2017/18 INTEGRATED ANNUAL REPORT

saiba

www.saiba.org.za

Developing successful accountants

INTRODUCTION

SAIBA remains committed to developing a community of successful accounting professionals who excel in their career goals.

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ABOUT THIS REPORT

This integrated annual report (the "Report") offers the user a comprehensive overview of the activities of SAIBA for the 12 months from 01 July 2017 to 30 June 2018. The Report is SAIBA's primary communication to its stakeholders and provides a holistic view of the environment within which SAIBA operates in the context of the economy, society and the natural environment, in accordance with its strategy and opportunities and risks. SAIBA's 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). In summary, the Report fairly presents material information needed for SAIBA stakeholders to understand how SAIBA creates value and to make an informed assessment of the performance and prospects of SAIBA. It includes the full audited annual financial statements.

The factors that impact value creation for SAIBA's stakeholders over the short, medium and long term, were considered and determined the content included in the Report. An issue is considered to be material when it impacts SAIBA's ability to achieve its strategic goals.

As SAIBA moves forward and continues to implement its aggressive growth strategic plan, it will continue to actively assist aspiring accountants to qualify and gain experience in their field. Training and development are therefore key aspects to what SAIBA is. SAIBA competes with established institutes in the sector and is therefore required to act innovatively and aggressively seek to differentiate its self to stand out from the crowd and attract attention from potential members. As a professional body SAIBA is restricted in terms of the type of income that can be generated, and hence relies heavily on strategic partnerships and sponsorships. 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.

The International Integrated Reporting Council (IIRC) Framework's capitals has been adopted as a guideline to report on the value creation for SAIBA's stakeholders. SAIBA has identified financial capital, intellectual capital, human capital and social and relationship capital as imperatives for our ability to create value for stakeholders. Manufactured capital is not included as these are not applicable to SAIBA's environment.

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 2017/18 financial year.

The Board accordingly approved the Report on 2 October 2018 of approval of audited financial statements for release to SAIBA stakeholders.

SAIBA welcomes your feedback on the 2017/18 Integrated Annual Report. Please e-mail your comments and suggestions to saiba@saiba.org.za.

ABOUT SAIBA

SAIBA is a voluntary accounting membership body with more than 7 000 members.

SAIBA's purpose is to develop a community of successful accounting professionals who excel in their career goals. Focusing on three main goals:

1	2	3
Building a community **(Join)**	Developing initiatives **(Earn)**	Delivering successful members **(Share)**

To achieve our purpose, seven core values were identified as necessary to ensure we deliver quality, value and convenience to members and designation holders:

VALUES	WHAT THESE VALUES MEAN TO SAIBA
AUDACIOUS	We have been and will continue to be bold and daring in our quest to ensure that our stakeholders are successful.
AMBITIOUS	We strive to make a difference in the lives of our stakeholders and aim to exceed expectations.
ENCOURAGE AND LEAD	We provide guidance and support to our stakeholders.
RESPONSIVE	We value all feedback from stakeholders and strive to constantly improve to meet their needs and strive to be on the forefront of latest developments.
ACCESSIBLE	We strive to always be accessible to our stakeholders via a number of platforms including events, emails and telephone.
PASSIONATE	We have a passion for what we do – we aim to deliver excellent service to our stakeholders and ensure their expectations are met as far as possible.
INQUISITIVE	We are truly interested in our stakeholders and love getting to know them and see them succeed and thrive.

SAIBA is a proudly South African institute that subscribes to the values incorporated in the South African Constitution and Bill of Rights. 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.

The open-access model followed by SAIBA mandates that the SAIBA 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.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

It gives me immense pleasure to once again address the stakeholders of SAIBA – the fastest growing professional accountancy body in South Africa and Namibia – and share our story. From humble beginnings to the third largest in a very short period makes us immensely proud. We believe in our members and want to see them succeed. Because of this they have responded and kept us growing. Ninety percent of our growth comes from referrals.

The integrated report shows how we have generated member and stakeholder value and provides an in-depth view of how and where we apply member funds in terms of the International Integrated Reporting Council (IIRC) capitals: financial, intellectual, human, social and relationship, and natural. As a Board we are primarily responsible for the strategy and governance of the organisation.

Strategic implementation
During the past year we continued to implement our 5-year strategic plan focusing mainly on member growth and development, and the integrated report provides an overview of the progress we have made thus far. The highlights of the 2018 financial year illustrate how we have achieved our strategic objectives.

Governance
SAIBA's governance structures and processes provide for sound management and oversight of the organisation, in the interests of all our stakeholders and enhance the ability of the Board and the management team to manage SAIBA's businesses effectively.

SAIBA's board
During 2018 the following directors resigned from the Board:
- Stiaan Klue
- Michael Sass
- Renosi Mokate

I would like to thank each of them for their valuable contributions to SAIBA during the periods they served on the Board, in particular to Stiaan for his service and contribution during the past seven years.

In closing, I would like to express my thanks to all SAIBA's stakeholders that have provided valuable feedback on improving SAIBAs governance role and our role in protecting the public interest. To our members, thank you for choosing SAIBA as your professional home and for believing in us. To my fellow Board members, thank you for your support, guidance and valuable contributions. To SAIBA's executive management and employees, I value your commitment to the organisation and appreciate all the hard work during the past year.

In my 2017 letter I stated that SAIBA has set itself a goal: We will redraft the boundaries of the profession, removing obstacles to entry as we march towards a unified profession that provides access and opportunity, equally and for all. This goal has not changed, and I continue to believe SAIBA's strategic direction is appropriate in achieving its goal and have confidence in the SAIBA team to successfully implement the strategy going forward.

May God abundantly bless you.

Prof. Dovhani Thakhathi
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

"The meeting of two personalities is like the contact of two chemical substances: if there is any reaction, both are transformed".
Carl Jung, Swiss psychiatrist.

Institutes consist of people. We share our hopes and dreams and together agree to the best way to achieve this. We keep each other accountable, share the load, and in this process, are transformed.

To be an institute requires a number of critical ingredients: an ideal, recognition by government, support from a significant part of the existing body of accountants, infrastructure and resources, dedicated staff, and a Board that provides advice, guidance and critical analysis.

The challenge is to align the ingredients into a working whole that responds harmoniously to internal and external forces.
As the CEO of SAIBA, I have been deployed by members to create opportunities that translate into jobs, clients, and status. The financial statements are my report card to members and I look forward to your feedback.
Our net surplus of R1,155,715 (2017: R61,058) reflects a R1.1 million improvement compared to 2017, and although this is noteworthy achievement, more needs to be done.

Our 2018 annual financial statements hopefully reflect our efforts to ensure that we continue on our path of becoming the largest professional body in Southern Africa, as it is an assessment of the value we have endeavoured to unlock for our members. Here are some of the highlights –

- The combined income generated from membership fees, exams, licenses and other sources increased by approximately R390k to R11,169,458 (2017: R10,779,251).
- The increase in revenue, and decrease in operating expenses of R1,2 million, delivered a net surplus of R1,155,715 (2017: surplus R61,058);
- The increase in trade and other receivables from R2,922,038 (2017) to R3,988,847(2018) continues to reflect that the investments made over the last couple of years in marketing and branding has successfully attracted large numbers of new applicants and converted approximately 50% of debtors to monthly debit orders thus ensuring a stable cash flow. We have achieved a gross increase in membership of 1,267 for the period 01 July 2017 to 30 June 2018. This proves that the market appreciates SAIBA's value proposition and position within the profession.
- We constantly monitor the movements within debtors, implemented 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 R1,325,094 (2017: R837,625).
- We have further invested R245,553 in our IT system this past year to improve our debtor and member engagement. This spend will continue and is set to increase to improve user experience and handle increased applications;
- Maintaining service levels require offering competitive remuneration packages to staff to ensure retention of talent, leading to an increase in employment costs to R5,034,298 (2017: R4,536,568);
- Our consulting fees increased from R485,035 to R680,390 to provide specialist support services to secretariat such as events and publications.

In addition to maintaining sound financial management we initiated a number of projects to strengthen our value proposition. Noteworthy projects were –

- Africa expansion: As IAFEI Area-President for Africa, the SAIBA CEO has the mandate to expand our CFO designation and network events in Africa. For this reason, SAIBA applied for membership to the Pan-African Federation of Accountants (PAFA). We also entered into formal talks with the National Board of Auditors and Accountants of Tanzania (NBAA) to establish an MOU and include Tanzania as part of the global CFO network. Other countries that have indicated an interest in joining the Africa expansion include Zimbabwe and Kenya.
- CFO World Congress: We participated in the 47th World Congress of CFOs held in Brazil as panellists sharing the floor with global CFOs. During the event we agreed to an MOU between the CFO bodies of Brazil, Argentina and Morocco for mutual recognition and deployment of the CFO designation based on the SAIBA model.
- Licences: We launched a number of new licences which included: Licence in Business Rescue Practice and Licence in Immigration Accounting. We also hosted an inaugural workshop for immigration accountants attended by the Department of Home Affairs.

