The Southern African Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Annual Financial Statements

for the year ended 30 June 2022

Audited Financial Statements

in compliance with the Companies Act of South Africa

Prepared by: Chantelle Booyens

Professional designation: CBA(SA)

Title: Chief Financial Officer

Reviewed by: Yatin Soma

Professional designation: CA (SA)

Index

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	1990/005364/08
Nature of Business and Principal Activities	The company functions as a professional body for business accountants.
Board of Directors	PC de Jager R Ngobeni (Resigned 05 December 2022) L Germanos N Dick PM Majozi N van Wyk C Booyens
Registered Office	Block A First Floor Sandton Close 2 Cnr Norwich Close and 5th Str Sandton 2196
Business Address	The Work Space at The Club Cnr Pinaster Ave & 18th Street Hazelwood Pretoria 0081
Postal Address	PO Box 7905 Centurion 0046
Bankers	ABSA Bank Limited
Level of Assurance	These statements have been audited in compliance with the applicable requirements of the Companies of South Africa.
Preparer	Theses financial statements were internally compiled under the supervision of: Chantelle Booyens CBA(SA)

Directors' Responsibilities and Approval

The board of directors is required by the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its 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 board of directors acknowledges that it is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the board of 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 board of directors is 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 board of directors has no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, Nexia SAB&T, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the member, the board of directors and committees of the board of directors. The board of directors believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's disclaimed audit report is presented on pages 6 to 8.

The annual financial statements set out on pages 9 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 26 May 2023 on its behalf by:

NF van Wyk

PC de Jager

Directors' Report

The directors have pleasure in submitting their report for the annual financial statements of The Southern African Institute for Business Accountants NPC for the year ended 30 June 2022.

1. Review of activities

The main objective 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 in to the nature of the company's business from the previous financial year.

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 regarding its impact on the company's ability to continue as a going concern.

3. Events after reporting date

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

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 2022 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. Board of Directors

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

Directors	Office	Designation	Nationality	Changes
NF van Wyk	Director	Executive	South African	
C Booyens	Director	Executive	South African	
PC de Jager	Director	Non-executive	South African	
R Ngobeni	Director	Non-executive	South African	Resigned (05 December 2022)
L Germanos	Director	Non-executive	South African	
N Dick	Director	Non-executive	South African	
PM Majozi	Director	Non-executive	South African	

6. Secretary

The company's designated secretary is A Jones, attorney from 8 February 2019.

Directors' Report

7. Liquidity and solvency

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

8. Independent Auditors

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

Nexia SAB&T

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Southern African Institute for Business Accountants NPC set out on pages 9 to 32, which comprise the statement of financial position as at 30 June 2022, 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 2022, 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 Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Southern African Institute for Business Accountants NPC Annual Financial Statements for the year ended 30 June 2022", 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
26 May 2023

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	5	135,086	112,479
Intangible assets other than goodwill	6	450,556	450,556
Total non-current assets		**585,642**	**563,035**
Current assets			
Trade and other receivables	7	8,507,590	6,822,688
Cash and cash equivalents	8	2,090,843	2,377,374
Total current assets		**10,598,433**	**9,200,062**
Total assets		**11,184,075**	**9,763,097**
Equity and liabilities			
Equity			
Accumulated surplus		1,794,013	1,732,171
Liabilities			
Current liabilities			
Provisions	9	-	208,650
Trade and other payables	10	9,390,062	7,822,276
Total current liabilities		**9,390,062**	**8,030,926**
Total equity and liabilities		**11,184,075**	**9,763,097**

Statement of Surplus or Deficit and Other Comprehensive Income

Figures in R	Notes	2022	2021
Revenue	11	34,249,324	21,557,035
Other income	12	1,284,874	1,400,080
Administrative expenses	13	(2,133,038)	(1,635,977)
Other expenses	14	(33,315,974)	(21,256,368)
Other gains and (losses)	15	(40,874)	19,396
Surplus from operating activities	16	**44,312**	**84,166**
Finance income	17	17,530	23,757
Surplus for the year		**61,842**	**107,923**

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 July 2020	1,624,248	1,624,248
Changes in equity		
Surplus for the year	107,923	107,923
Balance at 30 June 2021	**1,732,171**	**1,732,171**
Balance at 1 July 2021	1,732,171	1,732,171
Changes in equity		
Surplus for the year	61,842	61,842
Balance at 30 June 2022	**1,794,013**	**1,794,013**

