

saiba

SOUTHERN AFRICAN INSTITUTE  
FOR BUSINESS ACCOUNTANTS

THE SOUTHERN  
AFRICAN INSTITUTE OF  
BUSINESS ACCOUNTANTS NPC  
("SAIBA")

# 2020 INTEGRATED ANNUAL REPORT



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**“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.” –**

Nelson Mandela.

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# ABOUT THIS REPORT

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

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

## **BOUNDARY AND SCOPE**

The information contained within this Report provides our stakeholders with an overview of the business activities since the previous financial year. This is our sixth Integrated Annual Report which covers the period 1 July 2019 to 30 June 2020 and builds on the 2018/19 Report.

The reporting boundary includes SAIBA's processes through which value is created, preserved, or eroded over time, which takes into account all six capitals. It covers the financial reporting entity as well as the risks, opportunities and outcomes that stem from external stakeholders and entities. The factors that impact value creation for our stakeholders over the short, medium, and long term, were considered, and determined the content included in the Report.

There were no significant changes to SAIBA and its activities during the year that affect comparability with the 2019 report and no material restatements of information provided in previous reports.



## **ASSURANCE PROCESS**

The integrated reporting process, as well as the content of the Report, is guided by the principles and requirements of the International Integrated Reporting Framework <IR> Framework and the King IV Report on Corporate Governance for South Africa 2016 (King IV). The audited annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Management prepares and validates the report, ensuring that it provides a balanced and reasonable view of SAIBA as an organization and its performance for the year. The Report has been reviewed and approved by the Board, assisted by the Audit and Risk Committee. Financial information is extracted from the audited financial statements, which are available on page 35 of this Report.

## **MATERIALITY**

We apply materiality in assessing what information should be included in this Report. This Report focuses particularly on material information needed by our stakeholders to understand how we create value and to make an informed assessment of the performance and prospects of SAIBA. Our material matters which are those challenges that have a significant impact on SAIBA's ability to be sustainable were determined through management input and board review, and are reflected on page 22 of this Report. In determining these material matters, we considered the six capitals, the various elements of our value-creation process, and the needs interests and expectations of stakeholders over the short, medium and long term.

## **STATEMENT BY THE BOARD**

The SAIBA Board of Directors (the "Board") acknowledges its responsibility for ensuring the integrity of 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 2019/20 financial year and is presented in accordance with the <IR> Framework. The Board accordingly approved the Report on 29 April 2022 for release to SAIBA stakeholders.

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

# ORGANISATIONAL OVERVIEW

## WHO WE ARE

“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.” – Nelson Mandela.

Established in 1987 as a professional body for business accountants we have grown to more than 8 490 (2019: 7 784) members consisting of both associates and designation holders with offices operating in South Africa, Namibia and, as part of our International Association for Finance Executives Institute (IAFEI) membership, the Philippines.

Our total staff complement is 20 (2019: 17) under a management team led by our CEO, Nicolaas van Wyk, who is supported by a management team consisting of Wendy Mutshena (overseeing the membership department), Ilana de Jager (technical expert in the education field) and Chantelle Booyens (overseeing the overall operations and governance).

SAIBA is governed by a member-elected Board of Directors led by the Chairperson, Pieter de Jager.

Members and potential members are treated as individuals with unique needs, values, interests, and career goals. We are here to help them reach their career goals. Our mandate is to act in the public interest, through regulating member conduct and providing member support services.

SAIBA members form a unique community of passionate finance professionals, and we are just as passionate to be a part of their professional development. Members fall into membership tiers, according to experience and qualifications. We interact with our members via social media, forums, events and publications.

Our ongoing purpose is to develop a community of successful accounting professionals who excel in their career goals and to award designations that serve the interest of employers and clients. Our values and the processes we follow ensures that our designations are relevant to job requirements. The following core values were identified as necessary to ensure we deliver quality, value and convenience to members, their clients and employers:

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**Revisionists**

"History is not what it seems, and nothing is final or concluded. For this reason, we regard ourselves as being revisionists."

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**Developmentalists**

"No one is born with a right to privilege. Human beings are born with rights and progress through study and experience."

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**Progressivists**

"Following a process must lead to progress in the right direction, which in turn will lead to an amazing result. Only pitching up for work is not what we do."

---

**Satisfactionists**

"We believe that training should not be delivered for the sake of training but to deliver an ROI for the client."

---

**Dominators**

"We play to win - world domination is not just for those with super-powers.  
We can take over the world, one member at a time."

---

**Relationists**

"Relationships matter - we work with human beings and not random atoms, therefore we care."

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**Promotionalist**

"Stand on the shoulders of giants: learn from others, improve your talents and repeat your efforts."

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To achieve our purpose, we focus on three core functions:

**"JOIN** - Building a community."

**"EARN** - Offering reliable and relevant designations."

**"GROW** - Mutual Benefits with members, their clients and society."

SAIBA has been a voice for accountants since 1990 and we will continue to actively engage regulatory authorities and present the views of accountants and their clients and ensure the continuous appreciation of accountants as essential service providers.

With a significant number of South Africans having lost their jobs over the past few months, SAIBA's focus areas for the next 5 (five) years will be aimed at providing a home for those professionals that, having lost his/her security net, are looking at taking the leap and starting

their own accounting practices, and retaining the loyalty of our current members.

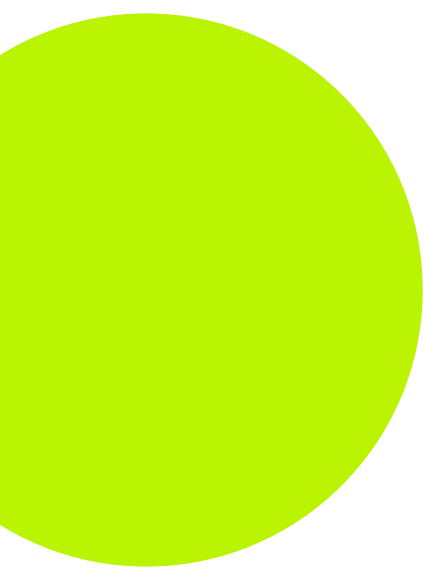
Our key strategic objectives can be summarised as follows:

**Short-term:**

1. Enhancing service delivery;
2. Connecting accountants with clients;
3. Distributing compelling and valuable content to members.
4. Obtaining accreditation as a Recognised Controlling Body.

**Medium and long-term:**

1. Opposing any form of red-tape, poorly drafted laws, unreasonable regulations and fruitless and wasteful expenditure that hinder accountants from delivering on their mandate or excludes any accountant from earning a living;
2. Actively engaging regulatory authorities and present the views of accountants and their clients and ensure the continuous appreciation of accountants as essential service providers;
3. University integration;
4. Incorporating a supplier-partnership-model to lower cost and increase reach;
5. Digitalising and automating process and providing guidance to our members on how to do the same.





# EXTERNAL ENVIRONMENT

During the first quarter of 2020 the world is confronted with a global pandemic - COVID-19. The outbreak of the pandemic has been the cause of major global, social, and economic disruption, and it goes without saying that the revenues and cash flows of virtually all businesses have been affected. It has dramatically changed how entities operate and how individuals live and work. The South African economy was struggling even before the pandemic arrived, and the impact of the lockdowns and the virus disproportionately impacted the most vulnerable members of society. With new strains emerging and uncertainty around the rollout of vaccines, the way the pandemic plays out from here is unpredictable.

According to the Directors' Sentiment Index™ Report: 5th Edition:

"South African economic uncertainty has remained the top economic factor impacting business since the inception of the report in 2016. One of the new additions to the list of economic factors, "Energy security (i.e. lack of sufficient power supply)" soared to the second most impactful factor – illustrating the significance of how load shedding has negatively impacted business. Corruption (another new economic factor added to the 2020 options) and inadequate government service delivery followed closely behind for over a third of directors, as the third and fourth most impactful economic factors affecting their business. Whilst Climate change is still lowly rated, it has been growing slowly in impact rating since 2016. This factor is likely to see a more dramatic increase in ranking in the years to come. The "Other" factors effecting directors was, inter alia, government policies, poor business confidence and the effects of BBBEE and the cost of being compliant."

The pandemic and subsequent lockdown restrictions caused significant disruptions to the South African economy. Economic activity declined significantly in the second quarter of 2020 when lockdown restrictions were at their most stringent but has been on the increase since then in line with the relaxation of lockdown restrictions and in the face of revived local and international demand.

The pandemic has forced us all to rapidly embrace various technologies and automated solutions, which allowed us to keep working remotely with colleagues, members, and

suppliers all around the world, therefore completely changing the traditional manner of working. Even though this is a welcome disruption, this comes with its own challenges such as cybercrimes. What this has reinforced is the need to think the unthinkable and ensure business continuity by the incorporation of technology and continuous demonstration of agility and innovation.

SAIBA has adapted very well by incorporating various technologies to successfully implement a safe, paperless, work from home environment for all staff and continuously engaged with our members with the aim of keeping the SAIBA family motivated and positive during this time.

## CONCLUSION

Even though there are significant challenges to overcome, from corporate failures to economic uncertainty and all sorts of disruptions, we will continue fighting to change these challenges head on and convert them into opportunities. As long as there are people and problems to solve, there is opportunities to be taken.



# MESSAGE FROM THE CHAIRMAN

It gives me great pleasure to present my first report as Chairman of SAIBA.

The times that we as a nation and a global society have faced since the start of the COVID 19 pandemic have been challenging to say the least. As we move forward and continue to implement our aggressive growth strategic plan, we remain dedicated to assisting aspiring accountants to qualify, upskill and gain experience in their field. Training and development are therefore key aspects to what we are. We compete with established institutes in the sector and innovatively seek to differentiate ourselves to stand out from the crowd.

Our core market, Southern Africa, continues to experience growing interest from prospective members, and this is reflected in our increased revenue. We are well positioned for growth in the medium to longer term. By focusing on additional areas of recognition, development of designations and specialised licenses, together with an expanding CPD offering we will continue to grow demand for our services.

In recent years SAIBA has focused on building a solid foundation and transforming our core services from an outsourced model to providing these services under the SAIBA umbrella. This approach continues to strengthen our cashflow whilst increasing revenue and increasing our internal skills base, prerequisites to grow a relevant and sustainable business.

SAIBA has transitioned from a body for accounting officers into a leading professional body with offices in Pretoria, Johannesburg, Cape Town, and Windhoek servicing our more than 9,000 members and designation holders. As members of IAFEI we are part of a network 22,000 global CFOs represented from Brazil to Japan. Locally we have maintained our recognition in various laws requiring the appointment of accounting officers, independent accounting professionals, independent reviewers, commissioner of oaths, business rescue practitioners and immigration accountants. We have fully adopted the education standards as issued by the International Federation of Accountants (IFAC) and together with the oversight and monitoring of the professional conduct of our members, have ensured that we enhance the skills of members whilst simultaneously protecting the public interest.

We have continued to ensure that our executive management team operate effectively by conducting regular performance reviews and ensuring strategic and operational alignment through the Board, supported by strong specialised Board sub-Committees. Collectively our Board and management boast more than 40 years combined industry experience.

### Key aspect of 2020

The global COVID19 pandemic and lockdown measures placed a strain on economic growth and had a dire impact on social development. SAIBA was able to increase member support during this time by ensuring that members are safe and confident to continue providing accountancy services to their clients and employees. The changing market conditions also forced many people to view professional accountancy bodies as a haven that could assist them in securing additional income streams and assist with regulatory compliance matters. Our marketing efforts focused on this developing need.

We have embarked on a comprehensive review of our education model to ensure that our designations remain relevant and valued. This project will continue into 2021 to ensure we obtain accreditation from universities and secure a future supply stream of accountants, whilst retaining our unique business model of presenting relevant designation that is appropriate to the various roles fulfilled by accountants across all industries and sectors. This unique strategic approach distinguishes us from competitors and creates a market for our suite of designations.

In closing, I would like to express my thanks to all SAIBA's stakeholders:

- To our members: We are encouraged by your loyalty, continued support and excitement about SAIBA;
- To our executive management and employees: We value and appreciate you and acknowledge all your hard work and efforts during the past year;
- And lastly to my fellow Board members, I appreciate your support and valuable contributions during the past year.

We are confident that with the current leadership team we will be able to continue our strong growth in membership and reputation.



