The Insurance Institute of South Africa NPC

(Registration Number 1993/002172/08)
Annual Financial Statements
for the year ended 31 December 2025

Audited Annual Financial Statements

in compliance with the Companies Act of South Africa

Prepared by: JTK Headbush

Professional designation: CA (SA)

Title: Executive Manager: Finance, Risk and Governance

The Insurance Institute of South Africa NPC

(Registration Number 1993/002172/08)
Annual Financial Statements for the year ended 31 December 2025

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	1993/002172/08
Registration Date	24 March 1993
Nature of Business and Principal Activities	The IISA 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.
Board of Directors	T C Mahlangu C N Molepe P Olyott V C Rozani J Lorathu N Bruwer Z Saungweme R Naicker I Mahlangu M Dowelani (Appointed 1 May 2025) P G Todd (Term ended 28 July 2025) A M Dias (Term ended 28 July 2025) D Dinnie (Resigned 28 July 2025)
Registered Office	Sandton Gate, 3rd floor 27 Minerva Avenue Glenadrienne Sandton 2196
Business Address	Sandton Gate, 3rd floor 27 Minerva Avenue Glenadrienne Sandton 2196
Postal Address	PO Box 413264 Craighall 2024
Bankers	First National Bank
Tax Number	9294062840

General Information

Auditors	Nexia SAB & T 119 Witch-Hazel Avenue Highveld Technopark Centurion
Published	20 June 2026

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Chief Executive Officer's Report

Insurance Institute of South Africa (IISA)
For the Year Ended 31 December 2025

Overview

The 2025 financial year represented a period of consolidation and continued organisational stability for the Insurance Institute of South Africa (IISA). Guided by our purpose to elevate the credibility of the insurance profession, the Institute continued focused on strengthening professional standards, expanding industry engagement, and ensuring the long-term sustainability of the organisation.

During the year, the Institute focused on strengthening stakeholder relationships, expanding professional development offerings, maintaining transformation leadership, and ensuring the long-term financial sustainability of the organisation.

Despite economic pressures affecting the broader financial services sector, the Institute demonstrated resilience and stability through prudent financial management, strategic partnerships, and the continued expansion of professional development initiatives.

Financial performance and sustainability

The Institute maintained a strong financial position throughout the year, supporting the Board's conclusion that the organisation remains a going concern.

For the 2025 financial year, the Institute recorded a surplus of R1,8 million, reflecting disciplined cost management and the successful execution of revenue-generating initiatives.

Total assets were at R38.4 million, exceeding liabilities of R9.8 million, resulting in a solid equity position of R28.6 million. These reserves provide a strong buffer to support the Institute's ongoing operations and future strategic initiatives.

Cash and bank balances remained healthy at R27.5 million at year-end, demonstrating the Institute's strong liquidity position and its ability to meet operational commitments while maintaining adequate reserves.

The Institute continues to monitor cash flows and expenditure closely, particularly given the evolving economic environment and the need to ensure long-term sustainability.

While revenue streams remain diversified across professional membership, corporate partnerships, professional development programmes, and events, management continues to focus on strengthening financial resilience and reducing dependency on any single income stream.

Professional development and member services

Professional development remains central to the Institute's mandate of advancing technical expertise and professional standards within the insurance sector.

During the reporting period, several operational improvements were implemented to enhance service delivery and operational efficiency. These included:

- Streamlining membership renewal processes to improve operational efficiency.
- Resolving 80% of member enquiries within a 24-hour service level agreement, contributing to improved service
- Enhancing the stakeholder portal to improve usability and credibility.
- Implementing automated controls to prevent duplicate CPD submissions.
- Delivering the Small, Medium, and Micro Enterprises Black Broker training programme, contributing to industry transformation and skills development.

These initiatives contributed to improved operational performance and strengthened the Institute's ability to support members and industry stakeholders.

However, a number of operational challenges were also identified during the year, including delays in membership application approvals, centralised member queries management, and billing discrepancies during membership upgrades and renewals. These challenges are being addressed through ongoing system improvements and strengthened data governance processes.