Statement of Cash Flows

Figures in R	Notes	2022	2021
Cash flows from/(used in) operations			
Net cash flows (used in) / from operations	22	(179,752)	455,399
Interest received		17,530	23,757
Net cash flows (used in) / from operating activities		**(162,222)**	**479,156**
Cash flows from/(used in) investing activities			
Proceeds from sales of property, plant and equipment		17,815	6,947
Purchase of property, plant and equipment		(107,605)	(99,640)
Purchase of intangible assets		(16,705)	(287,737)
Proceeds from disposal of non-current assets		(17,814)	9,196
Cash flows from/(used in) investing activities		**(124,309)**	**(371,234)**
Net (decrease) / increase in cash and cash equivalents		**(286,531)**	**107,922**
Cash and cash equivalents at beginning of the year		2,377,374	2,269,452
Cash and cash equivalents at end of the year	**8**	**2,090,843**	**2,377,374**

Accounting Policies

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, Internal 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 of South Africa.

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 financial year.

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 can be identified as present economic resource controlled by the company as a result of past events. An economic resource is a right that has the potential to produce economic benefits.

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.

Asset class	Useful life / depreciation rate	Depreciation method
Fixtures and fittings	5 years	Straight line
Office equipment	3 years	Straight line
IT 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 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.

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

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Derecognition

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.

Initial measurement

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, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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.

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

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.

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset in which case the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if required by another standard.

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); or
- 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 no 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. (This category applies when the financial instrument is not repayable within 12 months. All financial liabilities are initially held at fair value less any transaction costs. For subsequent measurement the effective interest rate method is applied); or
- 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

Accounting Policies

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

Classification

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 on 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.

Trade and other payables

Classification

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

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

Recognition and measurement

Trade and other payables are recognised when there is a present obligation of the company to transfer an economic resource as a result of past events. An obligation is a duty or responsibility that the entity has no practical ability to avoid. Trade and other payables 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 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.

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 system sends automated 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 impaired accordingly.

CPD, License and Upskilling Fees

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

Accounting Policies

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

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 previous financial 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. Revenue is recognised upon receipt of payment or a formal/informal payment arrangement.

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. Revenue is recognised upon receipt of payment or a formal/informal payment arrangement.

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 current financial year SAIBA recognised tender revenue from a project that entered its initial stage, FASSET U2Pro Workplace Readiness Project. The aim of the project is to provide the necessary skills to 75 students to register for a designation with SAIBA. The project is slated to be completed in the 2022 financial year.

2.6 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.

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.

2.7 Borrowing costs

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

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

2.8 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.

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.

4. Changes in accounting policies and disclosures

Standard	Standard effective date	Adopted in the current year (Y/N)	Future adopted (Y/N)
Annual Improvements to IFRS Standards 2018–2020	01 January 2022	Y	
IFRS 17 Insurance Contracts	01 January 2023		Y

4.1 Standards and Interpretations effective and adopted in the current year

No new standards and interprestations were adopted in the current financial year.

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

Changes in accounting policies and disclosures continued...

Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

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

4.2 New standards and interpretations not yet adopted

The company has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 July 2021 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the company). The board of directors anticipates that the new standards, amendments and interpretations will be adopted in the company's annual financial statements when they become effective. The company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

The impact of the adoption of this standard will be assessed in the year-ended 30 June 2023, the assessment will include whether this standard is applicable to the company and, if so, what its impact will be on the financial statements.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2023. This change in accounting policy will be implemented for the first time for the financial year ending 30 June 2024.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Notes to the Annual Financial Statements

Figures in R	2022	2021

5. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated Depreciation	Carrying Value	Cost or revaluation	Accumulated Depreciation	Carrying Value
IT Equipment	319,322	(184,236)	135,086	237,372	(124,893)	112,479
Total	**319,322**	**(184,236)**	**135,086**	**237,372**	**(124,893)**	**112,479**

Reconciliation of property, plant and equipment - 2022

	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
IT Equipment	112,479	107,604	(17,814)	(67,183)	135,086
Total	**112,479**	**107,604**	**(17,814)**	**(67,183)**	**135,086**

Reconciliation of property, plant and equipment - 2021

	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
Furniture and fittings	8,110	-	(2,495)	(5,615)	-
IT Equipment	66,888	99,640	(4,453)	(49,596)	112,479
Total	**74,998**	**99,640**	**(6,948)**	**(55,211)**	**112,479**

Expected useful lives and estimated residual values

The expected useful lives and residual values of the assets have been reviewed at year end. Assets that are no longer in use or have reached the end of their useful lives have been disposed of. Assets which are still in use have been assessed for residual value in cases where the asset has been completely written off, no adjustment was made in this regard as the readjustment was found to not be material.