**Pieter de Jager**  
Chairperson

# MESSAGE FROM THE CEO

**“I saw the angel in the marble and carved until I set him free”**

*Michelangelo*

This quote from Michelangelo encapsulates the driving force that has been shaping SAIBA's future since our inception in 1987, and for the year ending 30 June 2020.

Our growth was achieved under difficult circumstances and intense competition. During January 2020 we all started to hear rumours of a virus from China, and by March 2020 we were in full lockdown. Hard choices had to be made with resources diverted to hospitals and welfare funding, while we braced for and experienced many deaths and suffering due to unemployment. Together with the Nation we stood dazed and shocked by what was happening around us.

Yet despite these challenges and tragedies a small miracle happened. SAIBA kept on growing by not only maintaining our member base but also attracting new applicants.

We believe that it was the SABA value of “togetherness” that created the environment for miracles.

This development is one of our greatest achievements.

Our dream for SAIBA has always been that we would be able to create a structure and system that reflects human qualities. We see so much potential in each person making the life-changing decision to join SAIBA. People join for many reasons, but the underlying driving force is always the same, “I want to improve my life and take care of my family”. This applies to our employees and members alike.

We see angels in each application and our life's mission is to set them free and help them reach their true potential.

It is not easy to become an accountant as it requires many years of study and doing the hard slog to gain the minimum experience required for each of our designations, and to provide evidence of competence by way of an assessment. Once a designation is awarded the journey does not end there and adherence to an Annual Practice License, annual ethics assessments, and CPD assessment, and specialist exams quickly follow.

But the members persevere as they know and understand the value of a designation and the responsibility placed on them by the new title.

All that we can do is to continue to ensure our members can make a living by unlocking new types of professional engagements, providing support services where it is needed most and sharing information and opportunities, in a fair and unbiased manner.

We love our members, and we love to see them become angels.

There is a lot of work required to set angles free and my report is a short summary of the numbers supporting our efforts.

## **A REVIEW OF THE SAIBA BUSINESS MODEL**

The following formulae illustrates the business model, value chain, and support structure of SAIBA as a professional body for accountants:

- 1. BUSINESS MODEL:** Qualifications + Experience + Assessments = Designations + Support + CPD
- 2. VALUE CHAIN:** Universities + Employers + Regulators = Members + Clients + Public
- 3. SUPPORT STRUCTURE:** Education + Membership + Finance = Technical + Education + Marketing

## **RESULTS OF APPLYING OUR BUSINESS MODEL FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020**

- Member growth continued an upward trajectory to end the year on 8490 members and designation holders. This includes a total of 1715 new members and 1043 new designation holders. This is 143 new members per month or growing with 7 new members per business day.
- A total of 1009 memberships were suspended due to non-compliance with the rules of SAIBA (CPD, payment of membership fees, unprofessional conduct etc.) (2019: 666). This increase is due to lower rates of retention and largely owing to the economic impact of COVID-19 on established businesses.
- Revenue and other income increased with more than R5 million to R21 056 453 (2019: R15 675 119). Sources of revenue include membership fees (68%), CPD and license fees (14%), grant income (10%) and other income (8%). This was supported by an increase

in total expenses and losses of R20 866 357 (2019: R15 476 218), and a R190 096 (2019: R198 901) surplus. The net cash flow generated from operations increased to R1 311 096 (R773 342: 2019).

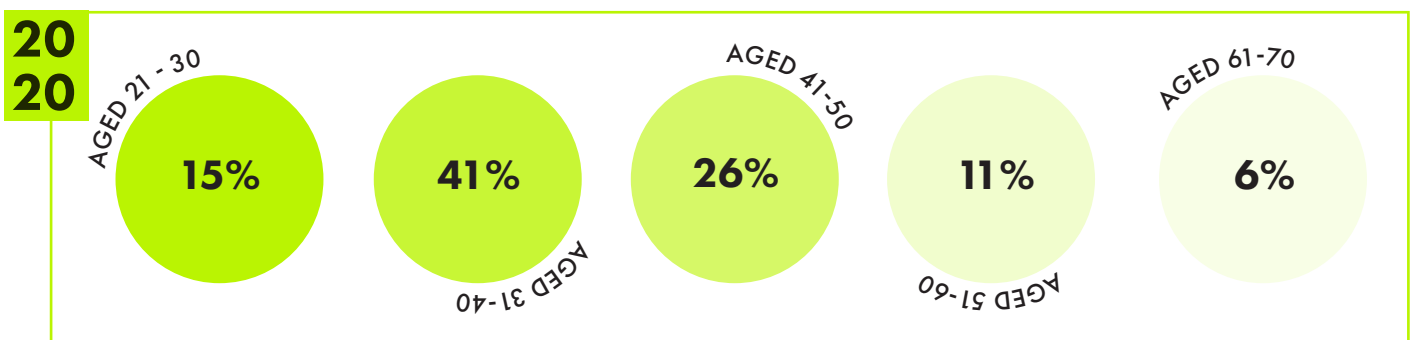
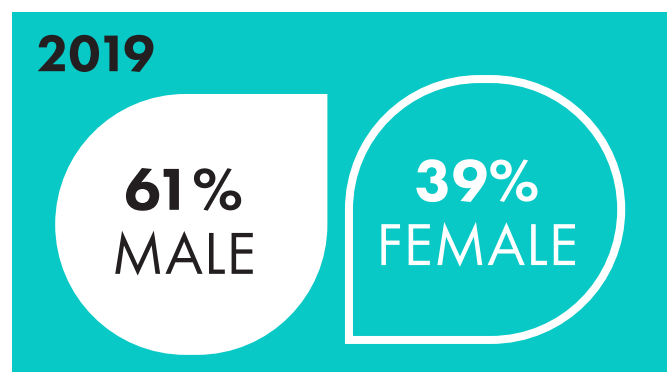
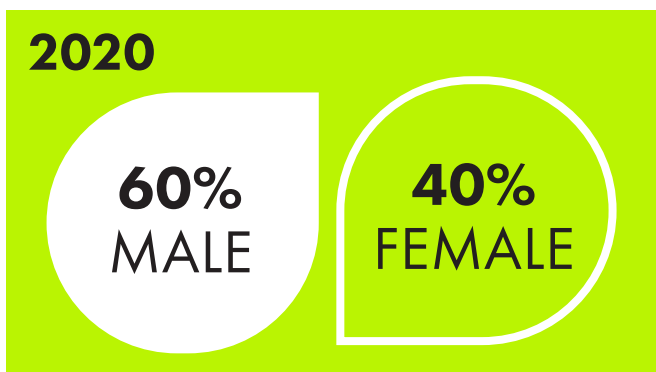
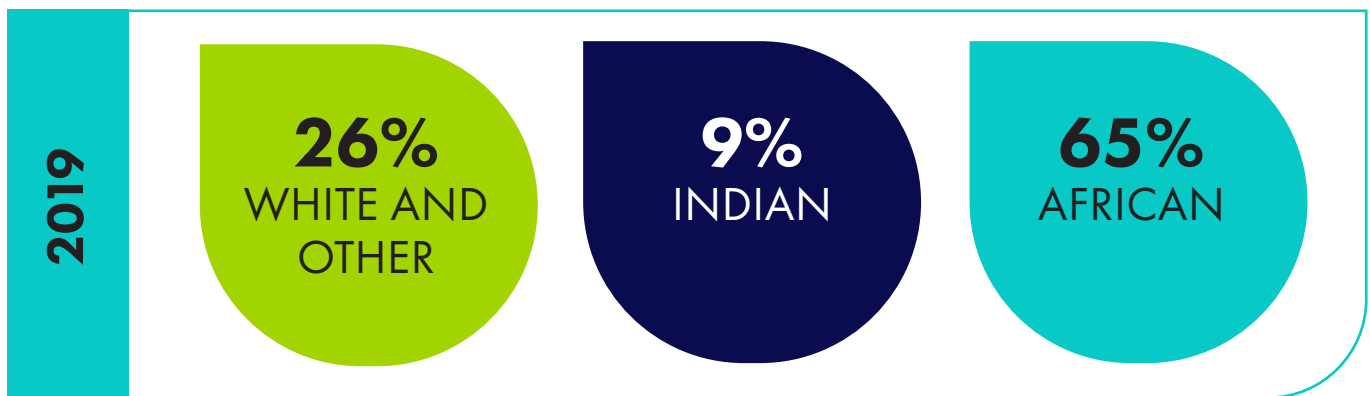
- Revenue growth in a service focused organisation such as SAIBA is highly dependent on dedicated work performed by quality staff. 42% of expenses was allocated to employee costs of R8,9 million due to increase in number of employees, salary increases to align to the Patterson Scale. Other noteworthy expenses include: R1,4 million for administrative expenses (7%), R1,9 million bad debts (9%), R1,9 million to produce CPD events (9%), and R1,5 million for FASSET tender expenses (7%).
- Net trade and other receivables decreased from 2019: R6 224 287 to 2020: R5 168 182. These amounts include current year membership fees with payment arrangements (67%), prior year membership fees with payment arrangements (21%), and other receivables (12%). 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 R1,9 million (10% of revenue).
- Trade and other payables totalled R5,3 million, including R3,2 million in deferred revenue and R1,5 million for VAT.

I am extremely proud of the SAIBA family which includes all our members, staff, and key stakeholders, who has not just endured the challenges that 2020 brought but chose to rise above it.



**Nicolaas van Wyk**  
CEO

# MEMBERSHIP DEMOGRAPHICS





SAIBA ACTIVE MEMBERSHIP COMPOSITION		DESIGNATION HOLDERS				
SAIBA ASSOCIATES /STUDENTS		BA (SA)	CBA (SA)	CFO (SA)	BAP (SA)	TOTAL
2016	2851	808	13	6	2506	6184
2017	1739	1225	22	12	2900	5898
2018	1806	1500	35	38	3495	6874
2019	2366	1819	28	43	3528	7784
2020	3373	1576	38	42	3461	8490
Suspended	-1 009					

NEW MEMBERSHIP APPLICATIONS	APPLICATIONS	SAIBA ASSOCIATES/STUDENTS	DESIGNATION HOLDERS
2016	1967	860	491
2017	2440	1516	915
2018	2303	1267	759
2019	2439	560	1016
2020	4962	1715	1 043

MEMBERS BY REGION	2020	2019
North West	3%	3%
Gauteng	45%	45%
Free State	3%	3%
Western Cape	13%	13%
Eastern Cape	9%	8%
Limpopo	5%	5%
Mpumalanga	4%	4%
KwaZulu-Natal	12%	12%
Northern Cape	1%	1%
Namibian	5%	6%
Other	0%	1%

## WORLD-WIDE REPRESENTATION

- SAIBA is a full voting member of the IAFEI, the global body for Financial Directors and Chief Financial Officers. IAFEI is a Consultative Advisory Group member of IFAC contributing to the development of international standards. IAFEI is represented in 20 countries from Brazil to China and are represented in global forums together with the World Bank, UN, EU, CFE and others. We annually host a CFO World Congress.
- SAIBA is a recognised professional body in South Africa and Namibia meaning that our members can provide regulated work in both countries.

# BUSINESS MODEL, VALUE CREATION AND RESOURCE ALLOCATION

## BUSINESS MODEL

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

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

The following formulae illustrates the business model, value chain, and support structure of SAIBA as a professional body for accountants:

- 1. BUSINESS MODEL:** Qualifications + Experience + Assessments = Designations + Support + CPD
- 2. VALUE CHAIN:** Universities + Employers + Regulators = Members + Clients + Public
- 3. SUPPORT STRUCTURE:** Education + Membership + Finance = Technical + Education + Marketing

SAIBA aligns its admission criteria to the job criteria set by employers or regulators.

As employers require a staggered approach to proficiency levels required of their finance department staff, and as regulators apply a differentiated approach to regulating small vs large companies, our designations should be responsive to this reality.

Our designations are developed to align to the two streams within the finance function:

- **COMMERCE STREAM:** Employed professionals working within the finance department, and
- **PRACTICE STREAM:** Self-employed professionals working as accountants in practice.