Stakeholder Engagement

The Institute continued to strengthen its industry presence through strategic business development and marketing initiatives aimed at increasing stakeholder engagement and expanding the Institute's visibility within the insurance sector.

Industry events and webinars remained an important platform for knowledge sharing and professional engagement. During the year, Institute-hosted webinars and seminars attracted over 11,000 delegates, reflecting strong interest in technical and professional development content.

Member engagement events such as the annual networking sessions and the industry golf day also continued to provide valuable opportunities for professional networking and stakeholder interaction.

Corporate partnerships remained a key pillar of the Institute's stakeholder ecosystem, with over 100 corporate partners participating in the Institute's programmes and initiatives during the year.

In addition, the Institute secured several corporate-sponsored skills development programmes aimed at strengthening technical capacity within the industry and supporting transformation objectives.

Digital engagement also continued to grow during the year, with the Institute expanding its reach across social media platforms and strengthening its digital communication channels.

Membership and industry participation

The Institute continues to play an important role in supporting the professional community within the insurance sector. Membership activities during the year reflected ongoing engagement with insurance professionals at different stages of their careers.

While membership growth remained steady, management's focus during the year shifted increasingly toward strengthening member value, improving operational processes, and enhancing the overall member experience, rather than purely expanding membership numbers.

Membership data indicates that the Institute continues to represent a diverse cross-section of the industry, with a strong presence of mid-career professionals who play an important role in the future leadership of the sector.

Member Feedback and Continuous Improvement

During the reporting period, the Institute also reflected on insights obtained from the 2024 member survey, which provided valuable feedback on member expectations, perceived value, and areas where the Institute could further strengthen its service offering.

Overall, the survey reaffirmed the Institute's important role as a professional body supporting the development and credibility of insurance professionals. At the same time, members highlighted several areas where improvements would enhance the overall member experience, including greater access to technical learning opportunities, improved engagement with members throughout the year, and enhancements to the digital membership platform.

In response to this feedback, the Institute implemented several initiatives during 2025 aimed at strengthening member value and engagement. These included expanding the number of technical webinars and seminars offered, improving responsiveness to member queries through strengthened service level agreements, and enhancing the stakeholder portal to improve usability and access to professional development resources.

The Institute also introduced more targeted stakeholder engagement initiatives, including networking events and industry-focused programmes, to foster stronger professional connections among members and corporate partners.

Member feedback remains an important input into the Institute's continuous improvement process. Management will continue to monitor member sentiment and engagement to ensure that the Institute remains responsive to the evolving needs of the insurance profession.

Transformation and inclusive growth

Transformation remains a fundamental component of the Institute's governance framework and strategic priorities.

During the reporting period, the Institute maintained its Level 1 B-BBEE status (this this under the generic codes), demonstrating continued leadership in advancing transformation within the insurance sector.

Key transformation achievements during the year included:

- 61% Black representation on the Board
- 38% Black female Board representation
- 100% Black Executive Directors and Executive Management
- Continued investment in training and development programmes for Black employees across occupational levels.

The Institute also exceeded several procurement targets by prioritising spending with empowering suppliers and Black-owned enterprises, while continuing to support socio-economic development initiatives that promote education and consumer awareness.

Strategic Outlook

Looking ahead, the Institute remains focused on strengthening its long-term sustainability and relevance within the insurance sector.

Key priorities for the coming year include:

- Strengthening stakeholder engagement across the insurance industry.
- Expanding technical training programmes and specialist masterclasses.

- Enhancing digital platforms and the stakeholder portal.
- Growing industry partnerships and professional development initiatives.
- Improving operational systems to enhance service delivery and data integrity.

The Institute will also continue to support youth development initiatives aimed at addressing the industry's skills shortage and preparing the next generation of insurance professionals.

Appreciation

On behalf of the Executive Management team, I would like to express my sincere appreciation to the Board of Directors for their continued guidance and strategic oversight.

I would also like to thank the Institute's staff, members, corporate partners, and industry stakeholders for their continued support and commitment to advancing professionalism within the insurance sector.