Notes to the Annual Financial Statements

Figures in R	2022	2021

6. Intangible assets

	2022			2021		
	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	157,999	-	157,999
Total	**450,556**	**-**	**450,556**	**450,556**	**-**	**450,556**

Reconciliation of intangible assets - 2022

	Opening Balance	Additions	Impairment Loss	Closing Balance
Membership System	250,000	16,705	(16,705)	250,000
CFO Talks	20,213	-	-	20,213
Accounting Weekly	22,344	-	-	22,344
The SAIBA Academy	157,999	-	-	157,999
Total	**450,556**	**16,705**	**(16,705)**	**450,556**

Reconciliation of intangible assets - 2021

	Opening Balance	Additions	Impairment Loss	Closing Balance
Membership System	250,000	287,737	(287,737)	250,000
CFO Talks	20,213	-	-	20,213
Accounting Weekly	22,344	-	-	22,344
The SAIBA Academy	157,999	-	-	157,999
Total	**450,556**	**287,737**	**(287,737)**	**450,556**

Other Information

The Membership System ("the system") is used as a membership management system, member portal and member account management platform. 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 by SAIBA indefinitely, due to the system being heavily customised for SAIBA's unique needs and the probability of another system being able to fulfil 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 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 employ more employees.

CFO Talks and Accounting Weekly are registered trademarks of SAIBA undergoing continuous development and expansion 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 previous 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. During the current reporting period no additional functionality was added to the platform beyond optimising the current tools available on the platform. This was deemed to be more in line with maintenance as the functionality was already available thus no further development costs were capitalised.

Intangible assets continued...

The Membership System was developed over the course of several previous financial years. The SAIBA Academy platform has been developed mainly in the previous financial year and is still undergoing development, impairment will be considered in future financial years.

Notes to the Annual Financial Statements

Figures in R	2022	2021

7. Trade and other receivables

Trade and other receivables comprise:

	2022	2021
Trade receivables	13,330,811	8,383,004
Trade receivables loss allowance	(4,836,668)	(1,580,405)
Trade receivables - net	8,494,143	6,802,599
Deposits	13,447	20,089
Staff auction accounts	-	-
Total trade and other receivables	**8,507,590**	**6,822,688**

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:

	2022			2021		
	Gross carrying amount	**Loss allowance**	**Net carrying amount**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
Membership Fees Receivable: current year - formal payment arrangements	5,553,170	(1,856,527)	3,696,643	1,746,730	(301,265)	1,445,465
Membership Fees Receivable: current year - informal payment arrangements	2,280,184	(1,073,643)	1,206,541	1,706,499	(345,125)	1,361,374
Membership Fees Receivable: prior years - formal payment arrangements	839,200	(649,495)	189,705	1,111,900	(191,774)	920,126
Membership Fees Receivable: prior years - informal payment arrangements	3,120,352	(1,257,003)	1,863,349	2,475,480	(571,476)	1,904,004
Other Receivables - formal payment arrangements	1,537,905	-	1,537,905	1,342,395	(170,765)	1,171,630
Other Receivables - informal payment arrangements	-	-	-	-	-	-
Total	**13,330,811**	**(4,836,668)**	**8,494,143**	**8,383,004**	**(1,580,405)**	**6,802,599**

Notes to the Annual Financial Statements

Figures in R	2022	2021

8. Cash and cash equivalents

Cash and cash equivalents included in current assets:

	2022	2021
Cash		
Balances with banks	2,015,226	1,265,763
Cash equivalents		
Short term deposits	75,617	1,111,611
	2,090,843	**2,377,374**

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

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 the 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 to Default.