- Regulatory meetings: SAIBA is a member of the quarterly CIPC Company Secretarial Liaison Committee quarterly meetings, the quarterly CIPC Business Rescue Liaison Committee meetings, and the quarterly DTI Financial Reporting Standards Technical Committee meetings. Critical information is shared between regulators and practitioners to ensure improvement to corporate law. SAIBA members are kept informed via our newsletter the www.accountingweekly.com and www.saiba.org.za/standards/technical_updates.
- Accounting Weekly: We continue to maintain and update news articles to www.accountingweekly.com the news division of SAIBA. This website is one of the highest-ranking accounting news sites in the world.
- Memorandum of Understanding:
  - » TVET: 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.
  - » CIGFARO: SAIBA signed a MOU with the Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO) which is the recognized professional body for finance, audit, risk management, performance management and related professionals in the public sector. The Institute was founded in 1929. This agreement gives SAIBA a presence in the Public Sector and provides for mutual recognition and movement of professionals between the public and private sector.
- Support agreements:
  - » Tax Shop: Tax Shop provided technical support functions to SAIBA members at no costs and will assist members with establishing formalised accounting practices. This includes assistance with starting and running an accounting firm. SAIBA will promote the use of Tax Shop franchises.
- CIPC:
  - » Contributied to the improvement of company registrations as a member of the CIPC Company Liaison Committee;
  - » Successfully maintained our members' status as Independent Reviewers and ensured compliance by members with submitting Reportable Irregularity reports;
- SAQA: successfully maintaining the registration of our designations with the South African Qualifications Authority (SAQA);
- CFOTalks: continuing on the success of the 2016 CFO World Congress we hosted a number of CFO events with local and international experts. The UNISA School for Business leadership and SAGE are our strategic partners. Through IAFEI and CFO Talks we have gained access to more than 20 000 finance executives world-wide and 5000 CFOs locally. Our local CFO events were attended by more than 250 CFOs;
- Standards:
  - » Updated the SAIBA Guide for Accounting Officers to reflect new changes in legislation.
  - » Updated the procedure for issuing critical skills letters.
  - » Updated the reporting standard for Immigration Accountants.
  - » Website: significant improvements to the website were made to enhance the application process and usability;
  - » Conferences: SAIBA hosted a summit on reforms needed to the accounting and auditing profession. The event was hosted on 31 May 2018 at the Capital Hotel in Menlyn Main. Participants included SARS, CIPC, IRBA, SAICA, and Corruption Watch. The Summit was organised in response to the various scandals involving CFOs and large audit firms, how this affected the profession and how to regain public trust.
- Sponsorships: sponsoring the Irene home as part of our Mandela day celebrations.
- Namibia: SABA was able to re-establish its authority over the Namibian branch and have committed to a number of new initiatives including appointing a new representative regional committee, rolling out CPDs, and obtaining representation at regulatory forums for SAIBA Namibia members.

As a CEO I and humbled by the support provided to me by the Board. We always have robust and intelligent discussion, and under their leadership we have become a stable and strong organisation.
For the future we are focussing on developing specialist licences to enhance members ability to deliver quality services to clients and will be establishing an empowerment trusts to help fund and support new members in joining SAIBA. Other projects that will require our attention are obtaining a SAIBA learnership, registering as a Recognised Controlling Body (RCB), and working with regulators such as the CIDB, DSD, NLC, DOE, and CIPC to improve their ability to obtain quality reports and information from members.

Lastly, we wish to thank Quickbooks and Draftworx for their continued support and belief in SAIBA and its members. They are more than just partners, they are family.

In transformation,

Nicolaas van Wyk
Chief Executive Officer (CEO)

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.

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

COMMERCE STREAM

BUSINESS ACCOUNTANT (SA) (BA(SA))

Minimum requirements:

- Commerce Degree/ Diploma
- Two years accounting experience

The **(BA(SA))** designation is ideal for financial assistants, bookkeepers or junior financial accountants seeking increased earning potential.

CERTIFIED BUSINESS ACCOUNTANT (SA) (CBA(SA))

Minimum requirements:

- Commerce degree at honours level
- Four years accounting experience

The**(CBA(SA))** designation is ideal for financial managers seeking support in many different areas, including technical skills, as well as soft skills like communication and leadership.

CERTIFIED FINANCIAL OFFICER (SA) (CFO(SA))

Minimum requirements:

- Commerce degree at masters level
- Ten years relevant experience

The **(CFO (SA))** designation is ideal for financial executives seeking to elevate their status, become a member of an exclusive international community, and also convey to employers their suitability for a position.

PRACTICE STREAM

Specialise by obtaining one or more of our licenses on top of the BAP (SA) designation:

- Immigration engagement license
- Independent reviewer license

BUSINESS ACCOUNTANT IN PRACTICE (SA) (BAP(SA))

Minimum requirements:

- Commerce degree with relevant subjects
- Four years accounting experience

The BAP(SA) designation is ideal for individuals who want to start their own accounting practice and require a statutory license to perform regulated services.

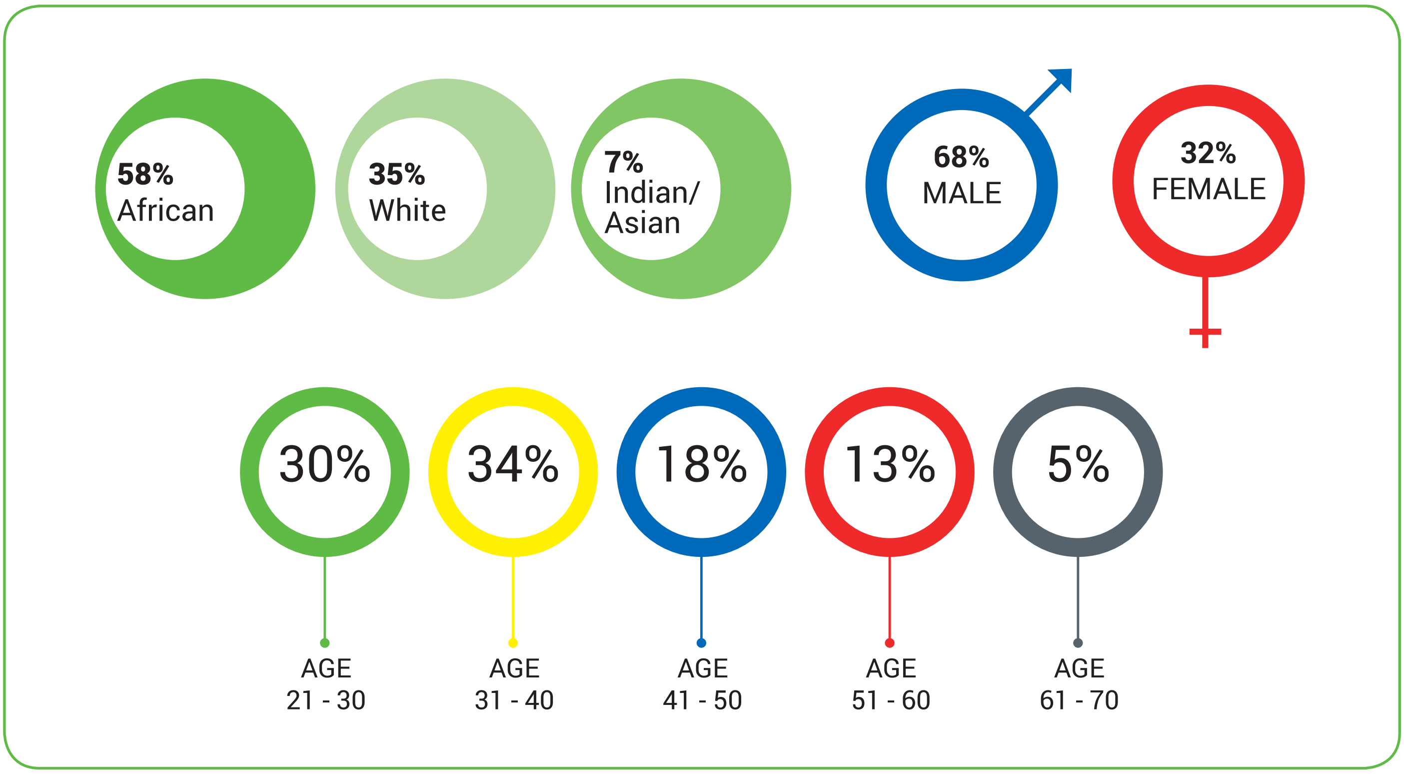
SAIBA offers members accessible and recognisable designations that deliver opportunity. More than 50% of our members are employed in business, the public sector or academia. The remainder manage their own accountancy practices within the private sector.

