued expenses	6 769	-
	427 963	**500 426**

All amounts are short term. The carrying value of the trade and other payables reflects the approximate fair value at year end.

7. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2014

	Financial liabilities at amortised cost	Total
Trade and other payables	427 963	427 963

2013

	Financial liabilities at amortised cost	Total
Trade and other payables	500 426	500 426

8. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2014

	Loans and receivables	Total
Trade and other receivables	468 667	468 667
Cash and cash equivalents	952 869	952 869
	1 421 536	**1 421 536**

2013

	Loans and receivables	Total
Trade and other receivables	218 907	218 907
Cash and cash equivalents	1 218 945	1 218 945
	1 437 852	**1 437 852**

9. REVENUE

Membership fees	3 755 822	2 969 355

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2014	2013

10. OTHER INCOME

Sundry Income	-	77 724

11. OPERATING SURPLUS/ (DEFICIT)

Operating surplus/ (deficit) for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	194 273	178 775
Equipment		
• Contractual amounts	25 859	25 252
	220 132	**204 027**
Depreciation on property, plant and equipment	62 426	46 918
Employee costs	1 828 183	1 435 167
Research and development costs	-	24 200

12. INVESTMENT REVENUE

Interest revenue		
Bank	69 345	35 468

Total interest income, calculated using the effective interest rate, on financial instruments not at fair value through profit or loss amounted to R 69 345 (2013: R 35 468).

13. TAXATION

No provision has been made for 2014 tax as the company is exempt of paying taxes in terms of section 10(1)(*d*)(iv)*(bb)*.

14. AUDITORS' REMUNERATION

Fees	138 877	191 600

15. CASH USED IN OPERATIONS

Surplus/(Deficit) before taxation	15 299	(165 356)
Adjustments for:		
Depreciation and amortisation	62 426	46 918
Interest received - investment	(69 345)	(35 468)
Finance costs	174	34
Changes in working capital:		
Trade and other receivables	(249 760)	134 392
Trade and other payables	(72 462)	280 972
	(313 668)	**261 492**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2014	2013

16. COMMITMENTS

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	203 183	186 404
- in second to fifth year inclusive	17 049	220 232
	220 232	**406 636**

Operating lease payments represent rentals payable by the company for office properties. Leases are negotiated for an average term of three years. No contingent rent is payable.

17. RELATED PARTIES

Relationships

Entities with mutual directors	RC Nell Rekenmeesters Close Corporation SA Tax & Accounting Academy Proprietary Limited The South African Institute of Tax Professionals Palladium Accounting Martin Lemmer and Associates
Close family member of key management	Y Nell
Directorate	DR Thakhati M Lemmer ES Klue NF van Wyk S Corrigan

Related party transactions

Consulting, professional & other fees paid to directors/ related parties		
Dr RC Nell	-	5 757
JGM Theron	-	45 208
Dr T van Buuren	-	39 592
M Lemmer	-	29 090
Theron Le Roux Accountants Close Corporation	-	138 816
HB Mathibela	-	74 240
ES Klue	-	24 759
N van Wyk	-	3 750
RC Nell Rekenmeester Close Corporation	-	15 000
Salaries paid to related party		
Y Nell	-	240 000
Services/Purchases from related parties		
The South African Institute of Tax Professionals		
CPDs collected on behalf of SAIT	145 196	-
CPDs paid to SAIT	(145 196)	-
SA Tax & Accounting Academy		
CPDs collected on behalf of SAAA	155 423	-
CPDs paid to SAAA	(155 423)	-

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2014	2013

18. DIRECTORS' EMOLUMENTS

Executive

2014

	Emoluments	Bonus	Travel allowance	Reimburse-ments	Company contributions	Total
NF van Wyk	760 000	100 000	80 000	10 854	72 669	1 023 523

2013

	Emoluments	Total
NF van Wyk	307 465	307 465
RC Nell	350 000	350 000
	657 465	**657 465**

Non-executive

2014

	Directors' fees	Total
DR Thakhathi	52 500	52 500
M Lemmer	55 000	55 000
ES Klue	55 000	55 000
S Corrigan	40 500	40 500
JGM Theron	7 000	7 000
	210 000	**210 000**

2013

	Directors' fees	Total
M Lemmer	28 000	28 000
ES Klue	37 000	37 000
JGM Theron	49 000	49 000
HB Mathibela	42 000	42 000
T van Buuren	20 500	20 500
	176 500	**176 500**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2014	2013

19. RISK MANAGEMENT

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings disclosed in notes cash and cash equivalents disclosed in note 5, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2014 and 2013 respectively were as follows:

Net debt	427 963	500 426
Total equity	1 079 193	1 063 894
Total capital	**1 507 156**	**1 564 320**
Gearing ratio	35 %	33 %

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the company's financial liabilities and net-settled derivative 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.

At 30 June 2014	Less than 1 year
Trade and other payables	427 963

At 30 June 2013	Less than 1 year
Trade and other payables	500 426

Figures in Rand	2014	2013

19. RISK MANAGEMENT (continued)

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.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, 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.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2014	2013
Trade and other receivables	468 667	218 907
Cash and cash equivalents	952 869	1 218 945

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2014	2013
Revenue			
Membership fees		3 755 822	2 969 355
Other income			
Sundry Income		-	77 724
Interest received	12	69 345	35 468
		69 345	**113 192**
Expenses (Refer to page 25)		**(3 809 694)**	**(3 247 869)**
Operating surplus (deficit)	11	**15 473**	**(165 322)**
Finance costs		(174)	(34)
Surplus (deficit) for the year		**15 299**	**(165 356)**

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2014	2013
Operating expenses			
Accounting fees		(162 857)	(95 029)
Advertising		(194 175)	(300 289)
Auditors remuneration	14	(138 877)	(191 600)
Bad debts		(323 004)	(331 154)
Bank charges		(20 872)	(15 771)
Cleaning		(7 671)	(2 745)
Committee meetings		(38 336)	(47 390)
Computer expenses		(61 310)	(8 192)
Consulting and professional fees		(90 945)	(73 846)
Depreciation, amortisation and impairments		(62 426)	(46 918)
Employee costs		(1 828 183)	(1 435 167)
Entertainment		(6 199)	(2 714)
Fines and penalties		-	(2 198)
Insurance		(13 038)	(12 108)
Internet Fees		(30 470)	(6 372)
Lease rentals on operating lease		(220 132)	(204 027)
Legal expenses		(120 000)	(88 708)
Municipal expenses		(20 566)	(3 911)
Postage		(2 380)	(4 792)
Printing and stationery		(29 334)	(26 737)
Recruitment fees		(18 000)	(35 400)
Repairs and maintenance		(3 215)	(1 175)
Research and development costs		-	(24 200)
Secretarial fees		(34 068)	(7 991)
Security		(660)	(200)
Small assets		-	(264)
Sponsorship		-	(53 900)
Staff welfare		(12 044)	(3 099)
Subscriptions		(66 672)	(81 746)
Telephone and fax		(63 318)	(37 790)
Training		(2 330)	-
Travel - local		(238 612)	(102 436)
		(3 809 694)	**(3 247 869)**