9. Provisions

9.1 Provisions comprise:

	2022	2021
Other provisions	-	208,650
Current portion	**-**	**208,650**
	-	**208,650**

9.2 Details of other provisions

Provision - FASSET project expenses

A tender was awarded to SAIBA in the previous reporting period by FASSET for the training of 75 students. The goal of the project is to impart workplace readiness skills to these students and enable them to earn a designation with SAIBA. An initial amount was invoiced for the procurement of laptops, the recruitment costs for the students and other miscellaneous expenses to get the project going once it was accepted. A provision for the initial recruitment costs was made in the previous reporting period as this was the only expense that could be verified with reasonable certainty at year end, 30 June 2021. The invoice was issued in July 2021 once the recruitment phase was completed by the facilitator. No provision was made in the current year.

Notes to the Annual Financial Statements

Figures in R	2022	2021

10. Trade and other payables

Trade and other payables comprise:

Trade payables	1,307,636	850,364
Deferred revenue	4,034,836	4,422,271
Accrued employee leave	489,926	277,499
Accrued employee performance incentives	753,411	180,000
PAYE, UIF and SDL	188,127	149,191
Value added tax	2,616,126	1,942,951
Total trade and other payables	**9,390,062**	**7,822,276**

Fair value of trade and other payables

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

The deferred revenue of R 4 034 836, related to the 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.

Accrued employee leave

The accrued employee consists of the monetary value of the employees' accrued annual leave days as at the reporting date.

The amount is only payable to an employee upon termination of their employment, whether this termination is voluntary or otherwise.

Accrued employee performance incentives

The bonus provision consists of the performance incentive due to the CEO for the achievement of quarterly revenue targets as well as the annual performance incentive due to the employees based upon their performance of pre-determined targets for the 2021 financial year. In the previous year the CEO performance incentive was the only accrued expense as the performance incentives due to employees had been paid before the end of the previous reporting period.

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 of 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.

Value added tax accrual

SAIBA is on a payment basis for VAT, meaning payment of VAT is only due upon payment of an invoice regardless of when it was issued. Thus the balance of the VAT account consists of the VAT payable to SARS as well as the VAT due in future based upon the VAT of outstanding debtors less the VAT on the oustanding creditors.

Notes to the Annual Financial Statements

Figures in R	2022	2021

11. Revenue

Revenue comprises:

Membership fees	20,478,410	15,864,976
CPD, Licenses and Upskilling	10,846,367	4,548,404
Tender and grant income	1,908,436	1,143,655
CFO World Congress Revenue	1,016,111	-
Total revenue	**34,249,324**	**21,557,035**

Membership fees

The membership fees were increased in the current year. The revenue increase from the prior year can be primarily attributed to this increase in the membership fees for all designations. The fee increase was justified with the inclusion of Core CPD with the membership fees. The Core CPD enables the members to meet their CPD requirements without purchasing additional CPD.

CPD, Licenses and Upskilling

SAIBA provides in house CPD content hosted on the SAIBA Academy platform to provide members with the easiest possible access to differing packages in order to comply with their designation's CPD compliance.

Specialised licenses are offered to members to enable them to provide specialised services to their clients. These licenses are recognised by SAIBA and provide the 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 admission criteria which are required for designation applications and approval. They also act as refresher courses for members to brush up on any changes in legislation and standards.

Tender and grant income

The tender and grant income in the current reporting period consists of monies received from FASSET for a project launched by SAIBA to improve the workplace readiness skills of young aspiring professionals. The project started the recruitment phase in the current reporting period and will be completed in the following financial year. Revenue was raised to cover the expenses of the recruitment phase of the project and to supply the prospective students with the necessary learning materials and hardware. The recruitment phase was still ongoing at end of the reporting period and a provision was made for the recruitment expenses in the current reporting period.

CFO World Congress revenue

SAIBA sent a delegation to a convention hosted by the Instituto Mexicano de Ejecutivos de Finanzas, IMEF, in Mexico CIty, Mexico, during November 2021. The delegation consisted of several members of SAIBA who have CFO(SA) designations. SAIBA as a full member of IAFEI was able to obtain preferential rates for the attendance of the delegates to the convention.

SAIBA also planned to send a delegation to the 21st World Congress of Accountants in November 2022 which is to take place in Mumbai, India. Delegates paid to reserve their spaces, which are non-refundable.

12. Other income

Other income comprises:

Sponsorships and advertising income	1,284,874	1,400,080

Sponsorship and advertising income

Sponsorship income received consisted primarily of monies received from Data Prime Solutions (Pty) Ltd and Intuit UK, which are the providers of the SAIBA approved software Draftworx and Quickbooks respectively.