SAIBA actively searches 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 special rates.

SAIBA is a proud professional body, helping to build the careers of more than 7 000 members.

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.

MEMBERSHIP DEMOGRAPHICS



SAIBA Membership Composition

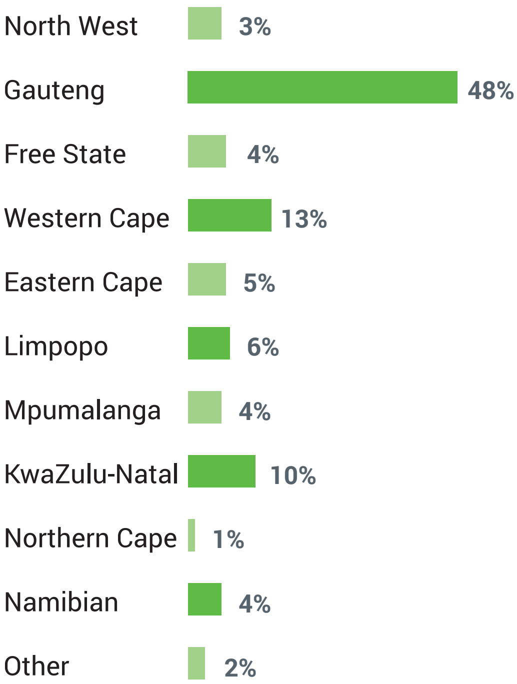
	SAIBA ACCOCIATES	DESIGNATION HOLDERS				TOTAL
		COMMERCE			PRACTICE	
		BA (SA)	CBA (SA)	CFO (SA)	BAP (SA)	
2016	2851	808	13	6	2506	6184
2017	1739	1225	22	12	2900	5898
2018	1806	1500	35	38	3495	6874
Suspended	-291					

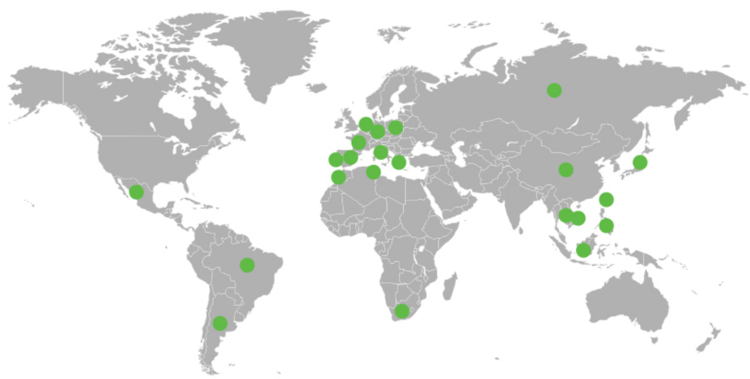
New membership applications

	APPLICATIONS	SAIBA ACCOCIATES	DESIGNATION HOLDERS
2016	1967	860	491
2017	2440	1516	915
2018	2303	1267	759

SAIBA receives an average of 200 applications per month. The first step towards obtaining one of SAIBA's designations, is to join the inclusive accounting community as an Associate. Members with the required experience and qualification can then apply for one of the designations. SAIBA endeavours to help the members that do not meet the requirements reach their full potential in obtaining one of our designations, by offering developmental solutions.

MEMBERS BY REGION





Where we are
Thorough our agreement with the International Association of Financial Executives Institutes (IAFEI), SAIBA has representation via 22 Member Institutes, with a total membership of over 20.000 financial executives.

WORLD-WIDE REPRESENTATION

Argentina
Belgium
Brazil
Cambodia
China
Chinese Taiwan
France
Germany
Greece
Indonesia
Italy
Japan
Morocco
Mexico
Phillipines
Poland
Portugal
Russia
South Africa
Spain
Tunisia
Vietnam

BUSINESS MODEL, VALUE CREATION AND RESOURCE ALLOCATION

JOIN

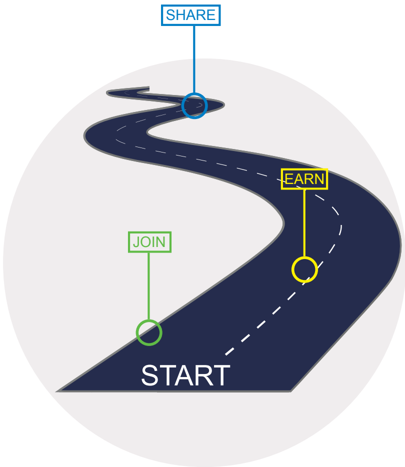
Join SAIBA - the gateway to the accounting profession, as we join forces in developing your career.

EARN

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

SHARE

the benefits associated with being a member, career guidance, technical support, partner rewards etc.



CAPITALS	HOW SAIBA USES THE CAPITALS TO CREATE VALUE TO OUR STAKEHOLDERS
FINANCIAL • Membership fees • Sponsorship • Licensing fees	• Designations are awarded to members. • Special discount offerings to members. • Licences awarded to members specialising in special areas of interest. • Public interest protected – ensure that accountants are equipped to render professional services.
INTELLECTUAL • Registration of designations and trademarks • Internally developed membership system	• SAIBA internally developed its own membership system with the aim of constantly improving interaction with members. • SAIBA has four designations registered with SAQA – » Business Accountant - BA (SA) » Certified Business Accountant - CBA (SA) » Certified Financial Officer - CFO (SA) » Business Accountant in Practice - BAP (SA) • SAIBA has registered the following trademarks – » CFO Talks » Accounting Weekly
HUMAN • Members • Staff • Board and Committees • Volunteers • Partners	• By partnering with service providers, and considering the feedback from our stakeholders, 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. SAIBA aims to create an environment that maximises an individual's potential to perform at their best in achieving organisational performance goals • 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.
SOCIAL AND RELATIONSHIP • 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 – • SAIT • Sage • Quickbooks • Draftworx • Tax Shop • Cigfaro • Careerjunction • IAFEI
NATURAL	• Although natural capital is not applicable to our operating environment, SAIBA acknowledges the role that businesses needs to play in protecting natural capital and acts accordingly. 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.

STAKEHOLDER	STAKEHOLDER EXPECTATIONS	HOW WE RESPOND
Members	• Technical assistance and information • Increased value for money • Career/practice management guidance • Excellent service levels	• Weekly newsletters • Monthly Compliance and Legislation Updates • Agreement signed with the Tax Shop to offer technical support to members • Free monthly webinars on practice management • Recommendation letters for members in commerce to assist with job hunting • Online career portal • Member surveys to assist in identifying areas of improvement
Employees	• Market-related remuneration • Training and development	• Remuneration Policy providing guidance to fair remuneration. • Regular interaction with and between employees to ensure healthy relations across the board • Regular training (both formal and informal) to ensure the knowledge and skill of the employees are on par and will ensure SAIBA reaching its goals
Universities/colleges	• Educate future accounting professionals	• Attend open days. • Participate with 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 • Ensure compliance in terms of annual compliance plan
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