We protect the public interest by adopting and enforcing standards of ethics, conduct,

Practice  
Stream

Commerce  
Stream

**SPECIALISTS**

\*Specialized accountants who  
obtained specialist licences

**CFO (SA)**

\*Typically a  
CFO/FDT

**BUSINESS ACCOUNTANT IN  
PRACTICE (SA)**

\*General Accountant

**CERTIFIED BUSINESS ACCOUNTANT(SA)**

\*Typically a Senior Accountant/Finance  
Manager

**BUSINESS ACCOUNTANT(SA)**

\*Typically a Junior Accountant/  
Bookkeeper

**BUSINESS ACCOUNTANT(SA)**

\*Typically a Junior Accountant/  
Bookkeeper

**ASSOCIATES & STUDENTS**

Associate and student membership are open to anyone involved in the accounting and finance sector - Non-voting members and no CPD requirements apply. This is the first step to obtaining a designation: BA(SA) / CBA(SA) / CFO(SA) / BAP(SA)

quality, and service engagement standards that seek to ensure our designation holders deliver accountable and transparent professional services, relevant to their job and proficiency levels.

We are authorised to issue designations as registered with the South African Qualifications Authority (SAQA). We issue four designations relevant to a variety of job functions within the finance department, as follows:

- **1. JUNIOR ACCOUNTANT:**  
Business Accountant (SA) based on a NQF6 qualification.
- **2. ACCOUNTANTS IN PRACTICE:**  
Business Accountant in Practice (SA) based on a NQF7 qualification.
- **3. FINANCIAL MANAGER:**  
Certified Business Accountant (SA) based on a NQF8 qualification.
- **4. FINANCIAL DIRECTOR:**  
Certified Financial Officer (SA) based on a NQF9 qualification.

We advocate a model that is based on the recognition that South Africa is a constitutional democracy based on a Bill of Rights and Constitution. These documents ensure freedom of association and contract. Individuals should be free to choose their own occupations, and employers can set their own criteria for specific occupations.

Ultimately employers determine the level of education and experience required to perform a relevant occupation by considering various economic, social and political factors. Professional bodies are required to respond to, and support individuals and employers in forming their choices.

Our designations are developed based on the needs of employers, appropriate to the level of responsibility and complexity required to perform a relevant occupation. This means that a designation should be fit for purpose and that one size does not fit all circumstances. For this reason, we develop various continuous learning opportunities for our designation holders, as well as specialist licenses. Specialist licenses allow designation holders to focus on a specific type of engagement that require a specific set of skills. These can either be set in partnership with employers or in terms of a specific law or regulation.

We have the legal authority to verify and monitor the delivery of quality professional services by business accountants and our BAP(SA) designation is a prerequisite for a number of statutory determined professional engagements. The steps toward earning one of our designations at its core can be formulated as:

**“QUALIFICATIONS + EXPERIENCE + COMPETENCY ASSESSMENT  
= DESIGNATIONS + CPD + LICENSES”**

	CAPITALS	OUTPUTS	OUTCOMES
FINANCIAL	<b>Membership fees</b>	Designations are awarded to members.	Revenue from membership fees: R 14 102 955 (2019: R 12 045 737)
	<b>Licensing fees</b>	Licences awarded to members specialising in specific areas of interest such as Business Rescue, Independent Review etc).	Revenue from licensing fees: R693 576 (2019: R296 056)
	<b>CPD fees</b>	Public interest protected – accountants are equipped to render professional services by maintaining and improving their knowledge.	Revenue from CPD: R 2 336 206 (2019: R 0)
	<b>Grant/Tender Income</b>	Accountants empowered and upskilled to enter the workspace or increase their earning potential.	Revenue from Grant Income: R 1 994 829 (2019: R 1 744 007)
	<b>Sponsorship</b>	Approved service providers offering members excellent practice tools at a discounted rate with the aim of enhancing the members’ service delivery to their clients.	Revenue from sponsorships: R 1 369 848 (2019: R 1 112 363)
INTELLECTUAL	<b>Internally developed membership system and CPD platform</b>	SAIBA developed its own, internally generated membership system, to constantly improve the way communication with members takes place. The system was launched during June 2016. The SAIBA Academy was developed during this year as the official CPD Platform.	R356 517 invested in equipment and intangible assets (2019: R152 342).
	<b>Registration of designations and trademarks</b>	<p>We have four designations registered with SAQA –</p> <ul style="list-style-type: none"> <li>• Business Accountant - BA (SA)</li> <li>• Certified Business Accountant - CBA (SA)</li> <li>• Certified Financial Officer - CFO (SA)</li> <li>• Business Accountant in Practice - BAP (SA)</li> </ul> <p>We have registered the following trademarks –</p> <ul style="list-style-type: none"> <li>• CFOTalks</li> <li>• Accounting Weekly</li> </ul>	We successfully maintained our 4 designations with SAQA.
	<b>SAIBA Brand</b>	Campaigns to create awareness amongst finance professionals and the public in general.	Marketing, PR and Podcast spend amounting to R932 975 (2019: R636 193). Membership satisfaction rating: 75% (2019: 79%)

HUMAN	<p><b>Human Resources Skills and development training</b></p>	<p>Staff members receive regular training and are developed and supported to ensure career growth and success.</p> <p>Volunteers, being SAIBA members, operate within regions, to ensure development and growth of members involved.</p> <p>By partnering with service providers, we ensure that our members receive a variety of training and development options to suit their needs and to ensure that they remain competent and equipped for the environment in which they operate in.</p> <p>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.</p>	<p>20 (2019: 17) Staff members employed at a salaried cost of R8 956 127 (2019: R7 491 457):</p> <ul style="list-style-type: none"> <li>Salaries aligned to Patterson PayScale</li> <li>Bonuses paid for the achievements of aggressive growth targets</li> </ul> <p>Staff welfare and training costs amounting to R87 447 (2019: R64 925)</p> <p>R1 917 337 paid for the production of quality CPD content for members (2019: R0).</p> <p>R94 875 (2019: R25 103) paid in respect of honorariums and meeting expenses.</p>
SOCIAL AND RELATIONSHIP	<p><b>Stakeholder engagement Memorandums of Understanding Approved Providers</b></p>	<p>SAIBA has agreements with the numerous entities to provide members with the best value for money product offerings, mutual recognition with other institutes with the aim of assisting members with starting or expanding their careers or setting up their new business to obtain clients.</p>	<p>Refer to the Stakeholder engagement section for detail relating to the outcomes of our engagement.</p>
NATURAL	<p><b>Natural resources</b></p>	<p>SAIBA continues its efforts to minimise our environmental footprint by working towards a paperless environment and better use of technology.</p>	<p>Decrease in printing costs: 2020: R30 932 (2019: R36 931). As at 30 June 2020 100% paperless and working remotely.</p>

# STAKEHOLDER ENGAGEMENT

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

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

STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	HOW WE RESPOND
<b>Members</b>	<ul style="list-style-type: none"> <li>• Technical assistance and information</li> <li>• Value for money</li> <li>• Networking opportunities</li> <li>• Career/practice management guidance</li> <li>• Career growth</li> <li>• Increase in income</li> </ul>	<ul style="list-style-type: none"> <li>• Newsletters.</li> <li>• Free webinars on practice management and legislative updates.</li> <li>• Allocated a dedicated Personal Portfolio Consultant to every member to allow for one point of contact with SAIBA and build lasting and meaningful relationships.</li> <li>• Continuous staff training and coaching to uplift the level of service delivered to members.</li> <li>• CPD, licenses, short courses, technical resources, forums and other educational events offered to SAIBA members via our online education platform.</li> <li>• Annual member surveys.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Market-related remuneration</li> <li>• Training and development</li> <li>• Recognition</li> <li>• Safe working conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration Policy providing guidance to fair remuneration.</li> <li>• Regular staff meetings and training/coaching sessions.</li> <li>• Performance bonuses paid to staff who has reached their respective Key Performance Indicators.</li> <li>• Implemented a Work from Home Policy during March 2020 when the first hard lockdown was announced.</li> </ul>
<b>Universities/ colleges/ education providers</b>	<ul style="list-style-type: none"> <li>• Educate prospect and existing finance professionals</li> </ul>	<ul style="list-style-type: none"> <li>• Attend university open days.</li> <li>• Participate in development of curricula.</li> <li>• List accredited course offerings on our online education platform.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Establish lasting relationships</li> <li>• Prompt payments</li> </ul>	<ul style="list-style-type: none"> <li>• Ad hoc meetings.</li> <li>• Day-to-day interaction.</li> </ul>
<b>Approved service providers</b>	<ul style="list-style-type: none"> <li>• Brand exposure to SAIBA members</li> </ul>	<ul style="list-style-type: none"> <li>• Source providers of products that will add value to the day-to-day life of members e.g. Quickbooks and Draftworx.</li> <li>• Link members with approved providers and their products at a negotiated discounted rate.</li> </ul>
<b>Professional bodies</b>	<ul style="list-style-type: none"> <li>• Enhanced reach and positive influence on the profession.</li> </ul>	<ul style="list-style-type: none"> <li>• Partnering on certain events.</li> <li>• Reciprocal member benefits.</li> <li>• Reciprocal exemptions and collaborations.</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Compliance with standards and regulations</li> <li>• Active participation in open commentary on policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Scheduled meetings.</li> <li>• Ad hoc telephonic and written communication.</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>• Protect the public interest</li> <li>• Maintain standards of the profession</li> </ul>	<ul style="list-style-type: none"> <li>• Submissions and engagements to enhance awareness and contribute to development of relevant and effective laws.</li> <li>• PI Insurance Cover included as a benefit to BAP(SA)s in good standing.</li> </ul>
<b>Media</b>	<p>Commentary on news and current affairs</p>	<ul style="list-style-type: none"> <li>• AccountingWeekly® is a brand of SAIBA that provides headlines of the most relevant news.</li> <li>• CFOTalks® is a brand of SAIBA that hosts ad interviews various global finance leaders and members can then listen to these podcasts.</li> <li>• PR releases and active participation in the media (interviews)</li> </ul>

# MANAGING OUR RISKS AND OPPORTUNITIES

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

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

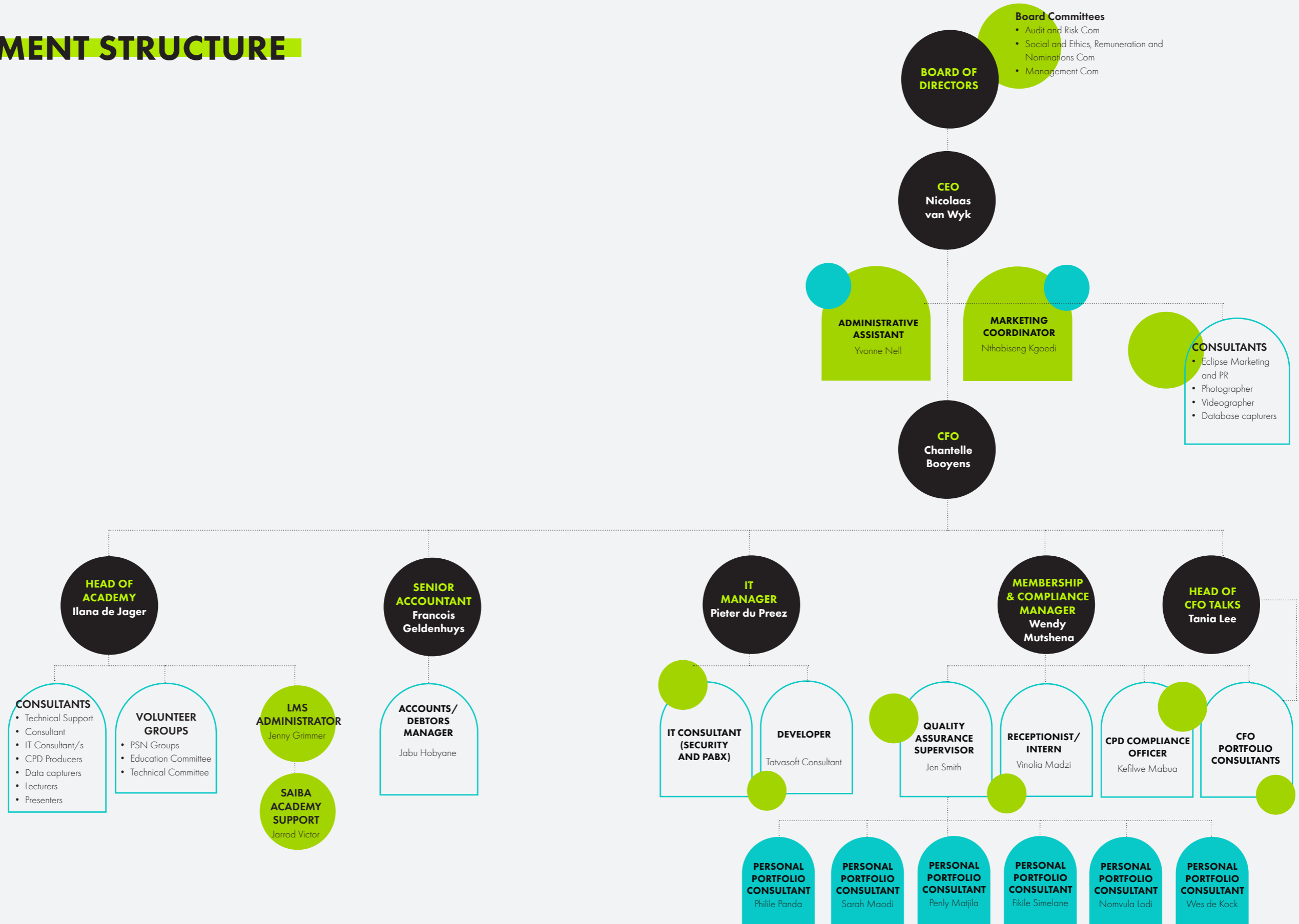
Risks identified are reported to the Audit and Risk Committee, who ultimately Reports to the Board. The Board assumes ultimate accountability over risk governance of SAIBA.