Figures in R	2022	2021

13. Administrative expenses

Administrative expenses comprise:

Accounting fees	9,763	10,698
Auditors remuneration - Fees	89,750	84,000
Bank charges	442,831	300,104
Computer expenses	1,162,360	849,473
Debtor listing subscriptions	3,290	3,125
Secretarial, disciplinary and legal fees	137,285	183,508
Telephone and internet	287,759	205,069
Total administrative expenses	**2,133,038**	**1,635,977**

14. Other expenses

Other expenses comprise:

Accreditation costs	393,292	54,988
Advertising, marketing and branding	2,514,872	935,802
Bad debts	3,542,803	985,548
Consulting and education fees	3,583,018	2,734,500
Courier and postage	21,080	2,209
Depreciation	67,183	55,210
Employee costs	11,852,061	9,960,517
Entertainment	175,353	118,346
Event costs	1,710,347	147,535
Honorariums and board expenses	185,560	166,844
Impairment and reversals - intangible assets	16,705	287,737
Insurance	64,886	39,467
Membership rewards program	380,527	492,594
Membership service improvements	1,099,883	532,442
PR, design and podcast costs	244,519	476,716
Rental paid	272,130	174,555
Repairs and maintenance	-	14,666
RPL assessement costs	90,500	35,233
Social responsibility	62,717	24,613
Staff welfare and training	72,219	113,068
Technical support and upskilling	6,600,981	3,763,263
Travel - Local	365,338	140,515
Total other expenses	**33,315,974**	**21,256,368**

15. Other gains and (losses)

Other gains and (losses) comprise:

Gain or (loss) on disposal of assets	(17,814)	9,196
Gain or (loss) on foreign exchange differences on liabilities	(23,060)	10,200
Total other gains and (losses)	**(40,874)**	**19,396**

Notes to the Annual Financial Statements

Figures in R	2022	2021

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	67,183	55,210
Intangible assets		
- impairment loss	16,705	287,737
Audit fees		
Auditors remuneration - Fees	89,750	84,000

16.2 Other material items requiring separate disclosure

Employee costs	11,799,691	9,960,517

17. Finance income

Finance income comprises:

Interest received	17,530	23,757

18. Income tax expense

No provision has been made for 2022 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.

Notes to the Annual Financial Statements

Figures in R	2022	2021

19. Related parties

Directors' emoluments

Directors' emoluments - 2022

Name	Designation	Honorarium	Emoluments	Performance Incentives	Subsistence and Reimbursements	Total remuneration
NF van Wyk	Executive Director - CEO	-	2,421,537	720,000	12,380	3,153,917
C Booyens	Executive Director - CFO	-	1,016,517	-	17,708	1,034,225
PC de Jager	Non-executive	72,000	-	-	-	72,000
L Germanos	Non-executive	12,000	-	-	-	12,000
N Dick	Non-executive	12,000	-	-	-	12,000
PM Majozi	Non-executive	12,000	-	-	-	12,000
R Ngobeni	Non-executive	12,000	-	-	-	12,000
Total		**120,000**	**3,438,054**	**720,000**	**30,088**	**4,308,142**

Directors' emoluments - 2021

Name	Designation	Honorarium	Emoluments	Performance Incentives	Subsistence and Reimbursements	Total remuneration
NF van Wyk	Executive Director - CEO	-	2,338,036	1,286,070	-	3,624,106
C Booyens	Executive Director - CFO	-	943,218	375,000	8,842	1,327,060
PC de Jager	Non-executive	66,000	-	-	-	66,000
R Ngobeni	Non-executive	6,000	-	-	-	6,000
L Germanos	Non-executive	6,000	-	-	-	6,000
N Dick	Non-executive	6,000	-	-	-	6,000
PM Majozi	Non-executive	6,000	-	-	-	6,000
W Tshuma	Non-executive	6,000	-	-	-	6,000
Total		**96,000**	**3,281,254**	**1,661,070**	**8,842**	**5,047,166**

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 caliber candidates to one's Board.

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

- Annual General Meeting
- Strategy and budget meeting

The chairperson of the board is provided with a monthly honorarium of R7200 for the execution of their duties.

During the previous financial year, executive directors were paid the performance incentives for the 2019 and 2020 financial years as SAIBA had adequate cashflows to allow this. The performance incentive due in the current financial year was paid after year-end.