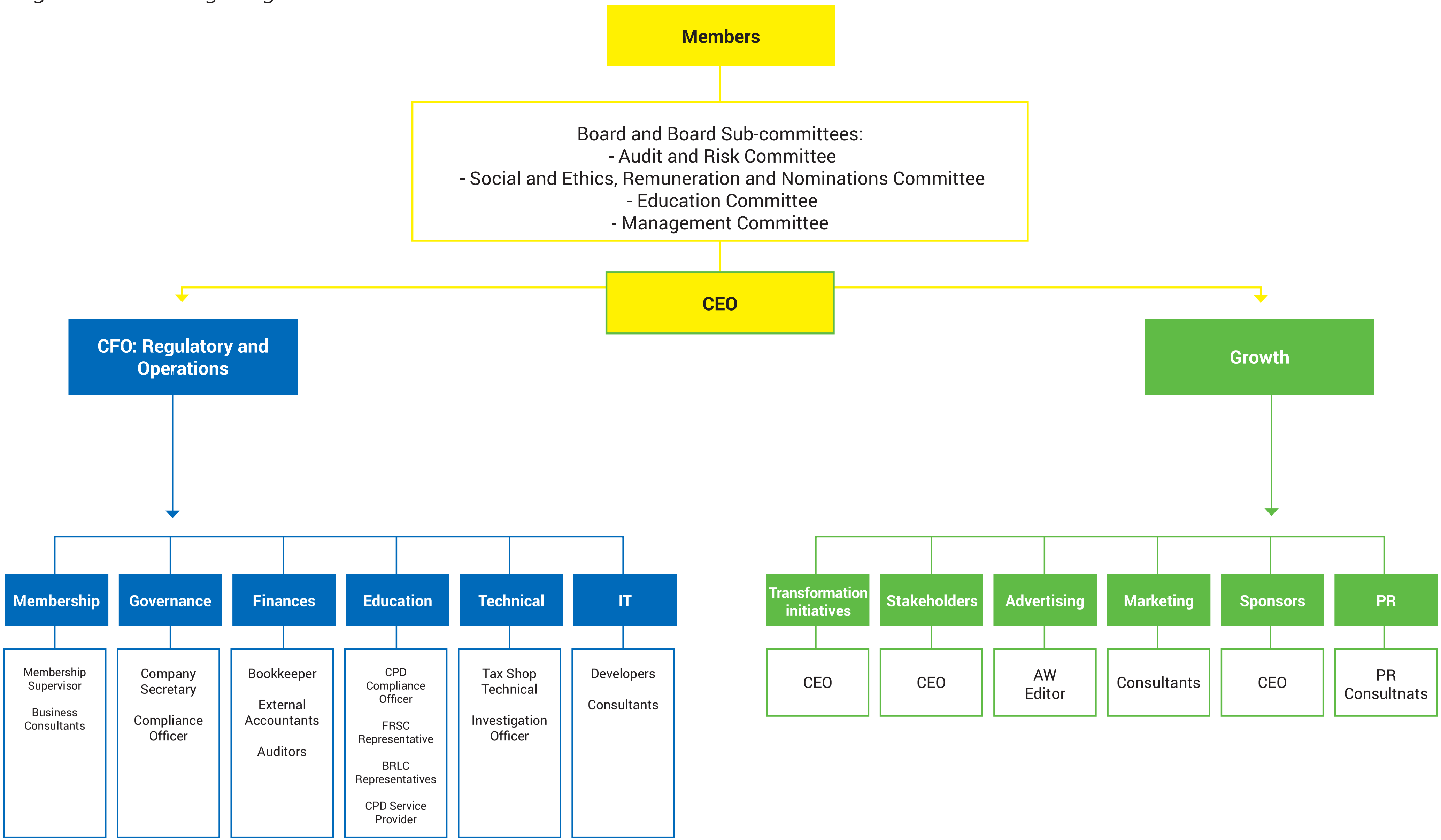
SAIBA has embraced a collaborative, strategic philosophy to risk management, which includes identifying and addressing the threats and opportunities SAIBA faces. To ensure that SAIBA's approach to risk management incorporates diverse perspectives, SAIBA seeks to involve appropriate personnel at all levels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

The ultimate goal of managing risk is not the avoidance thereof but balancing risks with the achievement of the strategic goals of SAIBA. Therefore, the current risk approach is aggressive due to SAIBA adopting an aggressive growth strategy.

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:

OBJECTIVE	RISKS	ROOT CAUSE TO THE RISK	MITIGATING ACTION PLAN	OPPORTUNITIES
Growth and retention of membership	Ineffective marketing initiatives Low service delivery standards	Limited financial resources Member dissatisfaction	Monitoring of and tracking effective-ness and impact of marketing initia-tives Regular communi-cation with mem-bers to establish areas of improve-ment	Brand awareness Enhance member value proposition
Long term financial sustainability	Economic conditions: high dependency on membership fees as main source of income	Members inability to pay their fees due to economic pressure	Create awareness around debit order facilities available	Improve user friendliness of payment process
Information security and protection	Information, system, integrity and security risk Data loss	Limited financial resources available	Regularly update and improve IT policies and systems Ongoing training and support	mproved standard operating procedures. Skilled staff
Human Resource Management	Talent management and succession planning	Limited financial resources available	Training and skills development Remuneration Policy providing guidance to fair remuneration	Improved succession planning
Compliance and competency	Members erroneously holding themselves out as Accounting Officers	Lack of awareness of different membership tiers and what it entails	Constantly educate the members and the public Member certifi-cates and letters issued stipulating prohibitions	Increase competency and professionalism of members

Organisational Organogram



MEET THE TEAM

Top from Left Right: Stephen Corrigan (Board Member); Shandukani Manyaka (Education Manager); Yvonne Nell (Personal Assistant); Fikile Simelane (Business Consultant); Jabu Hobyane (Business Consultant); Martha Motshegwa (Bookkeeper); Jen Smith (Business Consultant); Wendy Mutshena (Membership Supervisor); Nomvula Lodi (Business Consultant); Kefilwe Mabua (CPD Compliance Officer); Philile Panda (Receptionist); Nicolaas van Wyk (Chief Executive Officer);

Bottom from Left to Right: Michael Sass (Resigned Board Member); Chantelle Booyens (Chief Financial Officer); Gronie Hluyo (Board Member); Professor Thakhathi (Chairman)
Team members not present: Pieter de Jager (Board member); Lerato Legadima (Board Member) Ino Ramoshaba (Domestic Worker); Penly Matjila (Office Administrator)

GOVERNANCE

SAIBA is a non-profit company whose members serve as owners of the organisation. Its mandate is 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. SAIBA views good governance as essential for the success of its business and is committed to good governance practices that add value to the business.

SAIBA is governed by a board of directors (the “Board”). The Board is the custodian of SAIBA’s corporate governance, it acts in the best interests of SAIBA and its stakeholders at all times, and it takes ultimate responsibility for SAIBA. The Board is responsible for strategic direction and control of SAIBA as assigned to it by SAIBA’s Memorandum of Incorporation (“MoI”).

The Board is elected by our members at each Annual General Meeting of SAIBA (AGM). All active members, in possession of a designation, have voting rights.

The Board comprised 7 members as at 30 June 2018, with the Chief Executive Officer and Chief Financial Officer as *ex officio* members. The Chairman of the Board is responsible for the effective leadership of the Board. The roles of the Chairman and the Chief Executive Officer remained separate.

MEET THE SAIBA 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	APPOINTMENT DATE	RESIGNATION DATE	MEETINGS ATTENDED
DR Thakhathi (Chairperson)	Non-executive Director	07-03-2017		3/3
ES Klue (Vice Chairperson)	Non-executive Director	07-03-2017	28-02-2018	2/3
RD Mokate	Non-executive Director	10-12-2015	28-02-2018	0/3
G Hluyo	Non-executive Director	10-12-2015		3/3
SR Corrigan	Non-executive Director	07-03-2017		3/3
M Sass	Non-executive Director	10-12-2015	30-05-2018	2/3
LLS Legadima	Non-executive Director	10-12-2015		2/3
PC de Jager	Non-executive Director	07-03-2017		3/3
NF van Wyk	Executive Director	01-03-2013		3/3
C Booyens	Executive Director	07-03-2017		3/3

Board subcommittee structure

The Board has established a number of 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 sufficient 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.

Audit and Risk Committee

The Audit and Risk Committee (the "Committee") is a formal statutory committee in term of the Companies Act, appointed by the members, and a sub-committee of the Board. This report of the Committee for the financial year ended 30 June 2018 is presented to members in compliance with the Companies Act.

The Terms of Reference to incorporate the recommendations of King IV was considered by the Committee during its June 2018 meeting.

MEMBERS	No of meetings held	No of meetings attended
Michael Sass	3	1
Gronie Hluyo (Chair)	3	3
Stephen Corrigan	3	3
Invitees		
Nicolaas van Wyk	3	3
Chantelle Booyens	3	3

The Committee has an independent role with accountability to both the Board and to members. The Committee's responsibilities include the statutory duties prescribed by the Companies Act, activities, as well as the additional duties assigned to the Committee by the Board.

Michael Sass, Gronie Hluyo and Stephen Corrigan were elected by the members at the Annual General Meeting held on 31 May 2018. The Chief Executive Officer and Chief Financial Officer attended meetings of the Committee by invitation.

We, the Audit and Risk Committee members –

External audit

- nominated SizweNtsabulaGobodo Grant Thornton Inc ("SNG") as the external auditor, with Mr Lourenz de Jager as the designated auditor to the members for appointment as auditor for the financial year ended 30 June 2018, 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 2018 for approval to the SAIBA Board.

Risk management

- reviewed quarterly risk reports containing pertinent risks and opportunities.

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.

Integrated annual report

- The Committee 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 2018.

