# The Insurance Institute of South Africa
(Registration number 1993/002172/08)
Annual financial statements
for the year ended 31 December 2015

Colin Smith & Co
Chartered Accountants (S.A.)
Registered Auditors
Issued 31 March 2016

# The Insurance Institute of South Africa
(Registration number 1993/002172/08)
Annual Financial Statements for the year ended 31 December 2015

## General Information

| | |
|---|---|
| **Country of incorporation and domicile** | South Africa |
| **Nature of business and principal activities** | To provide and maintain a central organisation for the promotion of efficiency, progress, welfare, knowledge and general development among persons engaged or employed in the insurance and related sectors, whether members of the institute or not. |
| **Directors** | BC Benfield<br>G Bishop<br>DJ Harpur<br>N Omar<br>GJ Sandrock<br>B Scott<br>DN De Vos<br>P Todd<br>L Morwe<br>W Abrahams<br>T Baloyi<br>D Maidou<br>L Moonda |
| **Registered office** | Ground Floor<br>Block B, Investment Place<br>10th Road off 2nd Road<br>Hyde Park<br>2196 |
| **Business address** | Ground Floor<br>Block B, Investment Place<br>10th Road off 2nd Road<br>Hyde Park<br>2196 |
| **Postal address** | P O Box 413264<br>Craighall<br>2024 |
| **Bankers** | FirstRand Bank Limited |
| **Auditor's** | Colin Smith & Co<br>Chartered Accountants (S.A.)<br>Registered Auditors |
| **Secretary** | Mr Dave Freese |
| **Company registration number** | 1993/002172/08 |
| **Level of assurance** | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| **Issued** | 31 March 2016 |

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


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## Directors' Responsibilities and Approval

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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

**Director**

**Director**
CEO IISA.

# Independent Auditor's Report

### To the members' of The Insurance Institute of South Africa

We have audited the annual financial statements of The Insurance Institute of South Africa, as set out on pages 8 to 17, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Annual Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Insurance Institute of South Africa as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

### Emphasis of Matter

In common with similar organisations, it is not feasible for the association to institute accounting controls over the collection of
subscriptions, prior to initial entry of the collections in the accounting records. Accordingly it was impractical for us to extend our
examination beyond the receipts actually recorded.

COLINSMITH
& CO Registered Auditors

Gleneagles, Fairway Office Park
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Bryanston 2021

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Fax : (+27-11) 463 2686
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# Independent Auditor's Report

### To the members' of The Insurance Institute of South Africa

We have audited the annual financial statements of The Insurance Institute of South Africa, as set out on pages 8 to 17, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Annual Financial Statements

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### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Insurance Institute of South Africa as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

### Emphasis of Matter

In common with similar organisations, it is not feasible for the association to institute accounting controls over the collection of
subscriptions, prior to initial entry of the collections in the accounting records. Accordingly it was impractical for us to extend our
examination beyond the receipts actually recorded.

**Supplementary Information**

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 18 to 19 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

**Other reports required by the Companies Act**

As part of our audit of the annual financial statements for the year ended 31 December 2015, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

Colin Smith & Co

**Colin Smith & Co**
**Chartered Accountants (S.A.)**
**Registered Auditors**

**Sandton**
**Gleneagles, Fairway Office Park**
**52 Grosvenor Road**
**Bryanston**
**2021**

**31 March 2016**
**Per: Colin Smith**

## Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The Insurance Institute of South Africa for the year ended 31 December 2015.

### 1. Nature of business

The Insurance Institute of South Africa was incorporated in South Africa with interests in the insurance industry. The company operates in South Africa.

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

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

### 3. Directors

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

| Directors | Office | Changes |
|---|---|---|
| BC Benfield | | |
| G Bishop | | |
| DJ Harpur | Chief Executive Officer | |
| N Omar | | |
| GJ Sandrock | | |
| B Scott | | |
| DN De Vos | | Appointed 25 March 2015 |
| P Todd | | |
| L Morwe | | |
| W Abrahams | | |
| T Baloyi | | |
| D Maidou | | Appointed 24 June 2015 |
| L Moonda | | Appointed 01 July 2015 |

### 4. Directors' interests in contracts

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

### 5. Events after the reporting period

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

### 6. Going concern

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

# Directors' Report

### 7. Auditors

Colin Smith & Co continued in office as auditors for the company for 2015.

They will continue in office for the 2016 financial year.

At the AGM, the members will be requested to reappoint Colin Smith & Co as the independent external auditors of the company and to confirm Mr Colin Smith as the designated lead audit partner for the 2016 financial year.

### 8. Secretary

The company secretary is Mr Dave Freese.