Together, we remain committed to strengthening the credibility, capability, and future sustainability of the insurance profession.

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. These annual financial statements have been prepared in accordance with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB®) and 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 IISA, and explain the transactions and financial position of the business of the IISA at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the IISA 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 IISA 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 IISA and all employees are required to maintain the highest ethical standards in ensuring the IISA's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the IISA is on identifying, assessing, managing and monitoring all known forms of risk across the IISA. While operating risk cannot be fully eliminated, the IISA 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 IISA will not be a going concern in the foreseeable future. The annual financial statements support the viability of the IISA.

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 unqualified audit report is presented on pages 14 to 16.

The annual financial statements set out on pages 17 to 37 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 7 May 2026 on its behalf by:

Z Saungweme	T C Mahlangu
Chaiperson of the Board	Chief Executive Officer

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The Insurance Institute of South Africa NPC for the year ended 31 December 2025.

1. Incorporation

The IISA was incorporated on 04 March 1993 and obtained its certificate to commence business on the same day.

2. Review of financial results and activities

Nature of Business

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.

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Companies Act of South Africa. 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 IISA are set out in these financial statements.

3. 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 board of directors believes that the IISA 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.

4. Insurance and risk management

The IISA follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjuction with the IISA's insurance brokers. All risks are considered to be adequately covered, exept for political risks, in the case of which as much cover is reasonably available has been arranged.

Directors' Report

5. Board of Directors

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

Directors	Office	Designation	Changes
Z Saungweme	Chairperson	Non-Executive	
T C Mahlangu	Chief Executive Officer	Executive	
C N Molepe		Non-Executive	
P Olyott		Non-Executive	
R Naicker		Non-Executive	
V C Rozani		Non-Executive	
J Lorathu		Non-Executive	
N Bruwer		Non-Executive	
I Mahlangu		Non-Executive	
M Dowelani		Non-Executive	Appointed 31 May 2025
P G Todd		Non-Executive	Term ended 28 July 2025
A M Dias		Non-Executive	Term ended 28 July 2025
D Dinnie		Non-Executive	Resigned 28 July 2025

6. Directors' interests in contracts

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

7. Independent Auditors

Nexia SAB & T was appointed as the independent auditors of the IISA for the 2025 financial year.

8. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on Wednesday, 8 April 2026. No authority was given to anyone to amend the annual financial statements after date of issue.

9. Acknowledgements

Thanks and appreciation are extended to all of our members, staff, suppliers and the insurance industry for their continued support for the IISA.

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 December 2025.

1. Audit committee terms of reference

The Audit, Risk, Investments and Governance Committee ('the Committee') is constituted as a Committee of the Board of Directors of the Insurance Institute of South Africa. The Committee carries out its mandate in accordance with the Audit, Investment, Risk & Governance Committee Charter.

2. Member and Attendance

The Committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor. The Committee met quarterly during the 2025 financial year.

Name of member	28 Mar 2025	30 June 2025	19 Sep 2025	21 Nov 2025
P G Todd (Chairperson)	Present	*Absent	#Retired	#Retired
V C Rozani (^Chairperson)	*Absent	Present	Present	Present
R Naicker	Present	Present	Present	*Absent
I Mahlangu	Present	Present	Present	Present
J T Lorathu	Present	Present	Present	Present

*Appologies received

End of term was reached 28 July 2025

^ Appointed as Chairperson on 28 July 2025

3. Roles and responsibilities

3.1 Statutory duties

Below are the key responsibilities of the Committee, detailed explanations of the responsibilities are contained in the approved Audit, Investment, Risk and Governance Committee Charter:

• Risk management;
• Audit management;
• Financial reporting;
• Investment management; and
• Compliance and Policy management.

Below are the objectives of the Committee:

• Oversight over IISA's governance, internal control and risk management processes;
• Enhance the assurance stakeholders can place on the governance of the institute as a result of the independence oversight it provides;
• Assist the board in the effective discharge of its responsibilities with the ultimate aim of the achievement of the IISA's objectives; and
• Oversees the functions of financial management, control and governance, by reviewing financial statements, reports from the internal and external auditors, status of internal control and risk management and thus providing meaningful advice on sustainability of the company to the Board.