On behalf of Audit and Risk Committee

Gronie Hluyo
Chairperson
2 October 2018

MEMBERS	No of meetings held	No of meetings attended
Pieter de Jager (Chair)	3	3
Gronie Hluyo (Chair)	3	3
Dovhana Thakhathi	3	2
Invitees		
Nicolaas van Wyk	3	3
Chantelle Booyens	3	3

Social and Ethics, Remuneration and Nominations Committee

This report is presented to SAIBA members in accordance with the requirements of the Companies Act.

The SAIBA 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 best practice. The Committee is governed by terms of reference, which detail its statutory duties in terms of the Companies Act, its responsibilities delegated to it by the Board, as well as the requirements of King IV.

The Committee comprised 3 (three) non-executive directors. The executive directors attended meetings of the Committee by invitation.

The responsibilities of the Committee include:

- monitoring social and economic development, good corporate citizenship, the environment, and health and public safety;
- ensuring appropriate short, medium and long-term targets are set by management;
- monitoring progress on strategic performance against targets;
- monitoring functions required in terms of the Companies Act and its regulations;
- assisting the Board with strategic oversight of matters relating to the development of SAIBA's human resources with the main objective of creating a competitive human resource for SAIBA in accordance with statutory regulations, governance requirements and best practice;
- overseeing and providing assurance to the Board on the overall governance of human capital management at SAIBA;
- assist the Board in the implementation of programmes to ensure that the Board's composition and size is appropriate at all times, to oversee the annual evaluation of the Board and its committees, as well as the independence assessment and the qualification and competence of the Company Secretary.

The Committee met three times during the year under review and performed the following activities

- reviewed and monitored progress with the Social and Ethics Compliance Framework, including:
  - » health and safety compliance levels;
  - » labour relations and working conditions;
  - » ethics and compliance;
  - » training and development skills;
  - » transformation and broad-based black economic empowerment progress;
- reviewed and made recommendation on the composition of the Board;
- reviewed and monitored progress with the Remuneration Policy;
- reviewing the role assigned to the committee.

The 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 non-adherence 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
2 October 2018

PERFORMANCE REVIEW FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018

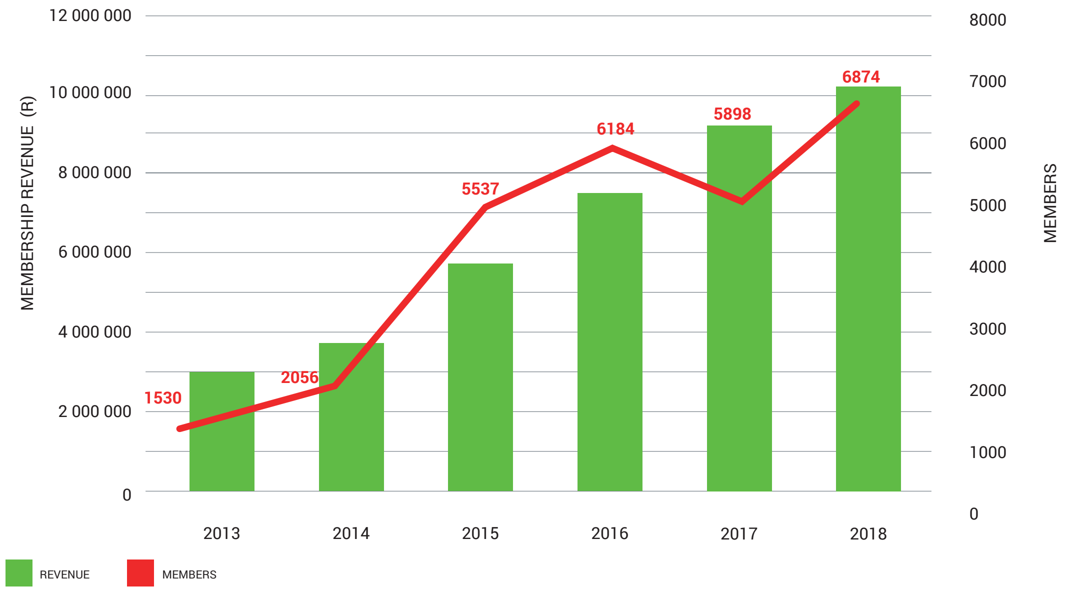
508
New Associate members

759
New Designation holders

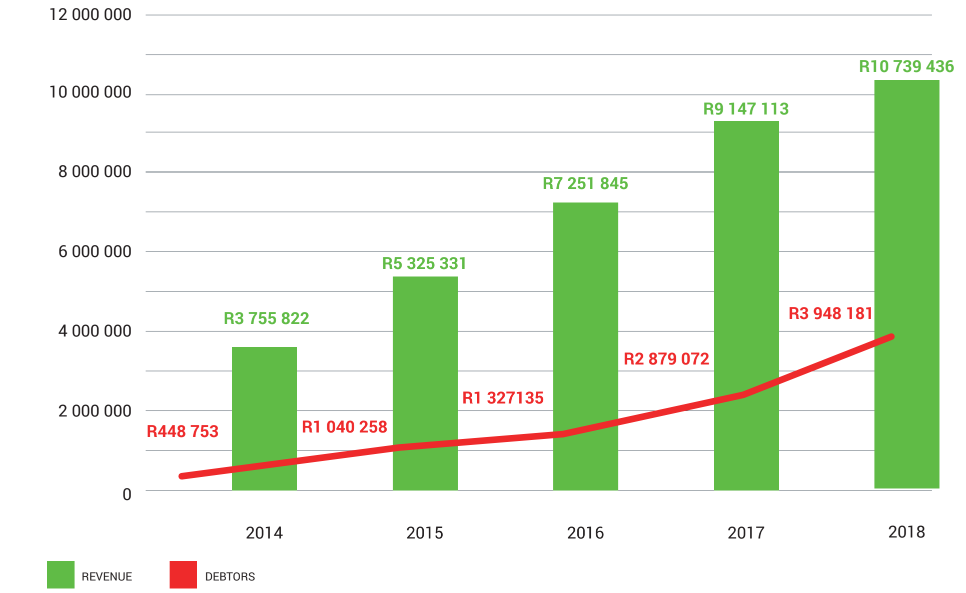
14%
Increase in Revenue

7%
Decrease in Expenses

REVENUE VS MEMBERSHIP GROWTH



REVENUE VS DEBTORS



Debtors significantly improved from 2017 to 2018 as 50% of debtors outstanding as at 30 June 2018 were on debit order arrangements. For the remaining 50% we ensure all effort are made to ensure that debts are collected, including:

- Persuading debtors to opt for debit orders;
- Further enhancing the user friendliness of paying membership fees;
- rewards enhanced to make member offering more attractive to members in good standing. These rewards included, amongst others, special discount offerings on products by rewards partners such as Draftworx, and discounted Professional Indemnity cover offered by Aon.

EVENTS AND NETWORKING

CFO Talks™ 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.

SAIBA, the youngest member of the IAFEI, hosted the 46th World Congress for Finance Executives in Cape Town in November 2016, and attended the 47th World Congress for Finance Executives in Brazil in September 2017. During the event we agreed to an MOU between the CFO bodies of Brazil, Argentina and Morocco for mutual recognition and deployment of the CFO designation based on the SAIBA model.

Professional Body Summit

SAIBA's Annual General Meeting (AGM) took place on the 31 May 2018 at The Capital Menlyn Maine, which was followed by a summit titled: 'Reforming the Accounting and Auditing Profession'. Mark Kingon, Acting SARS Commissioner was the keynote address. The summit was attended by over 350 delegates. This was followed by a roundtable discussion, which was moderated by Hillary Joffe, Editor-at-Large of Business Day, with panelists David Lewis, Executive Director of Corruption Watch, Bernard Agulhas, CEO of IRBA, Fanisa Lamola, Acting CEO of SAICA, Adv. Rory Voller, CIPC Commissioner, and Nicolaas van Wyk, CEO of SAIBA. The event was sponsored by Quickbooks.

PANELISTS AT THE PROFESSIONAL BODY SUMMIT

MARK KINGON KEYNOTE ADDRESS AT SUMMIT

OUR MEMBERS AT OUR AGM

MANDELA DAY 2018 OUR STAFF VOLUNTEERING

MEMBERS AT THE IMMIGRATION ACCOUNTANT WORKSHOP

OUR STAFF CELEBRATING THE FESTIVE SEASON

MEETING WITH THE CIGFARO TEAM

OUR CEO AT THE 47TH IAFEI WORLD CONGRESS

OUR CEO, MEMBER OF THE IAFEI EXECUTIVE COMMITTEE

OUR PARTNERS

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.