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



STRATEGIC OBJECTIVE	RISK	ROOT CAUSE TO RISK	MITIGATING ACTION PLAN	OPPORTUNITIES
Membership growth and retention	Fraud and corruption: Complaints regarding members and responsibility to public	Fraud and or misrepresentation by members - members erroneously holding themselves out as Accounting Officers or performing specialist work without the prerequisite license.	<ul style="list-style-type: none"> <li>Enforcement of CPD Policy</li> <li>Annual Practice License written by BAP's (launched 2019)</li> <li>Incorporated layers to membership - Generalists vs Specialists (licenses)</li> </ul>	Brand awareness Enhanced member value proposition Improve member signup process Free events/webinars
	Negative reputation for SAIBA	Members not providing good service to the public.	<ul style="list-style-type: none"> <li>Member surveys</li> <li>Continuous education of members</li> <li>Free educational webinars</li> <li>Practice support tools</li> <li>Complaints process improved and attorney appointed to assess complaints.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen relationships with regulators and government to influence legislation and unlock more opportunities for members;</li> <li>Enhance educational offerings on SAIBA Academy.</li> </ul>
Long term financial sustainability	Economic conditions	Members' inability to pay their fees due to economic pressure	<ul style="list-style-type: none"> <li>Create awareness around flexible payment options available to members.</li> <li>Actively seek partnerships that will enhance the member value proposition - e.g. Intuit Quickbooks Online Accountant.</li> </ul>	Strengthen and improve existing processes - personalised and improved service delivery to members.
Information security and protection	<ul style="list-style-type: none"> <li>Information, system, integrity and security risk</li> <li>Cyber attacks</li> </ul>	Limited financial resources available	<ul style="list-style-type: none"> <li>Regularly update and improve IT policies and systems</li> <li>Ongoing training and support</li> <li>Annual IT audit by external expert to ensure systems are secure and obtain recommendations for areas that require improvement</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve on processes as recommended during it audit.</li> <li>Upskill staff regarding IT risks</li> </ul>
Compliance and competency	<ul style="list-style-type: none"> <li>Members erroneously holding themselves out as Accounting Officers</li> </ul>	<ul style="list-style-type: none"> <li>Lack of awareness of different membership tiers and what it entails</li> </ul>	<ul style="list-style-type: none"> <li>Improve FAQ section on website.</li> <li>Introduce "How to" videos/articles on each membership type.</li> </ul>	<ul style="list-style-type: none"> <li>Increase competency and professionalism of members.</li> </ul>
Human Resource Management	Limited resources	Aligning all positions to ensure competitive remuneration packages	SAIBA entrenches a performance driven culture through the implementation of a Performance Incentive System.	Continue to invest in staff through training and upskilling to continuously uplift service delivery to members.

# MANAGEMENT STRUCTURE



# MEET THE TEAM



Nicolaas van Wyk  
**CEO**



Chantelle Booyens  
**CFO**



Ilana de Jager  
**HEAD OF ACADEMY**



Wendy Mutshena  
**MEMBERSHIP MANAGER**



Nthabiseng Kgoedi  
**MARKETING  
CO-ORDINATOR**



Jabu Hobyane  
**DEBTORS  
MANAGER**



Jen Smith  
**QUALITY ASSURANCE  
SUPERVISOR**



Kefilwe Mabua  
**CPD COMPLIANCE  
OFFICER**



Nomvula Lodi  
**PPC**



Wesley de Kock  
**PPC**



Vinolia Madzivhandila  
**RECEPTIONIST**



Irina Yatsenko  
**CFO PPC**



Pieter du Preez  
**IT MANAGER**



Tania Lee  
**PROJECTS DIRECTOR**



Francois Geldenhuys  
**SENIOR ACCOUNTANT**



Jenny Grimmer  
**LMS ADMINISTRATOR**



Jarrod Victor  
**ACADEMY  
SUPPORT**



Sarah Maodi  
**PPC**



Penly Matjila  
**PPC**



Fikile Simelane  
**PPC**



Nadia Shmeleva  
**CFO PPC**



Yvonne Nell  
**PA**



Ludzula Mukhuwana  
**INTERN**

# GOVERNANCE



Pieter de Jager  
**CHAIRMAN**  
**NON-EXECUTIVE**  
**DIRECTOR**



Nonhlanhla Mona-Dick  
**NON-EXECUTIVE**  
**DIRECTOR**



Lee-Anne Germanos  
**NON-EXECUTIVE**  
**DIRECTOR**



Russel Ngobeni  
**NON-EXECUTIVE**  
**DIRECTOR**



Pumlani Majazi  
**NON-EXECUTIVE**  
**DIRECTOR**



Lerato Legadima  
**NON-EXECUTIVE**  
**DIRECTOR**

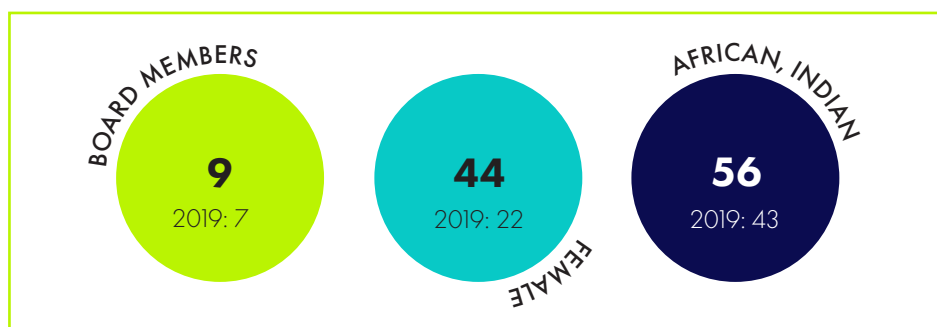


Nicolaas van Wyk  
**CEO**  
**EXECUTIVE DIRECTOR**



Chantelle Booyens  
**CFO**  
**EXECUTIVE DIRECTOR**

## BOARD COMPOSITION AND ATTENDANCE AT BOARD MEETINGS



BOARD MEMBER	DESIGNATION	APPOINTMENT DATE	RESIGNED/ TENURE EXPIRED	MEETINGS ATTENDED
Mr DT Thakhathi (Chairperson until expiry of tenure)	Non-executive Director	24-06-2013	6 April 2020 (AGM Date)	3/4
Mr PC de Jager (New Chairperson elected)	Non-executive Director	07-03-2017		5/5
Mr R Ngobeni	Non-executive Director	04-07-2019		4/4
Mr SR Corrigan	Non-executive Director	24-06-2013	6 April 2020 (AGM Date)	2/4
Ms LL Legadima	Non-executive Director	10-12-2015		2/5
Mr W Tshuma	Non-executive Director	22-06-2020		1/1
Ms N Mona-Dick	Non-executive Director	22-06-2020		1/1
Mr P Majози	Non-executive Director	04-07-2019		1/1
Ms L Germanos	Non-executive Director	22-06-2020		1/1
Mr NF van Wyk	Non-executive Director	22-06-2020		5/5
Ms C Booyens	Executive Director	01-03-2013		5/5

## BOARD SUBCOMMITTEE STRUCTURE

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

# REPORT OF THE AUDIT AND RISK COMMITTEE

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

The Committee functions within documented terms of reference and complies with the relevant legislation, regulation and governance codes. The terms of reference have been approved by the Board and is reviewed as and when appropriate.

The Committee conducts its affairs in compliance with its terms of reference and discharges its responsibilities contained therein. The Committee has an independent role with accountability to both the Board and to SAIBA members and comprised 3 (three) non-executive directors. These directors include suitably skilled directors having recent and relevant financial experience. The Committee is elected by SAIBA members at the annual general meeting. During 2020, the members of the committee were:

- Pieter Christiaan de Jager - Appointed to the Committee on 4 July 2019 (Preceding Chairperson of the Committee)
- Russel Ngobeni - Appointed to the Committee on 1 November 2019
- Nonhlanhla Mona-Dick - Appointed to the Committee on 30 July 2020 (Chairperson of the Committee)

We, the Audit and Risk Committee members -

## External audit

- Received the resignation from the previously appointed auditors at the annual general meeting held on 6 April 2020, necessitating the appointment of a new auditor in terms of section 91 (2) of the Companies Act 71 of 2008 (the “Act”);
- Upon recommendation by the Board of the Directors (the “Board”), after completion of the necessary procurement procedures, considered and approved the appointment of Nexia SAB&T as the external auditor, with Mr Yatim Soma as the designated auditor, to conduct the audit of SAIBA’s financial statements for the financial year ended 30 June 2020, whilst ensuring the appointment complied with all legal and regulatory requirements for the appointment of an auditor;
- Approved Nexia SAB&T’s engagement letter, the audit plan and the budgeted audit fees payable to Nexia SAB&T;

- Discussed the audit to assess the effectiveness of the auditor;
- Obtained a statement from the auditor confirming that its independence was not impaired;
- Determined the nature and extent of all non-audit services provided by the independent auditor and,
- where applicable, pre-approved all non-audit services undertaken;
- Confirmed that no reportable irregularities were identified or reported by the independent auditor under
- the Auditing Professions Act (26 of 2005).
- Annual Financial Statements for the year ended 30 June 2020 ("AFS") and Integrated Annual Report ("IAR")
- Reviewed the AFS and is satisfied that it complies with International Financial Reporting Standards in all material aspects;
- Concluded that the AFS fairly present the financial position of SAIBA;
- Confirmed that the AFS were prepared on a going concern basis;
- Considered the appropriateness of the accounting policies disclosed in the AFS;
- Reviewed the representation letter, relating to the AFS, signed by management;
- Recommended the AFS for approval to the Board;
- Reviewed this report, taking cognisance of material factors and risks that may impact the integrity thereof,
- and recommended that the Board approve the IAR of SAIBA for the year ended 30 June 2020.

### **Combined Assurance**

- Reviewed the plans and reports of the external auditors and other assurance providers and concluded that these were adequate to address significant risks facing the organization and was satisfied that the combined assurance was adequate and effective considering the nature and the size of the organization;
- Reviewed the expertise, experience and resources of SAIBA's finance function and concluded that it was adequate and effective considering the nature and the size of the organisation.



### **Risk management and internal control**

- Reviewed quarterly risk reports containing pertinent risks and opportunities;
- • Confirmed the adequacy and effectiveness of SAIBA's procedures/processes to ensure compliance with legal and regulatory responsibilities;
- Reviewed and recommended that the draft 2020/21 budget be referred to the Board for approval;
- Considered the reports of Nexia SAB&T on SAIBA's systems of internal control, including financial controls, business risk management and maintenance of effective internal control systems;
- Received assurances that proper accounting records were maintained given the size of SAIBA and number of staff, and that the systems safeguarded SAIBA's assets against unauthorised use or disposal.

### **Governance**

- Reviewed and recommended that the Committee's Terms of Reference be referred to the Board for final approval;
- Reviewed and recommended various policies to the Board for approval;
- Reported to the Board on its statutory duties and duties assigned to it by the Board and made appropriate recommendations.

The Committee is satisfied that it has fulfilled its duties during the year under review.