## Statement of Financial Position as at 31 December 2015

| Figures in Rand | Notes | 2015 | 2014 |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 2 | 661,658 | 734,422 |
| **Current Assets** | | | |
| Trade and other receivables | 3 | 122,100 | 8,168 |
| Cash and cash equivalents | 4 | 20,262,874 | 17,336,065 |
| | | **20,384,974** | **17,344,233** |
| **Total Assets** | | **21,046,632** | **18,078,655** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Reserves | | 4,042,500 | 3,262,500 |
| Accumulated funds | | 12,598,147 | 10,164,781 |
| | | **16,640,647** | **13,427,281** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 5 | 4,405,985 | 4,651,374 |
| **Total Equity and Liabilities** | | **21,046,632** | **18,078,655** |

# The Insurance Institute of South Africa

(Registration number 1993/002172/08)
Annual Financial Statements for the year ended 31 December 2015

## Statement of Profit or Loss and Other Comprehensive Income

| Figures in Rand | Notes | 2015 | 2014 |
|---|---|---|---|
| Revenue | 6 | 13,675,096 | 13,524,248 |
| Cost of sales | | (478,209) | (646,529) |
| **Gross surplus** | | **13,196,887** | **12,877,719** |
| Other income | 7 | 191,253 | 181,587 |
| Operating expenses | | (11,742,237) | (9,920,210) |
| **Operating surplus** | 8 | **1,645,903** | **3,139,096** |
| Investment revenue | 9 | 1,287,463 | 966,711 |
| Finance costs | | - | (1) |
| **Surplus for the year** | | **2,933,366** | **4,105,806** |
| Other comprehensive income | | - | - |
| **Total comprehensive surplus for the year** | | **2,933,366** | **4,105,806** |

## Statement of Changes in Equity

| Figures in Rand | Long term contract benefit reserve | Staff Incentive reserve | CPD Development reserve | Conference Reserve | Material updates reserve | Printer replacement reserve | Total reserves | Accumulated funds | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 01 January 2014** | - | - | **100,000** | **900,000** | **693,073** | **212,500** | **1,905,573** | **7,115,902** | **9,021,475** |
| Surplus for the year | - | - | - | - | - | - | - | 4,105,806 | 4,105,806 |
| Movement for the year | 500,000 | - | 150,000 | 400,000 | 6,927 | 300,000 | 1,356,927 | (1,056,927) | 300,000 |
| **Total comprehensive income for the year** | **500,000** | - | **150,000** | **400,000** | **6,927** | **300,000** | **1,356,927** | **3,048,879** | **4,405,806** |
| **Balance at 01 January 2015** | **500,000** | - | **250,000** | **1,300,000** | **700,000** | **512,500** | **3,262,500** | **10,164,781** | **13,427,281** |
| Surplus for the year | - | - | - | - | - | - | - | 2,933,366 | 2,933,366 |
| Movement for the year | 500,000 | 250,000 | - | - | - | 30,000 | 780,000 | (500,000) | 280,000 |
| **Movement in Reserves** | **500,000** | **250,000** | - | - | - | **30,000** | **780,000** | **2,433,366** | **3,213,366** |
| **Balance at 31 December 2015** | **1,000,000** | **250,000** | **250,000** | **1,300,000** | **700,000** | **542,500** | **4,042,500** | **12,598,147** | **16,640,647** |

## Statement of Cash Flows

| Figures in Rand | Notes | 2015 | 2014 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 12 | 1,721,142 | 6,116,193 |
| Interest income | | 1,287,463 | 966,711 |
| Finance costs | | - | (1) |
| **Net cash from operating activities** | | **3,008,605** | **7,082,903** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 2 | (81,796) | (656,039) |
| **Total cash movement for the year** | | **2,926,809** | **6,426,864** |
| Cash at the beginning of the year | | 17,336,065 | 10,909,201 |
| **Total cash at end of the year** | 4 | **20,262,874** | **17,336,065** |

# Accounting Policies

## 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

### 1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:
- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

| Item | Depreciation method | Average useful life |
|---|---|---|
| Furniture and fixtures | Straight line | 6 years |
| Motor vehicles | Straight line | 4 years |
| IT equipment | Straight line | 3 years |
| Printing equipment | Straight line | 5 years |

The residual value, depreciation method and useful life of each asset are reviewed at each reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

### 1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

| Item | Useful life |
|---|---|
| Computer software | 2 years |

If the company is unable to make a reliable estimate of the useful life of an intangible asset, the life is presumed to be 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

# Accounting Policies

## 1.3 Financial instruments

### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

## 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

### Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:
- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:
- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

## 1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication , the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

# Accounting Policies

### 1.5 Impairment of assets (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.6 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 leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

### 1.8 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

### 1.9 Borrowing costs

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

### 2. Property, plant and equipment

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Computer software | 25,000 | (24,999) | 1 | 25,000 | (24,999) | 1 |
| Furniture and fixtures | 170,342 | (64,797) | 105,545 | 88,545 | (57,390) | 31,155 |
| IT equipment | 196,275 | (135,785) | 60,490 | 196,275 | (113,811) | 82,464 |
| Motor vehicles | 52,551 | (36,786) | 15,765 | 52,551 | (36,786) | 15,765 |
| Printing equipment | 625,900 | (146,043) | 479,857 | 2,976,700 | (2,371,663) | 605,037 |
| **Total** | **1,070,068** | **(408,410)** | **661,658** | **3,339,071** | **(2,604,649)** | **734,422** |