Aon South Africa (Pty) Ltd (AON)
In proud association with AON, the leading specialty insurance brokers in South Africa, SAIBA has structured a unique offering. Members to address these risks, at highly preferential rates.

SA Accounting Academy
SAIBA's approved providers ensuring quality seminars, conferences and webinars to satisfy member's CPD requirements

OUR PARTNERS

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 are able to benefit from the www.npoassist.co.za volunteer project.

SAGE
Through the partnership with SAGE, SAIBA'S members have access to commission on successful software referrals on any SAGE product, as well as discount on training, seminars or workshops.

Draftworx
Through the partnership with Draftworx, SAIBA's 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.

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

The 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

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.

The Southern African Institute for Business Accountants NPC
(Registration number 1990/005364/08)
Annual financial statements
for the year ended 30 June 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Professional body for business accountants
Directors	DR Thakhathi LL Legadima SR Corrigan G Hluyo PC de Jager NF van Wyk C Booyens
Registered office	2 Oxford Office Park 3 Bauhinia Street Highveld Technopark Centurion 0169
Business address	2 Oxford Office Park 3 Bauhinia Street Highveld Technopark Centurion 0169
Postal address	2 Oxford Office Park 3 Bauhinia Street Highveld Technopark Centurion 0046
Bankers	ABSA Bank Limited
Auditors	SizweNtsalubaGobodo Grant Thornton Inc Registered Auditors
Company 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, as amended.
Preparer	The annual financial statements were independently compiled by: DJ Oosthuizen CA(SA)
Published	2 October 2018

Index

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

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

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008,as amended, 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 ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements. The external auditor's 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 ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements 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 year to 30 June 2019 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 auditor's are 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's 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 2 October 2018 and were signed on its behalf by:

DR Thakhathi	**NF van Wyk**

Directors' Report

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 2018.

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.

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

3. Directors

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

Directors	Office	Designation	Nationality	Changes
DR Thakhathi	Chairperson	Non-executive	South African	
LL Legadima	Director	Non-executive	South African	
SR Corrigan	Director	Non-executive	South African	
ES Klue	Director	Non-executive	South African	Resigned 28 February 2018
G Hluyo	Director	Non-executive	Zimbabwean	
RD Mokate	Director	Non-executive	South African	Resigned 28 February 2018
M Sass	Director	Non-executive	South African	Resigned 30 May 2018
PC de Jager	Director	Non-executive	South African	
NF van Wyk	Director	Executive	South African	
C Booyens	Director	Executive	South African	

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 19 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, which has a significant effect on these financial statements.

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 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 Grant Thornton Inc will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

8. Secretary

The company secretary is C van Dyk.

9. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 2 October 2018. No authority was given to anyone to amend the 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.

SNG
GrantThornton
An instinct for growth™

Independent Auditor's Report

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

Opinion

We have audited the annual financial statements of The Southern African Institute for Business Accountants NPC set out on pages 9 to 31 which comprise the statement of financial position as at 30 June 2018 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 2018, 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 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 Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to the performing of audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). 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 Directors' Report, as required by the Companies Act of South Africa and the supplementary information set out on pages 4 to 5. 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.

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.

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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.

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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

1 November 2018

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

Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	3	82 967	108 396
Intangible asset - internally generated	4	292 557	179 499
Other financial assets	5	21 618	303 313
		397 142	**591 208**
Current Assets			
Trade and other receivables	6	3 988 847	2 922 038
Cash and cash equivalents	8	669 814	437 683
		4 658 661	**3 359 721**
Total Assets		**5 055 803**	**3 950 929**
Equity and Liabilities			
Equity			
Retained surplus		1 235 250	79 534
Liabilities			
Current Liabilities			
Trade and other payables	9	3 820 553	3 871 395
Total Equity and Liabilities		**5 055 803**	**3 950 929**

Statement of Surplus/Deficit and other Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue	10	10 739 436	9 147 113
Other income	11	430 022	1 632 138
Operating expenses		(10 015 995)	(10 730 303)
Operating surplus/(deficit)	12	**1 153 463**	**48 948**
Investment revenue	13	4 562	13 500
Finance costs		(2 309)	(1 390)
Surplus/(deficit) for the year		**1 155 716**	**61 058**
Other comprehensive income		-	-
Total comprehensive income for the year		**1 155 716**	**61 058**

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 1 July 2016	**18 476**	**18 476**
Surplus for the year	61 058	61 058
Other comprehensive income	-	-
Total comprehensive income for the year	**61 058**	**61 058**
Balance at 1 July 2017	**79 534**	**79 534**
Surplus for the year	1 155 716	1 155 716
Other comprehensive income	-	-
Total comprehensive income for the year	**1 155 716**	**1 155 716**
Balance at 30 June 2018	**1 235 250**	**1 235 250**

Note(s)

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash generated from operations	16	251 772	156 997
Interest income		4 562	13 500
Finance costs		(2 309)	(1 390)
Net cash from operating activities		**254 025**	**169 107**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(19 701)	(44 868)
Sale of property, plant and equipment	3	2 000	23 751
Purchase of other intangible assets	4	(288 110)	(110 422)
Proceeds from financial assets		283 916	(36 720)
Net cash from investing activities		**(21 895)**	**(168 259)**
Total cash movement for the year		**232 130**	**848**
Cash at the beginning of the year		437 683	436 835
Total cash at end of the year	8	**669 813**	**437 683**

Accounting Policies

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these 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 financial statements, and the Companies Act 71 of 2008 of South Africa, as amended.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

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

These accounting policies are consistent with the previous period.

1.2 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.

The following are the key assumptions concering the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant judgements include:

Trade and other 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.

The impairment for trade and other receivables is based on the indicators of financial difficulties of the debtors which management feel will not be collected or only partially collected.

Property, plant and equipment's useful lives, depreciation methodes and residual value

The useful lives, depreciation methods and residual values of the items of property, plant and equipment are reviewed annually. For residual values the estimate is made after taking into account the condition of the item, age and judgement relating to the useful lives.

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 determines 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.

1.3 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.

Accounting Policies

1.3 Property, plant and equipment (continued)

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 is carried at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment is depreciated using the straight-line method to write down the cost, less estimated residual value over the expected useful life of the property, plant and equipment, which is as follows:

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 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.

1.4 Intangible asset - internally generated

Intangible asset is initially measured at cost.

After initial recognition intangible assets are carried at cost less impairment losses. No amortisation is recognised as management believes that the useful of the intangible asset is indefinite. The useful life of the intangible asset is reviewed annually.

It is uncommon (As per IAS 38 Par 78) for an active market to exist for an intangible asset, although this may happen. However, an active market cannot exist for brands, newspaper mastheads, patents or trademarks, because each such asset is unique. Also, although intangible assets are bought and sold, contracts are negotiated between individual buyers and sellers, and transactions are relatively infrequent. For these reasons, the price paid for one asset may not provide sufficient evidence of the fair value of another. Moreover, prices are often not available to the public.

As per the extract from IAS 38, the company will not be able to use the revaluation model, as there is no open market for an asset that was uniquely designed with the specific needs of the company and tailored towards their operations and use. There is no open market, as the company will not be able to make the asset availabe to any individual for sale.

Based on the fact that there is no active market for the product internally generated, the company can only apply the cost model.

1.5 Financial instruments

Initial recognition and measurement

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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.

Accounting Policies

1.5 Financial instruments (continued)

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. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received) that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through profit or loss

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets, measured at amortised cost using the effective interest rate method, the following objective evidence is considered in determining when an impairment loss has been incurred significant financial difficulty of the debtor; a breach of contract, such as a default or delinquency in interest or principal repayments, and it is becoming probable that the debtor will enter bankruptcy or other financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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.

In respect of available-for-sale equity securities, impairment losses previously recognised through profit or loss, except to the extend that they reverse gains previously recognises in other comprehensive income.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Accounting Policies

1.5 Financial instruments (continued)
Derecognition of financial asset

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Subsequent measurement

FINANCIAL ASSETS

The subsequent measurement of financial assets depends on their classification as follows:

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.

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.

FINANCIAL LIABILITIES

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings at amortised costs, plus directly attributable transaction costs. The company's financial liabilities include trade and other payables, bank overdraft and other borrowings.

Subsequent measurement of financial liabilities depends on their classification as follows.

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.

Accounting Policies

1.6 Contingent liabilities and contingent assets

A contingent asset is a possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future uncertain events not within the control of the entity. The company does not recognise a contingent asset.

A contingent liability is a possible obligation depending on whether some uncertain future event occurs, or a present obligation of which payment is not probable or the amount cannot be measured reliably. The company does not recognise a contingent liability.