On behalf of the Audit and Risk Committee:



**Nonhlanhla Mona-Dick**  
Chairperson

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

The Social and Ethics, Remuneration and Nominations Committee (the “Committee”) is a statutory committee, which assists the Board with monitoring SAIBA’s performance as a good and responsible corporate citizen within a framework of legislative compliance and prevailing codes of good corporate governance

The Committee conducts its affairs in compliance with its terms of reference and complies with the relevant legislation, regulation and governance codes and discharges its responsibilities contained therein. During 2020, the members of the committee were:

- Pieter Christiaan de Jager - Appointed to the Committee on 4 July 2019 (Preceding Chairperson of the Committee)
- Professor RD Thakhathi - Resigned from the Board and the Committee on 6 April 2020
- Lee-Anne Germanos - Appointed to the Committee on 30 July 2020 (Chairperson of the Committee)
- Phumlani M Majosi - Appointed to the Committee on 30 July 2020

We, the Social and Ethics, Remuneration and Nominations Committee members -  
Nomination matters

- Reviewed and recommended the composition of the Board and Board committees including Board nominations and suitable candidates to the Audit and Risk Committee for election by members at the next AGM, for Board approval;
- Reviewed the Board nomination form;
- Reviewed and recommended the AGM notice for Board approval;
- Considered nominations received from the members for Board consideration;
- Reviewed the independence of non-executive directors;
- Considered and proposed training needs and development of Board members for 2020/21.

## Social and ethics matters

- Reviewed and monitored SAIBA’s progress with its –
  - » contribution to creating employment opportunities to those who are unemployed or by creating better employment opportunities to those who are already employed;
  - » implementation of, and compliance with, fraud and corruption prevention;
  - » tax obligations as a responsible employer;
  - » contribution to employment equity targets, achievements, strategies and processes;

- » implementation of, and compliance with, health and safety practices in the workplace;
- » efforts to manage relationships between employers and employees;
- » targets and progress in relation to skills development and training of employees;
- » monitors the implementation of, and compliance with, the Remuneration Policy;
- » management of ethics to ensure that supports the establishment of an ethical culture;
- » contribution to the community;
- » contribution relating to sponsorships, donations and charitable giving.

### Human resources and remuneration matters

- Reviewed and approved the criteria against which executive directors are to be evaluated (financial and operational targets);
- Reviewed non-executive director remuneration for Board consideration;
- Reviewed and recommended bonus payments to executive directors;
- Reviewed and recommended remuneration packages for executive directors;
- Reviewed and approved annual remuneration increases for other staff.

### Other matters

- Reviewed and recommended the Remuneration Policy to the Board for approval;
- Reviewed and recommended the Succession Planning Policy to the Board for approval;
- Reviewed and recommended the Board Nomination, Election and Appointment Policy to the Board for approval;
- Reviewed and recommended the Conflict of Interest Policy to the Board for approval;
- Reviewed and recommended the Committee's Terms of Reference to the Board for approval;
- Considered the Committee's report for inclusion in 2019/20 integrated annual report;
- Approved the annual work plan for 2020/2021.

The Committee is satisfied that it has fulfilled its duties during the year under review.

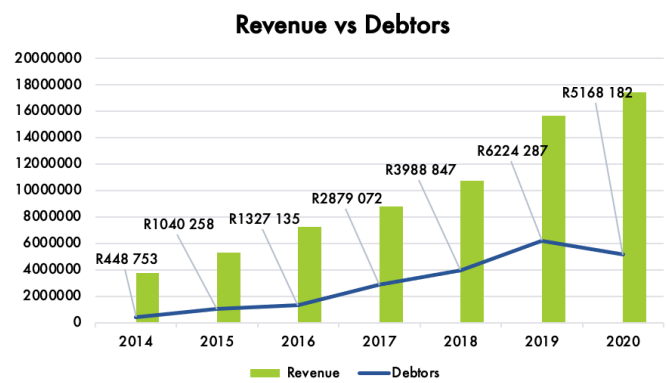
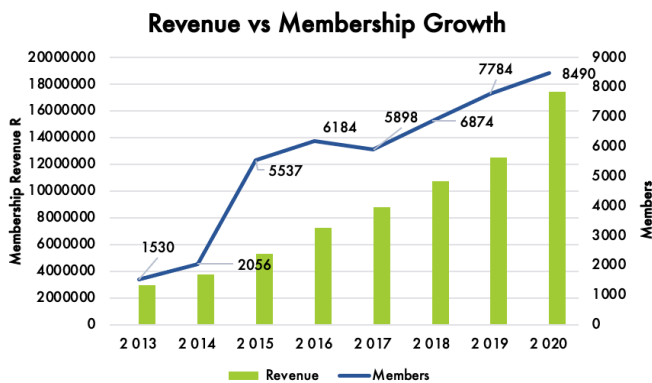
On behalf of the Social and Ethics, Remuneration and Nominations Committee:



**Lee-Anne Germanos**  
Chairperson

# PERFORMANCE REVIEW FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020

## OUR PERFORMANCE AT A GLANCE



The 2020 trade and other receivables figure consists of:

- R1.4m owed to SAIBA by FASSET for the payment of a Training Incentive Grant;
- R3.8m current membership fees outstanding;
- R1.2m

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	2019 ACTUAL (PRIOR YEAR)	2020 TARGET (BUDGET)	2020 ACTUAL (CURRENT YEAR)	CURRENT VS PRIOR	ACTUAL VS BUDGET
Membership growth and retention	Member retention	80%	80%	71%	Red	Red
	Member satisfaction	79%	75%	75%	Red	Green
Human Resource Management	Staff retention	93%	85%	86%	Red	Green
Long term financial sustainability	Total revenue	R 14,253,191	R 17,290,153	R 19,422,257	Green	Green
	Other income	R1,421,928	R 2,189,565	R 1,634,196	Green	Red
	Debtors days	160 days	90 days	110 days	Green	Red

● Decrease compared to prior year/Below target  
● Increased compared to prior year/On par or above target

# 2020 HIGHLIGHTS

With the hard lockdown imposed during March 2020, the physical events scheduled for the year was not able to take place. SAIBA, just like numerous other companies had to incorporate technology to convert these physical events to online events. In person events such as the Accounting and Finance Show, and CFOTalks® events, which would have taken place during this last quarter of the year, was postponed allowing SAIBA to establish the online environment required to host these events whilst also setting up remote working conditions for all staff to ensure member service was uninterrupted. The annual Practice Management Conference, which was scheduled to take place during March of the year, was converted to an online event and took place during April.

## MANDELA DAY

SAIBA staff and members celebrated Mandela Day with the children of Tshepang Care Center (TCC). SAIBA brought them food, clothing, bags and spent time face painting with the little ones. The children of TCC are provided one meal a day from TCC and this is purely by donations as the state does not support their mission. SAIBA has brought much exposure to TCC and in doing so have managed to support them indirectly. TCC love to see SAIBA and appreciate all the love and kindness.



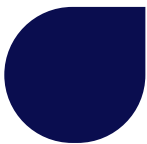
## **CFO TALKS: OVERCOMING TOXIC LEADERSHIP @ ADAPTIT, MIDRAND**

There has been increasing focus on the darker side of leadership, its characteristics, causes and outcomes especially in the wake of highly publicised corporate failures and unethical leadership. The aim of this event was to assist CFOs to develop a thorough understanding of the relationships between organisations, people, and leadership, with a specific focus on how to overcome toxic leadership. This event was hosted with AdaptIT at their premises with over 80 finance professionals in attendance. With this being a controversial topic, it was extremely well received due to the scandals happening in the media at the time. This event was praised by many who attended.

## **LEADEREX @ SANDTON CONVENTION CENTER**

The CFO Talks® team was at the Leaderex 2019 and had the honour of speaking to some of the country's top finance leaders and introduce them to the CFO (SA) and CBA (SA) designations. SAIBA members could attend the event for free and had the opportunity to learn from over 250 CFOs, industry experts and academics.





### CFO WORLD CONGRESS @ MATERA, ITALY

CFOTalks® and SAIBA organised a tour of Italy for 20 CFOs and Southern African CFO's and senior financial managers attending the 49th IAFEI World Congress. SAIBA CEO, Nicolaas van Wyk, continues to serve on the Board of Directors of IAFEI.



## SAIBA / RECEIPTBANK MEMBER BREAKFAST, THE VENUE SUMMITPLACE, MENLYN

SAIBA and Receiptbank hosted a complimentary member networking breakfast which enabled members to learn first-hand from cloud accounting leaders how to build a tech-focused practice and utilise cloud accounting tools to scale growth.



## LAUNCH OF THE SAIBA ACADEMY

The SAIBA Academy was launched during the second quarter of the year as the official CPD platform for SAIBA members. The SAIBA Academy offers CPD, licenses, short courses, technical resources, forums and other educational events to SAIBA members via our online platform.



## UNISA WORKSHOP

This was a breakthrough for SAIBA as it took us 10 years to be invited to sit at the table of the main players. SAIBA CEO, Nicolaas van Wyk, was requested to be the keynote speaker at a UNISA workshop on “Unpacking the Accounting profession in South Africa” with the aim of creating more space for professional bodies other than SAICA. 22 000 students are registered for the CA-program but few complete the program and end up in darkness as they were not offered an alternative route to become an accountant. We were grateful for this opportunity but need to ensure we continue breaking down barriers to entry and ensure equal access and opportunities for all accounting students.



## SAIBA YEAR END AND AGM SPONSORED BY INTUIT QUICKBOOKS @ THE CAPITAL ON THE PARK, SANDTON

SAIBA and Intuit Quickbooks celebrated another year of a successful partnership and laid the groundwork for the development of a digital plan for the South African Accountancy Industry. The event took the format of 2 panel discussions and featured state institutions and technology experts and was followed by a cocktail event. DigitalBeanie, which is a collaborative initiative by SAIBA and Tangent Solutions, was soft launched at the event. DigitalBeanie is a digital collaboration platform that aims to help accountants plan their digital transformation and get valuable insight and assistance in taking this step.



## QUICKBOOKS INTUIT GET CONNECTED, CAPE TOWN AND JOBURG

This free event hosted by Quickbooks was a very important occasion for accounting professionals who wanted to propel their practices and be disruptors in their industry in 2020



## THOVHELE MULIMA CAREER EXHIBITION @ LIMPOPO

Learners in rural Limpopo attended the very first Thovhele Mulima career exhibition at the Mulima Village sports ground. The reason is simple: there are very few accountants in these villages, and where they do exist, they are regarded with reverence. To demystify the accounting profession, SAIBA partnered with Simunye Awakening Foundation SAF(SA) for the very first Thovhele Mulima career exhibition which was held on the rural areas of Limpopo. Hundreds of learners from six schools in the surrounding villages attended the career exhibition.



### **3RD ANNUAL CFO AFRICA CONFERENCE**

CFOTalks® and Marcus Evans invited members to the 3rd Annual CFO Africa conference which took place at The Hilton Hotel, Sandton. Presenters included Prof Mervyn King and CFOs from Pepsico, Nike, Kaspersky, EcoBank, Webber Wentzel, Denek, DHL and AIG. The themes covered included: i) Risk and strategy, ii) Digital finance and transformation, and iii) Design thinking and strategic leadership.

### **BUDGET TRILOGY**

SAIBA in partnership with SAIT brought to members this event, to learn, connect and engage with your peers. The event took place in Cape Town, Durban or Johannesburg and was an intelligible analysis of the Budget Speech by specialists in their respective fields.



### **SAIBA WORKPLACE READINESS TENDER**

It was a day of celebration for 49 formerly unemployed trainee accountants as they graduated from a four-month training programme hosted by SAIBA, designed to prepare them for employment. Of the 50 enrolled on the programme in June last year, 45 had been placed in employment and received the Business Accountant BA (SA) designation,

which gives them a professional home and binds them to the SAIBA code of ethics and professional standards and establishes them as proud professional accountants. In April 2019, SAIBA in conjunction with its training partner SA Accounting Academy, put out a call for 50 black graduates seeking a career in accounting. Hundreds of applications were received and eventually whittled down to 50. An additional 35 already employed accountants were also put through a specialised training line-up to hone their skills as accountants and put them on an accelerated career path.

### **INTRODUCTION OF PERSONAL PORTFOLIO CONSULTANTS (PPC'S)**

In March 2020 SAIBA introduced PPC's (Personal Portfolio Consultants), this comprises of the membership team who deal with all core queries and changes in membership. This team has grown over the year and shown that the personal touch is the best practice for our members. We have improved on applications, revenue, service and member satisfaction. We exist to serve our members and aim to continue improving.