Financial statements

The Committee is responsible for the review of the annual financial statements and annual report. The Committee has reviewed the annual financial statements and recommended their approval by the board.

Report of the Audit Committee

4. Annual Financial Statement

The Committee is satisfied with the preparation of the annual financial statements on a going concern basis.

5. Internal Assurance and Enterprise Risk Management Policy

The Committee is satisfied with the implementation of the enterprise risk management policy and that it would enhance the internal control environment within IISA. The Committee is responsible for the review of the top strategic and operational risks.

6. External Auditor

At the Annual General Meeting held on 28th of July 2025, Nexia SAB & T was appointed as the external auditors. The Committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

7. Finance Function

The Committee is satisfied with the competence of the finance function in discharging its operational finance and reporting responsibilities.

On behalf of the Committee:

Ms Veliswa Rozani
Chairperson of the Audit, Risk, Investments and Governance Committee
7 May 2026

Nexia SAB&T

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0157
T: +27 (0) 12 682 8800
info@nexia-sabt.co.za
www.nexia-sabt.co.za

INDEPENDENT AUDITOR'S REPORT

To the Directors of The Insurance Institute of South Africa NPC

Opinion

We have audited the financial statements of The Insurance Institute of South Africa NPC set out on pages 17 to 37, which comprise the statement of financial position as at 31 December 2025, and the statement of 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 Insurance Institute of South Africa NPC as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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 Insurance Institute of South Africa NPC Annual Financial Statements for the year ended 31 December 2025", 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 the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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
Caroline Chigora
Director
Registered Auditor
29 June 2026

Statement of Comprehensive Income

Figures in R	Notes	2025	2024
Revenue	12	51,503,952	40,361,591
Direct Expenses	13	(19,521,615)	(15,289,056)
Gross surplus		**31,982,337**	**25,072,535**
Other income	14	229,068	575,342
Other expenses	15	(32,835,142)	(22,825,953)
(Deficit) / surplus from operating activities		**(623,737)**	**2,821,924**
Finance income	16	2,393,246	2,406,428
Surplus for the year		**1,769,509**	**5,228,352**

The Insurance Institute of South Africa NPC

(Registration Number 1993/002172/08)
Annual Financial Statements for the year ended 31 December 2025

Statement of Financial Position

Figures in R	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	4	859,605	728,010
Intangible assets	5	336,343	206,817
Total non-current assets		**1,195,948**	**934,827**
Current assets			
Trade and other receivables	6	9,699,324	5,537,455
Cash and cash equivalents	7	27,504,211	30,440,131
Total current assets		**37,203,535**	**35,977,586**
Total assets		**38,399,483**	**36,912,413**
Equity and liabilities			
Equity			
Accumulated surplus		1,562,732	4,793,223
Other non-distributable reserves	8	27,000,000	22,000,000
Total equity		**28,562,732**	**26,793,223**
Liabilities			
Current liabilities			
Trade and other payables	9	9,684,476	9,856,874
Deferred income	11	152,316	262,316
Total current liabilities		**9,836,792**	**10,119,190**
Total equity and liabilities		**38,399,524**	**36,912,413**

Statement of Cash Flows

Figures in R	Notes	2025	2024
Net cash flows (used in) / from operations	22	**(4,761,633)**	**3,325,043**
Finance income		2,393,246	2,406,428
Net cash flows (used in) / from operating activities		**(2,368,387)**	**5,731,471**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(411,680)	(568,399)
Purchase of intangible assets		(155,850)	-
Cash flows used in investing activities		**(567,530)**	**(568,399)**
Net (decrease) / increase in cash and cash equivalents		**(2,935,917)**	**5,163,072**
Cash and cash equivalents at beginning of the year		30,440,131	25,277,059
Cash and cash equivalents at end of the year	**7**	**27,504,214**	**30,440,131**