1.7 Tax

Tax expenses

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

1.8 Leases

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 liability. This liability is not discounted.

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

1.9 Impairment of non-financial assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

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.

1.10 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 leave pay 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.

Accounting Policies

1.11 Revenue

Revenue from membership and license 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 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 and license fees entitles the members the use of an appropriate designation or license only.

Revenue from exam fees are measured at the fair value of the consideration received or receivable, net of VAT where there is reasonable assurance that income will be received and all attaching conditions will be complied with.

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

1.12 Other income

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

1.13 Borrowing costs

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.

1.15 Events after reporting periods

An event, which could be favourable or unfavourable, which occurs between the end of the reporting period and the approval date of the financial statements, is treated as follows:

An income and asset, or expenditure and liability are recognised for events that provide evidence of conditions that existed at the reporting date.

No income and asset, or expenditure and liability are recognised for events that indicate conditions that arose only after the reporting date.

1.16 Going concern

The directors perform liquidity and solvency tests annually to establish whether the company has adequate financial resources to continue in operation for the foreseeable future. The directors also consider and review market conditions as part of their risk management strategy to satisfy themselves when applying the going concern basis of accounting in preparing the financial statements.

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

2. New Standards and Interpretations

2.1 Standards and Interpretations that have been issued but not yet effective at 30 June 2018

The following accounting policies are standards which have been issued with effective dates subsequent to the financial period under review and which have not been adopted:

Standard/ Interpretation	Effective date
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

The company is currently assessing the effect of the standards issued, but not yet effective. Therefore the impact that application of the new standards and interpretations will have on the entity's financial statements is not yet known.

3. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	165 446	(122 414)	43 032	166 016	(106 578)	59 438
Office equipment	2 060	(2 058)	2	2 060	(2 048)	12
IT equipment	244 161	(204 231)	39 930	229 255	(180 312)	48 943
Computer software	31 400	(31 397)	3	31 400	(31 397)	3
Total	**443 067**	**(360 100)**	**82 967**	**428 731**	**(320 335)**	**108 396**

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	(3 330)	(25 385)	39 929
Computer software	3	-	-	-	3
	108 396	**19 701**	**(3 330)**	**(41 801)**	**82 966**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	61 593	13 046	-	(15 201)	59 438
Office equipment	696	-	-	(684)	12
IT equipment	67 888	37 593	(20 049)	(36 489)	48 943
Computer software	3	-	-	-	3
	130 180	**50 639**	**(20 049)**	**(52 374)**	**108 396**

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

3. Property, plant and equipment (continued)

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 R27 610 (2017: R31 801) if the adjustments were made. The directors are of the opinion that the effect is not material to the financial statements.

4. Intangible asset - internally generated

	2018			2017		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Member and learner management system	250 000	-	250 000	179 499	-	179 499
CFO Talks ®	20 213	-	20 213	-	-	-
Accounting Weekly ®	22 344	-	22 344	-	-	-
Total	**292 557**	**-**	**292 557**	**179 499**	**-**	**179 499**

Reconciliation of intangible asset - internally generated - 2018

	Opening balance	Additions	Impairment	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
	179 499	**288 110**	**(175 052)**	**292 557**

Reconciliation of intangible asset - internally generated - 2017

	Opening balance	Additions	Total
Member and learner management system	69 077	110 422	179 499

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 as it is specifically designed to cater for the professional body's environment. After demonstrating the system to professional body's team, the price was negotiated at R250 000. The fair value is therefore taken as R 250 000 and recorded at this value in the annual financial statements.

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.

5. Other financial assets

	2018	2017
Loans and receivables		
The Southern African Institute for Business Accountants (Namibia) Unsecured loan bearing interest and rates determined from time to time with no fixed terms of repayment.	21 618	303 313

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

5. Other financial assets (continued)

Non-current assets		
Loans and receivables	21 618	303 313

6. Trade and other receivables

Trade receivables	5 273 275	3 716 697
Provision for the impairment of debtors (Refer note 7)	(1 325 094)	(837 625)
Deposits	40 666	42 966
	3 988 847	**2 922 038**

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

Trade receivables past due but not impaired

90 days plus	86 144	59 155
120 days plus	3 478 310	2 234 103
	3 564 454	**2 293 258**

Trade and other receivables which are less than 3 months past due date are not considered to be impaired.

As at 30 June 2018 R3 564 454 (2017 R2 293 258) were past due but not impaired. The trade and other receivable past due but not impaired have been reviewed for indicators of impairment. The company has signed payment arrangements for approximately 50% of the amount included in the 120 days plus category. During the current financial year trade receivables were written off. (Refer note 7)

7. Provision for the impairment of debtors

Reconciliation of provision for the impairment of debtors - 2018

	Opening balance	Additions	Utilised during the year	Total
Trade receivables	837 625	1 201 754	(714 285)	1 325 094

Reconciliation of provision for the impairment of debtors - 2017

	Opening balance	Additions	Utilised during the year	Total
Trade receivable	583 238	504 387	(250 000)	837 625

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	362 382	385 044
Short-term deposits	307 431	52 639
	669 813	**437 683**

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

9. Trade and other payables

Trade payables	389 758	254 147
Deferred revenue	2 216 055	2 608 989
VAT (including deferred VAT)	1 088 710	816 729
Employee accruals	126 030	191 530
	3 820 553	**3 871 395**

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

10. Revenue

Membership fees	10 009 785	8 842 510
License/exam fees	729 651	304 603
	10 739 436	**9 147 113**

11. Other income

Profit on sale of assets and liabilities	-	9 473
Profit and loss on exchange differences	2 222	-
Sponsorship	388 596	947 807
Bad debt recovered	-	28 507
License revenue	39 204	646 351
	430 022	**1 632 138**

12. Operating surplus/(deficit)

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

Operating lease charges		
Premises		
• Contractual amounts	415 899	416 135
Equipment		
• Contractual amounts	126 331	130 211
	542 230	**546 346**

(Loss)/Profit with sale of plant and equipment	(1 330)	9 473
Impairment on intangible assets	175 052	-
Depreciation on plant and equipment	41 801	52 374
Employee costs	5 034 298	4 536 568

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

13. Investment revenue

Interest revenue		
Bank	4 562	13 500

14. Taxation

No provision has been made for 2018 tax as the company is exempt of paying taxes in terms of section 10(1)(d)(iv)(bb).

15. Auditor's remuneration

Fees	68 037	62 553

16. Cash generated from operations

Profit before taxation	1 155 716	61 058
Adjustments for:		
Depreciation and amortisation	41 801	52 374
Loss/(profit) on sale of assets	1 330	(9 473)
Profit on foreign exchange differences	(2 222)	-
Interest received	(4 562)	(13 500)
Finance costs	2 309	1 390
Impairment loss	175 052	-
Changes in working capital:		
Trade and other receivables	(1 066 810)	(1 536 636)
Trade and other payables	(50 842)	1 601 784
	251 772	**156 997**

17. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	394 821	376 047
- in second to fifth year inclusive	-	394 849
	394 821	**770 896**

Operating lease payments represent rentals payable by the company for office property. Leases are negotiated for an average term of three years. No contingent rent is payable. The company has entered into a new 3 year lease agreement effective from the 1st of July 2016.

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

18. Related parties

Relationships

Entities with mutual directors	SA Accounting Academy Proprietary Limited (SAAA) The South African Institute of Tax Professionals NPC (SAIT)
Close family member of non-executive director	ThisisY Proprietary Limited (Y Klue)
Directorate	Refer to directors' report (paragraph 3)

Related party Transactions

Related party balances

	2018	2017
Amounts included in Trade Receivable/(Payable)		
SA Accounting Academy Proprietary Limited	70 097	117 051
The South African Institute of Tax Professionals NPC	(9 540)	(9 540)
Services rendered to/(received from) related parties		
The South African Institute of Tax Professionals		
CPD's collected on behalf of SAIT	-	248 978
CPD's paid to SAIT	-	(359 228)
SA Accounting Academy Proprietary Limited		
CPD's collected on behalf SAAA	-	583 259
CPD's paid to SAAA	-	(861 224)
ThisisY Proprietary Limited		
Monthly marketing retainer	-	(415 780)

A related party exist as the CEO is a shareholder in a service provider to SAIBA. The purpose of the note is to explain the reason for the related party transactions and why this has now changed. The main reason is the development phase of SAIBA. SAIBA needed the support of SAAA in 2010 to help it grow but can now stand on its own feet. For this reason the CPD services was placed on tender and subsequently awarded to SAAA. The Board requested that the CEO disinvest his interest in SAAA and adjusted his remuneration in line with the SAIBA remuneration policy.