### **COVID-19 AND LEVEL 5 LOCKDOWN**

During the last quarter of the year, SAIBA issued a notice to staff to commence working from home on a permanent basis. SAIBA assisted staff to setup their offices by auctioning off the office furniture at a reduced rate. This allowed staff to continue working and us servicing our members without missing a step.

Due to the challenges faced with being lockdown, SAIBA invited staff for team building mornings which involve a hike, a light lunch and touch base with each other. This has been an excellent way to keep everyone connected and on the same page, as well as help with mental health and comradery. SAIBA tried to make this as frequent as possible to keep their staff happy and healthy.



## **SAIBA PROVIDING SUPPORT TO MEMBERS AFTER THE ANNOUNCEMENT OF THE LOCKDOWN**

The SAIBA Technical team prepared a guide for members to clarify under which conditions they could continue to operate and assist in South Africa's response to the virus. The guide was continuously updated in line with legislation and made available under the Practice Support Library in members' profiles.

SAIBA also assisted members by ensuring that they are aware of all the relief funds that were made available during this time to assist businesses to make it through this difficult time.

SAIBA converted its annual Practice Management Conference to an online event: Practice Management in the age of COVID-19, which was a big success and attended by just over 1300 members.

Upon easing down on the lockdown levels, it was a requirement that all employers planning to reopen during May, were obliged to develop and implement a Workplace Plan. SAIBA made a Workplace Plan available in MS Word to all members in good standing. The Plan was required in terms of Regulation 16(6)(b) of the Regulations issued in terms of section 27(2) of the Disaster Management Act, 2002, dated 29 April 2020. Members were also encouraged to offer this document as an additional service to their clients. The assistance provided to members in the form of additional guides and plans resulted in a substantial increase in consulting fees for SAIBA as we approached experts in the field to assist with compiling these documents.

# ADMINISTRATION

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

**PHYSICAL ADDRESS**  
The Workspace  
Cnr Pinaster Avenue and, 18th St  
Hazelwood  
Pretoria  
0140

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

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

**EMAIL ADDRESS:** saiba@saiba.org.za

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

**AUDITORS:** Nexia SAB&T



# **AUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD  
1 JULY 2019 TO 30 JUNE 2020**

**The Southern African Institute for Business Accountants NPC**  
**(Registration Number 1990/005364/08)**  
**Annual Financial Statements**  
**for the year ended 30 June 2020**

**Audited Financial Statements**  
in compliance with the Companies Act 71 of 2008  
Prepared under the supervision of: Chantelle Booyens  
Professional designation: CBA(SA)  
Title: Chief Financial Officer  
Audited by: Yatin Soma  
Professional designation: CA (SA)  
Title: Registered Auditor



# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

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# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	1990/005364/08
<b>Nature of Business and Principal Activities</b>	The company functions as a professional body for business accountants.
<b>Directors</b>	NF van Wyk PC de Jager C Booyens R Ngobeni L Germanos N Dick PM Majozi
<b>Registered Office</b>	Block A First Floor Sandton Close 2 Cnr Norwich Close and 5th Str Sandton 2196
<b>Business Address</b>	The Work Space at The Club Cnr Pinaster Ave & 18th Street Hazelwood Pretoria 0081
<b>Postal Address</b>	PO Box 7905 Centurion 0046
<b>Bankers</b>	ABSA Bank Limited
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Auditors</b>	Nexia SAB&T 119 Witch Hazel Avenue Highveld Technopark Centurion 0157
<b>Preparer</b>	The annual financial statements were internally compiled under the supervision of: Chantelle Booyens CBA(SA)

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The external auditors 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 auditors and their unqualified audit report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 32, and the supplementary information set out on pages 33 to 34 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 30 April 2021 on their behalf by:



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NF van Wyk  
Chief Executive Officer (CEO)



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PC de Jager  
Chairman of the Board

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of The Southern African Institute for Business Accountants NPC for the year ended 30 June 2020.

### 1. Nature of Business

The main objectives and purpose 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 apart from the establishment of its own education and training division namely The SAIBA Academy.

### 2. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are also not aware of any material non-compliance with statutory of regulatory requirements or of any pending changes to legislation which may affect the company. The directors will assess the impact of the COVID-19 pandemic on an ongoing basis and adjust their view accordingly with regard to its impact on the company's ability to continue as a going concern.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

### 3. Events after reporting date

The ongoing COVID-19 pandemic has had a far reaching effect on the macro economic environment, such as a rise in unemployment and the closure of many businesses. The effect of the lockdown instituted by the government of South Africa has also resulted in a downturn of economic activity.

The directors have determined that these events are non-adjusting events. Accordingly, the financial position and results of operations for the year ended 30 June 2020 have not been adjusted to reflect the impact. The duration and impact of the COVID-19 pandemic, as well the effectiveness of Government and The South African Reserve Bank responses, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial performance and financial position of the company for future periods. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 4. Directors' interest in contracts

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

### 5. Reclassification adjustment

Reclassifications of certain account balances were made in the current year to provide a clearer picture of the financial performance of the company. Member service and benefit accounts were created in the current year and their comparative figures were reallocated in the prior year, material changes as a result of reclassification include PI cover being reallocated from insurance and maintenance and improvement of the membership system being reallocated from computer expenses.

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Directors' Report

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### 6. Directors

The directors of the company during the year and up to the date of this report are as follows:

<b>Directors</b>	<b>Office</b>	<b>Designation</b>	<b>Nationality</b>	<b>Changes</b>
NF van Wyk	Director	Executive	South African	
PC de Jager	Director	Non-executive	South African	
C Booyens	Director	Executive	South African	
R Ngobeni	Director	Non-executive	South African	
L Germanos	Director	Non-executive	South African	Appointed 03 July 2020
N Dick	Director	Non-executive	South African	Appointed 22 June 2020
PM Majози	Director	Non-executive	South African	Appointed 22 June 2020
LL Legadima	Director	Non-executive	South African	Resigned 20 July 2020
SR Corrigan	Director	Non-executive	South African	Resigned 06 April 2020
DR Thakhathi	Director	Non-executive	South African	Resigned 06 April 2020

### 7. Secretary

The company designated secretary is A Jones.

### 8. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008, and believe that the company is liquid and solvent at the approval date of the financial statements.

### 9. Independent Auditors

Nexia SAB&T were the independent auditors for the year under review.

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the financial statements

#### Opinion

We have audited the financial statements of The Southern African Institute for Business Accountants NPC set out on pages 8 to 32, which comprise the statement of financial position as at 30 June 2020, and the statement of surplus or deficit 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 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

#### Basis for Opinion

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

#### Other Information

The directors are responsible for the other information. The other information comprise the information included in the document titled "The Southern African Institute for Business Accountants NPC Annual Financial Statements for the year ended 30 June 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

## **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 is necessary to enable the preparation of financial statements that are free from material misstatement, 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Nexia SAB&T*

**Nexia SAB&T**

Yatin Soma

Director

Registered Auditor

02 June 2021

119 Witch-Hazel Avenue

Highveld Technopark

Centurion

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Statement of Financial Position

Figures in R	Notes	2020	2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	74,997	59,020
Intangible assets other than goodwill	6	450,556	292,557
<b>Total non-current assets</b>		<b>525,553</b>	<b>351,577</b>
<b>Current assets</b>			
Trade and other receivables	7	5,168,182	6,224,287
Cash and cash equivalents	8	2,269,452	1,330,031
<b>Total current assets</b>		<b>7,437,634</b>	<b>7,554,318</b>
<b>Total assets</b>		<b>7,963,187</b>	<b>7,905,895</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus		1,624,247	1,434,151
<b>Liabilities</b>			
<b>Current liabilities</b>			
Provisions	9	1,033,281	1,177,148
Trade and other payables	10	5,305,659	5,294,596
<b>Total current liabilities</b>		<b>6,338,940</b>	<b>6,471,744</b>
<b>Total equity and liabilities</b>		<b>7,963,187</b>	<b>7,905,895</b>



# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Statement of Surplus or Deficit and Other Comprehensive Income

Figures in R	Notes	2020	2019
Revenue	11	19,422,257	14,253,191
Other income	12	1,634,196	1,421,928
Administrative expenses	13	(1,447,074)	(1,158,686)
Operating expenses	14	(19,504,422)	(14,360,443)
Other gains and (losses)	15	58,869	25,495
<b>Surplus from operating activities</b>	16	<b>163,826</b>	<b>181,485</b>
Finance income	17	26,270	17,416
<b>Surplus for the year</b>		<b>190,096</b>	<b>198,901</b>

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Statement of Changes in Equity

<b>Figures in R</b>	<b>Accumulated surplus</b>	<b>Total</b>
<b>Balance at 1 July 2018</b>	1,235,250	1,235,250
<b>Changes in equity</b>		
Surplus for the year	198,901	198,901
<b>Balance at 30 June 2019</b>	<b>1,434,151</b>	<b>1,434,151</b>
<b>Balance at 1 July 2019</b>	1,434,151	1,434,151
<b>Changes in equity</b>		
Surplus for the year	190,096	190,096
<b>Balance at 30 June 2020</b>	<b>1,624,247</b>	<b>1,624,247</b>

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Statement of Cash Flows

Figures in R	Notes	2020	2019
<b>Cash flows from operations</b>			
Net cash flows from operations	22	1,284,826	773,342
Interest received		26,270	17,416
<b>Net cash flows from operating activities</b>		<b>1,311,096</b>	<b>790,758</b>
<b>Cash flows used from/(in) investing activities</b>			
Proceeds from sales of property, plant and equipment		7,057	161
Purchase of property, plant and equipment		(65,215)	(25,476)
Purchase of intangible assets		(356,517)	(152,342)
Proceeds from disposal of non-current assets held for sale		43,000	-
Proceeds from disposal of other financial assets		-	47,117
<b>Cash flows used in investing activities</b>		<b>(371,675)</b>	<b>(130,540)</b>
<b>Net increase in cash and cash equivalents</b>		<b>939,421</b>	<b>660,218</b>
Cash and cash equivalents at beginning of the year		1,330,031	669,813
<b>Cash and cash equivalents at end of the year</b>	<b>8</b>	<b>2,269,452</b>	<b>1,330,031</b>

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1. General information

The Southern African Institute for Business Accountants NPC ('the company') functions as a professional body for business accountants.

The company is incorporated as a Non-Profit Company and domiciled in South Africa. The address of its registered office is Block A First Floor, Sandton Close 2, Cnr Norwich Close and 5th Str, Sandton, 2196.

### 2. Basis of preparation and summary of significant accounting policies

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

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

These accounting policies are consistent with the previous period.

#### 2.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

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.

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes all of the expenditure which is directly attributable to the acquisition. Should the acquisition cost of an asset be equal to or less than R7000 then the asset will be expensed in the year of acquisition.

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

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

<b>Asset class</b>	<b>Useful life / depreciation rate</b>	<b>Depreciation method</b>
Fixtures and fittings	5 years	Straight line
Office equipment	3 years	Straight line
Computer equipment	3 years	Straight line
Computer software	2 years	Straight line

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are classified as other gains on the face of the statement of surplus or deficit and other comprehensive income.

## 2.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. The asset is determined to be identifiable if it either is separable, or arises from contractual or other legal rights.

An intangible asset is recognised when:

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

Intangible assets are initially measured at cost.

Internally generated intangible assets are recognised initially at cost, being the sum of expenditure from the date the recognition criteria for an intangible asset are met, bearing in mind the following additional criteria:

- During the research phase, no intangible asset is recognised. Expenditure on research is recognised as an expense when it is incurred.
- During the development phase, an intangible asset will be recognised only if the following can be demonstrated:
  - it is technically feasible to complete the intangible asset so that it will be available for use or sale;
  - there is an intention to complete the intangible asset and use or sell it;
  - there is an ability to use or sell the intangible asset;
  - it is possible to demonstrate how the asset will generate probable future economic benefits;
  - there are available financial, technical and other resources to complete the development of the intangible asset as well as to use or sell the intangible asset;
  - the expenditure attributable to the intangible asset during the development phase can be reliably measured.

Research or development expenditure related to an in-process research or development project acquired separately or in a business combination and recognised as an intangible asset and is incurred after the acquisition of that project is also accounted for in this way.