**Reconciliation of property, plant and equipment - 2015**

| | Opening balance | Additions | Depreciation | Total |
|---|---|---|---|---|
| Computer software | 1 | - | - | 1 |
| Furniture and fixtures | 31,156 | 81,796 | (7,407) | 105,545 |
| IT equipment | 82,464 | - | (21,974) | 60,490 |
| Motor vehicles | 15,765 | - | - | 15,765 |
| Printing equipment | 605,037 | - | (125,180) | 479,857 |
| | **734,423** | **81,796** | **(154,561)** | **661,658** |

**Reconciliation of property, plant and equipment - 2014**

| | Opening balance | Additions | Depreciation | Total |
|---|---|---|---|---|
| Computer software | 1 | - | - | 1 |
| Furniture and fixtures | 25,219 | 12,684 | (6,747) | 31,156 |
| IT equipment | 86,413 | 17,455 | (21,404) | 82,464 |
| Motor vehicles | 15,765 | - | - | 15,765 |
| Printing equipment | - | 625,900 | (20,863) | 605,037 |
| | **127,398** | **656,039** | **(49,014)** | **734,423** |

During the year printing equipment with a carrying value of RNil (Cost R2 350 800) were disposed of.

### 3. Trade and other receivables

| | 2015 | 2014 |
|---|---|---|
| Trade receivables | - | 1,059 |
| Prepayments | 22,100 | - |
| Other receivable | 100,000 | 7,109 |
| | **122,100** | **8,168** |

## Notes to the Annual Financial Statements

| Figures in Rand | 2015 | 2014 |
|---|---|---|

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Cash on hand | 2,020 | - |
| Bank balances | 20,260,855 | 17,336,065 |
| | **20,262,875** | **17,336,065** |

*The company has a guarantee in favour of The Vunani Property Investment Trust to the value of R166 830.70 which expires on 31 January 2021.*

### 5. Trade and other payables

| | | |
|---|---|---|
| Amounts received in advance | 2,993,508 | 3,390,274 |
| Deposits received | 9,000 | 9,000 |
| Leave pay accrual | 448,445 | 304,314 |
| Other accrued expenses | 82,031 | 14,139 |
| Payroll liabilities | 599,085 | 508,152 |
| VAT | 273,916 | 425,495 |
| | **4,405,985** | **4,651,374** |

### 6. Revenue

| | | |
|---|---|---|
| Botswana exam papers and certificates | 346,040 | 307,507 |
| CPD Development | 198,722 | 86,209 |
| Conference surplus | 3,896,368 | 4,007,572 |
| FAIS | 425 | 373 |
| Learner management | 4,787 | 4,006 |
| Membership subscriptions received | 5,635,633 | 4,796,294 |
| Royalties | 315,421 | 658,208 |
| Qualification analysis | 19,446 | 9,613 |
| Sale of text books | 2,910,991 | 2,996,858 |
| Seminar income | 347,264 | 657,609 |
| | **13,675,097** | **13,524,249** |

### 7. Other income

| | | |
|---|---|---|
| Other income | - | 2,400 |
| Rental income | 191,253 | 179,187 |
| | **191,253** | **181,587** |

### 8. Operating surplus

Operating surplus for the year is stated after accounting for the following:

| | | |
|---|---|---|
| **Operating lease charges** | | |
| Premises | | |
| • Contractual amounts | 894,084 | 858,292 |
| | | |
| Depreciation on property, plant and equipment | 154,561 | 49,014 |
| Employee costs | 8,487,103 | 7,070,185 |
| Research and development | 104,726 | 88,490 |

## Notes to the Annual Financial Statements

| Figures in Rand | 2015 | 2014 |
|---|---|---|

### 9. Investment revenue

| | | |
|---|---|---|
| **Interest revenue** | | |
| Bank | 1,287,463 | 966,711 |

### 10. Conference surplus/(deficit)

| | | |
|---|---|---|
| Conference income | 14,700,432 | 13,214,890 |
| Conference sponsorships | 1,840,289 | 1,890,569 |
| Direct conference costs | (12,644,353) | (11,097,887) |
| | **3,896,368** | **4,007,572** |

### 11. Auditor's remuneration

| | | |
|---|---|---|
| Fees | 75,588 | 67,000 |

### 12. Cash generated from operations

| | | |
|---|---|---|
| Surplus before taxation | 2,933,366 | 4,105,806 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 154,561 | 49,014 |
| Interest received - investment | (1,287,463) | (966,711) |
| Finance costs | - | 1 |
| Movement in reserves | 30,000 | 300,000 |
| **Changes in working capital:** | | |
| Trade and other receivables | (113,934) | (8,164) |
| Trade and other payables | 4,612 | 2,636,247 |
| | **1,721,142** | **6,116,193** |

### 13. Directors' remuneration

**Executive**

**2015**

| | Emoluments | Total |
|---|---|---|
| Directors | 2,088,000 | 2,088,000 |

**2014**

| | Emoluments | Total |
|---|---|---|
| Directors | 1,680,000 | 1,680,000 |

### 14. Employee cost

| | | |
|---|---|---|
| **Indirect employee costs** | | |
| Basic | 8,487,103 | 7,070,185 |

### 15. Comparative figures

Certain comparative figures have been reclassified.