"The objective of IAS 24 is to ensure that financial statements contain the disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by transactions and outstanding balances with related parties. [IAS 24:1].

IAS 24 notes that related party relationships are a normal feature of business and commerce. It is common, for example, for entities to operate separate parts of their activities through subsidiaries, associates or joint ventures. SAIBA elected in 2010 to outsource their CPD function to the SA Accounting Academy Pty (Ltd). In 2012 the then SAIBA Board nominated the directors of SAAA to serve on the SAIBA Board. In 2013 a director of SAAA was requested by the SAIBA Board to fulfil the position of CEO of SAIBA and remain a director of SAAA. This decision created a related party transaction that is required to be disclosed in the financial statements. The related party relationship created a number of benefits for SAIBA in the form of reduced labour costs, access to non-members for marketing purposes, and economic scalability. We can now offer evens and use technology that would not have been accessible to SAIBA without having to pay for these expenses. Such relationships can have an effect on the operating results and financial position of the reporting entity."

Notes to the Annual Financial Statements

19. Directors' remuneration

Executive

2018

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

2017

	Emoluments	Travel allowance	Reimburse-ments	Company contributions	Backpay	Total
NF van Wyk	1 681 250	27 000	8 927	91 750	371 317	2 180 244
C Booyens	534 000	-	716	6 000	-	540 716
	2 215 250	**27 000**	**9 643**	**97 750**	**371 317**	**2 720 960**

Non-executive

2018

	Directors' fees	Total
DR Thakhathi	60 000	60 000

2017

	Directors' fees	Total
DR Thakhathi	60 000	60 000

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

20. Reclassification of comparative figures

During the current financial period under review, more information became available about comparative figures. Although the impact of the reclassification of the comparative figures is considered to be immaterial, the following comparative figures have been reclassified:

Statement of Financial Position	Reclassified 2017 in 2018 AFS	As presented in 2017 AFS
Incorporation capital*	-	6 895
Retained surplus*	79 534	72 639
Trade payables	254 147	879 749
Trade and other payables - VAT (including deferred VAT)	816 729	191 127

* Before the company was formally incorporated as a Non-profit company in 1990, the members conducted their business in an "association". The balance of the known assets and liabilities of the association at that time was transferred into the Non-profit company and recognised as Incorporation capital. The directors believe that the amount should have been recognised as Retained surplus at the end of the first financial year, since a Non-profit company is a company incorporated without any share capital.

Statement of Comprehensive Income		
Sponsorship income	947 807	-
Sundry income	646 351	1 594 158
Committee meetings	54 638	24 567
Computer expense	286 656	212 408
Entertainment cost	49 377	79 449
IAFEI Conference and events cost	2 057 581	2 007 259
Internet fees	-	74 248
Printing and stationary	37 972	88 293

The company has made reclassifications that affects the above operating expenses. The reason is to provide a more accurate classification of these expenses. The total operating expenses for the comparative year are not affected by these individual reclassifications.

21. Risk Management

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 2018 and 2017 respectively were as follows:

Net debt	3 820 553	3 871 395
Total equity	1 235 250	79 534
Total capital	**5 055 803**	**3 950 929**
Gearing ratio	76%	98%

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.

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

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.

Trade and other payables - less than 1 year	3 820 553	3 871 395

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 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 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.

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

Financial instruments

Cash and cash equivalents	669 814	437 683
Trade and other receivables	3 988 847	2 922 038
	4 658 661	**3 359 721**

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.

Notes to the Annual Financial Statements

24. Categories of financial instruments

	Note(s)	Financial assets at fair value through profit or loss	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Equity and non financial instruments assets and liabilities	Total
Categories of financial instruments - 2018							
Assets							
Non-Current Assets							
Property, plant and equipment	3		-	-	-	82 966	82 966
Intangible assets	4		-	-	-	292 557	292 557
Other financial assets	5		21 618	-	-	-	21 618
			21 618	**-**	**-**	**375 523**	**397 141**
Current Assets							
Trade and other receivables	6		3 988 848	-	-	-	3 988 848
Cash and cash equivalents	8		669 814	-	-	-	669 814
			4 658 662	**-**	**-**	**-**	**4 658 662**
Total Assets			**4 680 280**	**-**	**-**	**375 523**	**5 055 803**

Notes to the Annual Financial Statements

24. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit or loss	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Equity and non financial instruments assets and liabilities	Total
Equity and Liabilities							
Equity							
Accumulated profit		-	-	-	1 235 250	1 235 250	
Total Equity		**-**	**-**	**-**	**1 235 250**	**1 235 250**	
Liabilities							
Current Liabilities							
Trade and other payables	9	-	3 820 553	-	-	3 820 553	
Total Liabilities		**-**	**3 820 553**	**-**	**-**	**3 820 553**	
Total Equity and Liabilities		**-**	**3 820 553**	**-**	**1 235 250**	**5 055 803**	

Notes to the Annual Financial Statements

24. Categories of financial instruments (continued)

Categories of financial instruments - 2017

	Note(s)	Financial assets at fair value through profit or loss	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Equity and non financial instruments assets and liabilities	Total
Assets							
Non-Current Assets							
Property, plant and equipment	3	-	-	-	108 396	108 396	
Intangible assets	4	-	-	-	179 499	179 499	
Other financial assets	5	303 313	-	-	-	303 313	
		303 313	**-**	**-**	**287 895**	**591 208**	
Current Assets							
Trade and other receivables	6	2 922 037	-	-	-	2 922 037	
Cash and cash equivalents	8	437 683	-	-	-	437 683	
		3 359 720	**-**	**-**	**-**	**3 359 720**	
Total Assets		**3 663 033**	**-**	**-**	**287 895**	**3 950 928**	

Notes to the Annual Financial Statements

24. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit or loss	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Equity and non financial instruments assets and liabilities	Total
Equity and Liabilities							
Equity							
Accumulated profit		-	-	-	79 534	79 534	
Total Equity		**-**	**-**	**-**	**79 534**	**79 534**	
Liabilities							
Current Liabilities							
Trade and other payables	9	-	3 871 395	-	-	3 871 395	
Total Liabilities		**-**	**3 871 395**	**-**	**-**	**3 871 395**	
Total Equity and Liabilities		**-**	**3 871 395**	**-**	**79 534**	**3 950 929**	

Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
Revenue			
License/exam fees		729 651	304 603
Membership fees		10 009 785	8 842 510
	10	**10 739 436**	**9 147 113**
Other income			
Bad debts recovered		-	28 507
Gains on disposal of assets		-	9 473
Interest received	13	4 562	13 500
Profit on exchange differences		2 222	-
Sponsorship		388 596	947 807
Sundry income		39 204	646 351
		434 584	**1 645 638**
Operating expenses			
Accounting fees		25 340	35 537
Advertising, congresses and exhibitions		131 307	389 248
Auditors remuneration	15	68 037	62 553
Bad debts		1 201 754	504 387
Bank charges		109 508	110 028
Branding costs and certificates		84 020	4 232
Cleaning		9 723	6 545
Commission paid		40 788	13 777
Committee meetings		20 741	54 638
Computer expenses		177 297	286 656
Consulting fees		680 390	485 035
Depreciation		216 853	52 374
Discount allowed		-	31 164
Employee costs		5 034 298	4 536 568
Entertainment cost		56 392	49 377
HR consulting and recruitment costs		136 347	49 895
IAFEI Conference and CFO Talks events costs		288 039	2 057 581
Insurance		128 707	33 476
Lease rentals on operating lease		542 229	546 346
Legal fees - debt collection		73 408	48 822
Loss on sale of assets		1 330	-
Municipal expenses		64 125	40 500
PR & Design costs		41 959	206 748
Postage		93 142	90 358
Printing and stationery		30 257	37 972
RPL asessments costs		35 362	141 009
Repairs and maintenance		1 227	44 381
Secretarial fees		113 792	70 341
Subscriptions		18 305	31 717
Technical support		273 880	145 940
Telephone and fax		176 187	160 547
Training		28 755	19 173
Travelling costs		112 497	383 378
		10 015 996	**10 730 303**
Operating surplus/(deficit)	12	**1 158 024**	**62 448**
Finance costs		(2 309)	(1 390)
Surplus/(deficit) for the year		**1 155 715**	**61 058**

The supplementary information presented does not form part of the annual financial statements and is unaudited

CERTIFICATE FROM THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended, we certify that to the best of our knowledge and belief the company has lodged with the Companies and Intellectual Property Commission all such returns as required in terms of the Companies Act No. 71 of 2008, as amended, in respect of the year ended 30 June 2018, and that all such returns are true, correct and up to date.

Chris van Dyk

Company Secretary

2 October 2018

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