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

# The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

Expenditure on an intangible asset is recognised as an expense when it is incurred unless it is part of the cost of an intangible asset that meets the recognition criteria or if the item is acquired in a business combination and cannot be recognised as an intangible asset it is recognised as part of goodwill at the acquisition date. Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised, but is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

## 2.3 Financial instruments

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

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

Financial assets which are equity instruments:

- Mandatory at fair value through surplus or deficit; or
- Designated as at fair value through other comprehensive income.

Financial assets which are debt instruments:

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

Financial liabilities:

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

## Trade and other receivables

### Classification

# The Southern African Institute for Business Accountants NPC

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## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

Trade and other receivables are classified as financial assets subsequently measured at amortised cost.

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

### **Recognition and measurement**

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

They are subsequently measured at amortised cost.

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

### **Application of the effective interest method**

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

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

### **Impairment**

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

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

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

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

### **Credit risk**

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

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

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## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### Trade and other payables

#### Classification

Trade and other payables are classified as financial liabilities subsequently measured at amortised cost.

#### Recognition and measurement

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

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of the interest expense, then it is included in surplus or deficit in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk.

## 2.4 Tax

No provision has been made for tax as the company is exempt from paying taxes in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act No 58 of 1962.

## 2.5 Leases as lessee

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

#### Operating leases - lessee

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

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

## 2.6 Impairment of assets

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



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## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

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

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

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

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

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

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

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

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

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

## 2.7 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Membership fees
- CPD, License and Upskilling fees
- Grant and tender income

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

### Membership Fees

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

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## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

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

### **CPD, License and Upskilling Fees**

SAIBA offers CPD, Licenses and Upskilling via its online platform, The SAIBA Academy.

SAIBA members are required to obtain CPD in the areas that they provide services to clients. SAIBA is required in terms of the Companies Regulations, 2010 and the National Qualifications Framework Act, 67 of 2008 to require members to do CPD, monitor their CPD points, and report findings to authorities. The SAIBA CPD program has been developed in line with the International Education Standard 7 issued by the IAESB and IFAC. This content was previously made available by the South African Accounting Academy (SAAA), however from the current year the company has started the process of transferring these services from SAAA to its own platform i.e. The SAIBA Academy. Revenue is recognised upon receipt of payment or a formal/informal payment arrangement.

License fees are generated in the instance where a member wishes to practice as a specialist in a specific field and the SAIBA license is a prerequisite.

Upskilling fees are generated in the instance where a member possesses the required experience necessary for a BAP(SA) designation but lacks certain core academic subject required to obtain said designation.

### **Grant and Tender Income**

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

During the period under review SAIBA recognised tender income relating to two projects, Unemployed 50 and Employed 35, which provided funding to students in order to develop their potential to qualify for professional designations with SAIBA. Both projects were completed in the period under review.

## **2.8 Employee benefits**

### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as life and funeral cover), are recognised in the period 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.

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## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

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

### 2.9 Borrowing costs

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

### 2.10 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

### 3. Critical accounting estimates and judgements

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

#### Critical accounting estimates and assumptions

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

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## Accounting Policies

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*Critical accounting estimates and judgements continued...*

### 3.1.1 Impairment of financial assets

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

### 3.1.2 Impairment testing

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

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

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

## 4. Changes in accounting policies and disclosures

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

Standard	Standard effective date	Adopted in the current year (Y/N)	Future adopted (Y/N)
IFRS 16 Leases	01 January 2019	Y	
Amendments to References to the Conceptual Framework in IFRS Standards	01 January 2020	Y	

### Standards and Interpretations effective and adopted in the current year

In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2014.

#### IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Application of the above standards did not impact these financial statements.

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### 5. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying Value	Cost or revaluation	Accumulated depreciation	Carrying Value
Furniture and fittings	28,073	(19,963)	8,110	162,808	(136,134)	26,674
Office equipment	-	-	-	2,060	(2,058)	2
IT Equipment	238,576	(171,689)	66,887	251,252	(218,911)	32,341
Computer software	-	-	-	31,400	(31,397)	3
<b>Total</b>	<b>266,649</b>	<b>(191,652)</b>	<b>74,997</b>	<b>447,520</b>	<b>(388,500)</b>	<b>59,020</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
Furniture and fittings	26,674	-	(6,678)	(11,886)	8,110
Office equipment	2	-	(2)	-	-
IT Equipment	32,340	65,215	(374)	(30,294)	66,887
Computer software	3	-	(3)	-	-
<b>Total</b>	<b>59,019</b>	<b>65,215</b>	<b>(7,057)</b>	<b>(42,180)</b>	<b>74,997</b>

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

	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
Furniture and fittings	43,032	-	(156)	(16,202)	26,674
Office equipment	2	-	-	-	2
IT Equipment	39,929	25,476	(5)	(33,059)	32,341
Computer software	3	-	-	-	3
<b>Total</b>	<b>82,966</b>	<b>25,476</b>	<b>(161)</b>	<b>(49,261)</b>	<b>59,020</b>

#### Expected useful lives and estimated residual values

No adjustments have been made to the carrying value of property, plant and equipment and the depreciation expense although the expected useful lives and residual values have been reviewed at year end.

Refer to note 13 for details regarding the disposal of property, plant and equipment.

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### 6. Intangible assets

	2020			2019		
	Cost or Valuation	Accumulated amortisation	Carrying Value	Cost or Valuation	Accumulated amortisation	Carrying Value
Membership System	250,000	-	250,000	250,000	-	250,000
CFO Talks	20,213	-	20,213	20,213	-	20,213
Accounting Weekly	22,344	-	22,344	22,344	-	22,344
The SAIBA Academy	157,999	-	157,999	-	-	-
<b>Total</b>	<b>450,556</b>	<b>-</b>	<b>450,556</b>	<b>292,557</b>	<b>-</b>	<b>292,557</b>

### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Impairment loss	Closing Balance
Membership System	250,000	198,518	(198,518)	250,000
CFO Talks	20,213	-	-	20,213
Accounting Weekly	22,344	-	-	22,344
The SAIBA Academy	-	157,999	-	157,999
<b>Total</b>	<b>292,557</b>	<b>356,517</b>	<b>(198,518)</b>	<b>450,556</b>

### Reconciliation of intangible assets - 2019

	Opening balance	Additions	Impairment loss	Closing Balance
Membership System	250,000	152,342	(152,342)	250,000
CFO Talks	20,213	-	-	20,213
Accounting Weekly	22,344	-	-	22,344
<b>Total</b>	<b>292,557</b>	<b>152,342</b>	<b>(152,342)</b>	<b>292,557</b>

### Other Information

The Membership System ("the system") is used as a membership management system, member portal and member account management. The system is recognised at cost less impairment losses. The useful life of the system is deemed indefinite, as management believes that the system will be used SAIBA indefinitely due to the system being heavily customised for SAIBA's unique needs and the probability of another system being able to fulfill these needs is highly unlikely. SAIBA was approached by a professional body in 2018 to purchase the system for R250 000 as it is specifically designed to cater for the professional body's environment. The professional body was subsequently unable to acquire the system due to lack of funds. The fair value is taken as R250 000 as management believes that due to the effectiveness of the system the current annual economic benefits exceed the costs if the company had to hire a similar system and/or employed more employees.

CFO Talks and Accounting Weekly are registered trademarks of SAIBA undergoing continuous development and expansion in order to increase SAIBA's exposure and visibility to the wider public and stakeholders in the accounting profession. The useful lives of the CFO Talks and Accounting Weekly trademarks are indefinite as management will continue to further develop the intangible assets to attract new members and generate new sponsorship and advertising revenue

The SAIBA Academy platform ("the platform") was launched in the current reporting period to provide members with access to various educational resources. The platform has been deemed to have an indefinite useful life as SAIBA intends to further develop its capabilities to deliver quality educational resources to members.

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### 7. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	7,050,152	7,814,930
Trade receivables impairment	(1,926,878)	(1,631,309)
Trade receivables - net	5,123,274	6,183,621
Deposits	40,666	40,666
Staff Auction Accounts	4,242	-
<b>Total trade and other receivables</b>	<b>5,168,182</b>	<b>6,224,287</b>

#### Exposure to credit risk

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

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

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

The company's historical credit loss experience does not show significantly different loss patterns for different member segments. The expected credit losses are based on the loss allowance matrix which differentiates between formal payment arrangements, i.e. debit orders, and no payment arrangements, these include informal arrangements and promises to pay, with members which have outstanding balances due. The loss allowance provision is determined as follows:

	2020			2019		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
Membership Fees Receivable: current year - formal payment arrangements	2,476,084	(229,195)	2,246,889	2,584,278	(260,038)	2,324,240
Membership Fees Receivable: current year - informal payment arrangements	1,311,223	(135,547)	1,175,676	677,087	(93,268)	583,819
Membership Fees Receivable: prior years - formal payment arrangements	703,711	(65,143)	638,568	1,084,442	(302,246)	782,196
Membership Fees Receivable: prior years - informal payment arrangements	1,040,071	(617,844)	422,227	795,066	(130,944)	664,122
Other Receivables - formal payment arrangements	613,775	-	613,775	2,392,316	(563,072)	1,829,244
Other Receivables - no formal payment arrangements	879,150	(879,150)	-	281,741	(281,741)	-
<b>Total</b>	<b>7,024,014</b>	<b>(1,926,879)</b>	<b>5,097,135</b>	<b>7,814,930</b>	<b>(1,631,309)</b>	<b>6,183,621</b>

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### 8. Cash and cash equivalents

Cash and cash equivalents included in current assets:

#### Cash

Balances with banks

826,621

547,384

#### Cash equivalents

Short term deposits

1,442,831

782,647

**2,269,452**

**1,330,031**

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

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

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

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

### 9. Provisions

#### 9.1 Provisions comprise:

Provisions for employee benefits

955,488

692,148

Other provisions

77,793

485,000

**1,033,281**

**1,177,148**

Provisions for employee benefits

955,488

692,148

Other provisions

77,793

485,000

**Current portion**

**1,033,281**

**1,177,148**

**1,033,281**

**1,177,148**



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*Provisions continued...*

### 9.2 Details of employee benefit provisions

#### Leave pay provision

The leave pay provision consists of the monetary value of an employee's accrued annual leave days as at the reporting date.

This amount is only payable to an employee upon termination of their employment, whether this termination is voluntary or otherwise. Should an employee not utilise all their leave days during a leave cycle, then they will forfeit all accrued leave days.

#### Bonus provision

The bonus provision consists of the annual bonus due to employees after completion of their annual performance reviews.

Bonuses are only payable if an employee's performance during the period of assessment has been deemed to be adequate by management. Bonuses are not guaranteed as the cash flow and financial position of the company are first taken into account before the decision is made to pay any bonuses. Should resources not be adequate at the time of assessment then no bonuses are paid.

SAIBA entrenches a culture of performance driven remuneration through the implementation of a performance incentive system. Executive management's performance incentives are calculated and approved by the members of the Social and Ethics, Remuneration and Nomination Committee ("The Committee"). The Committee is also responsible for the determination and review of performance targets which executive management have to reach in order to qualify for any bonuses, on an annual basis. Performance incentives do not form part executive management's cost to company packages and thus there is no guarantee of continuity and it may be withdrawn at the committee's discretion.

### 9.3 Details of other provisions

#### Provision - Printer lease settlement

During the period under review the lease expired on the company's offices, this coupled with the imposition of lockdown measures due to the COVID-19 pandemic necessitated a shift to remote working and a paperless working environment. To this end the printer lease agreement had to be cancelled. However the company was obligated to continue payment of the monthly rental until the end of the lease period, i.e. July 2021, in the form of a settlement amount. The supplier was approached and it was agreed that the company would pay the settlement amount in monthly instalments to alleviate pressure on the cash flow.

#### Provision - CFO World Congress

Provision was made in the previous financial year for the expenses relating to the CFO World Congress held in Matera, Italy. Delegates started paying for their attendance of the congress in the prior financial year and the expense was provided for when the initial revenue was recognised as well.

The expense could not be allocated proportionately in the prior year as it formed part of a package.

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### 10. Trade and other payables

Trade and other payables comprise:

Trade payables	310,397	1,192,000
Deferred revenue	3,201,062	3,000,228
PAYE, UIF and SDL	286,217	133,050
Value added tax	1,507,983	969,318
<b>Total trade and other payables</b>	<b>5,305,659</b>	<b>5,294,596</b>

#### Fair value of trade and other payables

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

The deferred revenue, R 3 206 062, relates to membership fees received in advance for which SAIBA is obligated to provide membership support services, CPD updates and incurring costs related to sustain professional designations.