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 business activities. Not withstanding 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 regularly monitored.

The cash and cash equivalents comprise the cheque accounts, credit cards, investment account, and the online payment accounts. The credit risk regarding these instruments was deemed to be low enough that no credit loss allowance needed to be provided for at this time. The cash reserves are monitored on a regular basis to ensure that all short term and longterm obligations can be met.

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

	2022			2021		
	Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Trade and other receivables	13,344,258	(4,836,668)	8,507,590	8,403,093	(1,580,405)	6,822,688
Cash and cash equivalents	2,090,843	-	2,090,843	2,377,374	-	2,377,374

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.

Financial risk management continued...

21.2.1 Maturities of financial liabilities

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
Year ended 30 June 2022				
Trade and other payables	1,495,763	5,278,173	**6,773,936**	**6,773,936**
VAT	310,966	2,305,160	**2,616,126**	**2,616,126**
Total non-derivatives	**1,806,729**	**7,583,333**	**9,390,062**	**9,390,062**
year ended 30 June 2021				
Trade and other payables	999,555	4,879,766	**5,879,321**	**5,879,321**
VAT	259,495	1,683,456	**1,942,951**	**1,942,951**
Total non-derivatives	**1,259,050**	**6,563,222**	**7,822,272**	**7,822,272**

22. Cash flows from operating activities

Surplus for the year	**61,842**	**107,923**
Adjustments for:		
Finance income	(17,530)	(23,757)
Depreciation and amortisation expense	67,183	55,210
Impairment losses and reversal of impairment losses recognised in surplus or deficit	3,559,508	1,273,286
Gains and losses on foreign exchange realised in surplus or deficit	23,060	(10,200)
Gains and losses on disposal of non-current assets	17,814	(9,196)
Change in operating assets and liabilities:		
Adjustments for increase in trade accounts receivable	(5,234,347)	(2,664,873)
Adjustments for decrease in other operating receivables	6,642	24,819
Adjustments for increase in trade accounts payable	457,272	539,968
Adjustments for increase in other operating payables	1,110,514	1,021,162
Adjustments for provisions	(231,710)	141,057
Net cash flows from operations	**(179,752)**	**455,399**

Detailed Income Statement

Figures in R	Notes	2022	2021
Revenue	11		
CFO World Congress		1,016,111	-
CPD, Licences & Upskilling		10,846,367	4,548,404
Membership fees		20,478,410	15,864,976
Tender and grant revenue		1,908,436	1,143,655
		34,249,324	**21,557,035**
Other income	12		
Sundry income		1,284,874	1,400,080
Administrative expenses	13		
Accounting fees		9,763	10,698
Auditors remuneration - Fees		89,750	84,000
Bank charges		442,831	300,104
Computer expenses		1,162,360	849,473
Debtor listing subscriptions		3,290	3,125
Secretarial, disciplinary and legal fees		137,285	183,508
Telephone and internet		287,759	205,069
		2,133,038	**1,635,977**
Other expenses	14		
Accreditation costs		393,292	54,988
Advertising, marketing and branding		2,514,872	935,802
Bad debts		3,542,803	985,548
Consulting and education fees		3,583,018	2,734,500
Courier and postage		21,080	2,209
Depreciation		67,183	55,210
Employee costs		11,852,061	9,960,517
Entertainment		175,353	118,346
Event costs		1,710,347	147,535
Honorariums and board expenses		185,560	166,844
Impairments and reversals - intangible assets		16,705	287,737
Insurance		64,886	39,467
Membership rewards program		380,527	492,594
Membership service improvements		1,099,883	532,442
PR, design and podcast costs		244,519	476,716
Rent paid		272,130	174,555
Repairs and maintenance		-	14,666
RPL assessment costs		90,500	35,233
Social responsibility		62,717	24,613
Staff welfare and training		72,219	113,068
Technical support and upskilling		6,600,981	3,763,263
Travel - Local		365,338	140,515
		33,315,974	**21,256,368**
Other gains and losses	15		
Forex gain or loss - financial liabilities		(23,060)	10,200
Gain or loss on sale - non-cash assets		(17,814)	9,196
		(40,874)	**19,396**

Detailed Income Statement

Figures in R	Notes	2022	2021
Surplus from operating activities	16	**44,312**	**84,166**
Finance income	17		
Interest received		17,530	23,757
Surplus for the year		**61,842**	**107,923**