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### 11. Revenue

#### Revenue comprises:

Membership Fees	14,102,955	12,045,737
CPD, Licenses and Upskilling	3,029,782	296,056
Tender and grant income	1,994,829	1,744,007
CFO World Congress Revenue	294,691	167,391
<b>Total revenue</b>	<b>19,422,257</b>	<b>14,253,191</b>

#### Membership fees

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

#### CPD, Licenses and Upskilling

During the current reporting period SAIBA launched the SAIBA Academy platform in order to facilitate in the professional development of its members. The sale of CPD packages has been carried over from the South African Accounting Academy ("SAAA") to provide members with the easiest possible access to differing packages in order to comply with their designation's CPD compliance.

Specialised licenses have also been launched for members to provide specialised services to their clients. These licenses are recognised by SAIBA and provide the necessary training for members to gain the necessary skills and information for their specialisation.

Upskilling courses are made available to members in order to bridge any educational requirements which are required for designation applications and approval. They also act as refresher courses for members to brush up on any changes in legislation or standards.

#### Tender and grant income

Tender and grant income consists of monies received from Fasset for two projects, Unemployed 50 and Employed 35, which were launched to address skills gaps for young professionals to obtain designations with SAIBA. The projects were managed by SAIBA and SAAA was contracted to provide the learning material and lecturers needed for the projects. The project was completed in the reporting period.

#### CFO World Congress Matera

The 49th IAFEI CFO World Congress took place in October 2019. SAIBA as a member of IAFEI sent several delegates to the congress, which took place in Matera, Italy, in order to represent the South African CFO community. A provision for the expenses around this congress was made in the prior year as revenue was recognised in that period and the travel costs were quoted as a package deal.

### 12. Other income

#### Other income comprises:

CPD Retainer	240,000	300,000
Sponsorships and advertising income	1,394,196	1,121,928
<b>Total other income</b>	<b>1,634,196</b>	<b>1,421,928</b>

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### 13. Administrative expenses

#### Administrative expenses comprise:

Accounting fees	28,800	25,620
Auditors remuneration - Fees	116,298	91,770
Bank charges	218,980	171,182
Computer expenses	679,765	267,265
Debt collection	3,595	4,374
Secretarial, disciplinary and legal fees	131,815	350,095
Subscriptions	8,800	41,620
Telephone and internet	259,021	206,760
<b>Total administrative expenses</b>	<b>1,447,074</b>	<b>1,158,686</b>

### 14. Operating expenses

#### Operating expenses comprise:

Accreditation costs	54,824	-
Advertising, marketing and branding	531,105	483,956
Bad debts	1,980,481	1,619,565
Cleaning	5,680	5,245
Consulting fees	1,044,621	1,022,455
Courier and postage	40,210	50,874
CPD Production costs	1,917,337	-
Depreciation	42,180	49,261
Education, Technical Support and Upskilling	168,162	121,463
Employee costs	8,956,127	7,491,457
Entertainment	124,102	95,849
Event Costs	390,270	950,900
Fines and penalties	-	22,863
Honorariums and board expenses	94,875	25,103
HR Review and Recruitment Assessment	-	13,996
Impairment	198,518	152,342
Insurance	35,672	42,175
Learnerships - FASSET Tender	1,573,369	546,249
Lease rentals on operating lease	693,962	535,226
Membership Rewards Program	430,893	336,182
Membership Service Improvements	396,409	257,852
Municipal charges	-	70,141
PR, design and podcast costs	401,870	152,237
Printing and stationery	30,932	36,931
Repairs and maintenance	9,192	7,517
RPL assessment costs	24,196	18,901
Social Responsibility	19,021	-
Staff welfare and training	87,447	64,925
Travel - Local	173,566	134,889
Travel - Overseas	79,401	51,889
<b>Total other expenses</b>	<b>19,504,422</b>	<b>14,360,443</b>

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### 15. Other gains and (losses)

Other gains and (losses) comprise:

Gain or (loss) on disposal of assets	43,000	59
Gain or (loss) on foreign exchange differences	15,869	25,436
<b>Total other gains and (losses)</b>	<b>58,869</b>	<b>25,495</b>

Due to the Covid-19 pandemic SAIBA transitioned to full-time remote working. To facilitate the transition an auction was held for staff members, whereby they purchased furniture and equipment from SAIBA in order to equip their home offices.

### 16. Surplus from operating activities

#### 16.1 Surplus from operating activities includes the following separately disclosable items

##### Other operating expenses

Property plant and equipment - depreciation	42,180	49,261
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Intangible assets - impairment loss	198,518	152,342
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##### Audit fees

Auditors remuneration - Fees	116,298	91,770
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#### 16.2 Other material items requiring separate disclosure

Employee Costs	8,956,127	7,491,457
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### 17. Finance income

Finance income comprises:

Interest received	26,270	17,416
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### 18. Income tax expense

No provision has been made for 2020 tax as the company is exempt from paying taxes in terms of section 10(1)(d)iv(bb) of the Income Tax Act 58 of 1962.

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### 19. Related parties

#### Directors' emoluments

##### Directors' emoluments - 2020

Name	Designation	Honorarium	Emoluments	Performance Incentives	Subsistence and Reimbursements	Total remuneration
NF van Wyk	Executive	-	2,198,708	832,500	36,265	3,067,473
PC de Jager	Non-executive	12,000	-	-	-	12,000
C Booyens	Executive	-	895,009	44,252	3,577	942,838
R Ngobeni	Non-executive	6,000	-	-	821	6,821
L Legadima	Non-executive	6,000	-	-	-	6,000
S Corrigan	Non-executive	12,000	-	-	-	12,000
DR Thakhathi	Non-executive	50,000	-	-	739	50,739
<b>Total</b>		<b>86,000</b>	<b>3,093,717</b>	<b>876,752</b>	<b>41,402</b>	<b>4,097,871</b>

##### Directors' emoluments - 2019

Name	Designation	Honorarium	Emoluments	Performance Incentives	Subsistence and Reimbursements	Total remuneration
NF van Wyk	Executive	-	2,120,868	540,000	11,792	2,672,660
C Booyens	Executive	-	819,168	-	-	819,168
DR Thakhathi	Non-executive	60,000	-	-	-	60,000
<b>Total</b>		<b>60,000</b>	<b>2,940,036</b>	<b>540,000</b>	<b>11,792</b>	<b>3,551,828</b>

The disclosure of the performance incentives for executive directors for the prior year was erroneously disclosed. The amount has been corrected and the correction does not have an effect on the financial statements beyond this note. The error was deemed to not have any impact upon the economic decisions on those relying on this disclosure note for making informed decisions.

A benchmarking exercise was conducted to establish what fair compensation to Non-executive directors ("NED's") would be, considering the time and effort NED's allocate to the business of SAIBA. It was found that it is uncommon for Professional Bodies to remunerate NED's for their services and that NED's volunteer their services free of charge. The risk, however, is not being able to attract and retain high calibre candidates to one's Board.

In light of this the a R6000 emolument for NED's for each of the following functions was proposed and approved by members :

- Annual General Meeting
- Strategy and budget meeting

The chairperson of the board is provided with a monthly honorarium of R6000 for the execution of their duties.

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### 20. 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.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

### 21. Financial risk management

This note explains the company's exposure to financial risks and how these risks could affect the company's future financial performance. Current year surplus and deficit information has been included where relevant to add further context.

#### 21.1 Credit risk

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

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

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

	2020			2019		
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7,095,060	(1,926,878)	5,168,182	7,855,596	(1,631,309)	6,224,287

#### 21.2 Liquidity risk

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

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*Financial risk management continued...*

### Maturities of financial liabilities

The below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date 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.

Contractual maturities of financial liabilities	Less than 6 months	Between 6 months and 1 year	Total contractual cash flows	Carrying amount
<b>Year ended 30 June 2020</b>				
Trade and other payables	596,613	3,201,062	3,797,675	3,797,675
VAT Payable	338,930	1,169,054	1,507,983	1,507,983
<b>Total non-derivatives</b>	<b>935,543</b>	<b>4,370,116</b>	<b>5,305,658</b>	<b>5,305,658</b>
<b>Year ended 30 June 2019</b>				
Trade and other payables	1,325,050	3,000,228	4,325,278	4,325,278
VAT Payable	257,519	711,799	969,318	969,318
<b>Total non-derivatives</b>	<b>1,582,569</b>	<b>3,712,027</b>	<b>5,294,596</b>	<b>5,294,596</b>

## 22. Cash flows from operating activities

<b>Surplus for the year</b>	<b>190,096</b>	<b>198,901</b>
<b>Adjustments for:</b>		
Finance income	(26,270)	(17,416)
Depreciation and amortisation expense	42,180	49,261
Impairment losses and reversal of impairment losses recognised in surplus or deficit	2,178,999	152,342
Gains and losses on foreign exchange realised in surplus or deficit	(15,869)	(25,436)
Gains and losses on disposal of non-current assets	(43,000)	(59)
<b>Change in operating assets and liabilities:</b>		
Adjustments for increase in trade accounts receivable	(920,134)	(2,235,440)
Adjustments for increase in other operating receivables	(4,242)	-
Adjustments for decrease in trade accounts payable	(881,603)	-
Adjustments for increase in other operating payables	892,666	2,651,189
Adjustments for provisions	(127,997)	-
<b>Net cash flows from operations</b>	<b>1,284,826</b>	<b>773,342</b>



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## Detailed Income Statement

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	Notes	2020	2019
<b>Revenue</b>	11		
CFO World Congress		294,691	167,391
CPD, Licenses & Upskilling		3,029,782	296,056
Grant Income		1,994,829	1,744,007
Membership Fees		14,102,955	12,045,737
		<b>19,422,257</b>	<b>14,253,191</b>
<b>Other income</b>	12		
CPD Retainer		240,000	300,000
Sundry Income		1,394,196	1,121,928
		<b>1,634,196</b>	<b>1,421,928</b>
<b>Administrative expenses</b>	13		
Accounting fees		28,800	25,620
Auditors remuneration - Fees		116,298	91,770
Bank charges		218,980	171,182
Computer expenses		679,765	267,265
Debt collection		3,595	4,374
Secretarial, disciplinary and legal fees		131,815	350,095
Subscriptions		8,800	41,620
Telephone and internet		259,021	206,760
		<b>1,447,074</b>	<b>1,158,686</b>

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## Detailed Income Statement

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	Notes	2020	2019
<b>Operating expenses</b>	14		
Accreditation costs		54,824	-
Advertising, marketing and branding		531,105	483,956
Bad debts		1,980,481	1,619,565
Cleaning		5,680	5,245
Consulting fees		1,044,621	1,022,455
Courier and postage		40,210	50,874
CPD Production costs		1,917,337	-
Depreciation		42,180	49,261
Education, Technical Support and Upskilling		168,162	121,463
Employee costs		8,956,127	7,491,457
Entertainment		124,102	95,849
Event Costs		390,270	950,900
Fines and penalties		-	22,863
Honorariums and board expenses		94,875	25,103
HR Review and Recruitment Assessment		-	13,996
Impairments and reversals - intangible assets		198,518	152,342
Insurance		35,672	42,175
Learnerships - FASSET Tender		1,573,369	546,249
Lease rentals on operating lease		693,962	535,226
Membership Rewards Program		430,893	336,182
Membership Service Improvements		396,409	257,852
Municipal charges		-	70,141
PR, design and podcast costs		401,870	152,237
Printing and stationery		30,932	36,931
Repairs and maintenance		9,192	7,517
RPL assessment costs		24,196	18,901
Social Responsibility		19,021	-
Staff welfare and training		87,447	64,925
Travel - Local		173,566	134,889
Travel - Overseas		79,401	51,889
		<b>19,504,422</b>	<b>14,360,443</b>
<b>Other gains and losses</b>	15		
Gain/Loss on disposal of non-current assets		43,000	59
Gain/Loss on foreign exchange differences		15,869	25,436
		<b>58,869</b>	<b>25,495</b>
<b>Surplus from operating activities</b>	16	<b>163,826</b>	<b>181,485</b>
<b>Finance income</b>	17		
Interest received		26,270	17,416
<b>Surplus for the year</b>		<b>190,096</b>	<b>198,901</b>