Statement of Changes in Equity

Figures in R	Reserves	Retained Income	Total Equity
Balance at 1 January 2024 as previously reported	18,500,000	2,957,970	21,457,970
Increase (decrease) due to corrections of prior period errors	-	106,901	106,901
Balance at 1 January 2024 as restated	18,500,000	3,064,871	21,564,871
Changes in equity			
Surplus for the year	-	5,228,352	5,228,352
Total comprehensive income for the year	-	5,228,352	5,228,352
Transfers from retained income	3,500,000	(3,500,000)	-
Balance at 31 December 2024	**22,000,000**	**4,793,223**	**26,793,223**
Balance at 1 January 2025 as previously reported	22,000,000	4,793,262	26,793,262
Increase (decrease) due to corrections of prior period errors	-	(39)	(39)
Balance at 1 January 2025 as restated	22,000,000	4,793,223	26,793,223
Changes in equity			
Surplus for the year	-	1,769,509	1,769,509
Total comprehensive income for the year	-	1,769,509	1,769,509
Transfers from retained income	5,000,000	(5,000,000)	-
Balance at 31 December 2025	**27,000,000**	**1,562,732**	**28,562,732**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

2. Basis of preparation

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities, and the Companies of South Africa. The annual financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:
- Financial instruments which are measured at fair value.

These financial statements are prepared in Rands which is the IISA's functional currency. All financial information presented in Rands has been rounded to the nearest Rand, except when otherwise indicated. The financial statements were authorised for issue by the board of directors on 7 May 2026. These accounting policies are consistent with the previous period.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the board of directors.

Any other costs directly attributable to bringing the assets to a working condition for their intended use when the IISA has an obligation to remove the asset or restore the site, an estimate of the costs dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs; and

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of an item) is recognised within other income in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits of the expenditure will flow to the IISA. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or in respect of self constructed assets, from the date that the assets are completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognised in surplus or deficit.

The estimated useful lives for the significant items of property, plant and equipment are as follows:

Accounting Policies

Basis of preparation continued...

Asset class	Useful life / depreciation rate
Leasehold improvements	7-12 years
Motor vehicles	6 years
Furniture and fitting	6-12 years
Computer equipment	3-6 years

(iv) Reassessment of useful lives

The IISA shall review the useful lives and depreciation methods of PPE when indicators exist that current estimates may no longer be appropriate. A reassessment constitutes a change in accounting estimate and shall therefore be accounted for prospectively in accordance with Section 10 of IFRS for SMEs. The reassessment process shall ensure that the carrying amount of assets reflects the pattern in which future economic benefits are expected to be consumed.

2.2 Intangible assets

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

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

-it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on a straight line basis over the useful life of the intangible asset.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

The IISA shall review the useful lives and amortisation methods of intanfible assets when indicators exist that current estimates may no longer be appropriate. A reassessment constitutes a change in accounting estimate and shall therefore be accounted for prospectively in accordance with Section 10 of IFRS for SMEs. The reassessment process shall ensure that the carrying amount of assets reflects the pattern in which future economic benefits are expected to be consumed.

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

Asset class	Useful life / amortisation rate
Intangible assets	15 years

Accounting Policies

Basis of preparation continued...

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of fifteen years.

The IISA shall review the useful lives and depreciation methods of Intangible Assets when indicators exist that current estimates may no longer be appropriate. A reassessment constitutes a change in accounting estimate and shall therefore be accounted for prospectively in accordance with Section 10 of IFRS for SMEs. The reassessment process shall ensure that the carrying amount of assets reflects the pattern in which future economic benefits are expected to be consumed.

2.3 Financial instruments

IISA recognised a financial asset or a financial liability in the statement of financial position when, and only when it becomes a party to the contractual provisions of the instrument.

IISA classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the IISA will not be able to collect all amounts due according to the original terms of the receivables.

Bad debt management

An ageing accounts receivable report is to be run monthly.

- All debtors balances older than 240 days are to be provided for as doubtful debts.
- All debtors balances over 365 days are to be written off on recommendation by the Finance Executive and approval by the CEO for onward submission to the Audit, Risk, Investment and Governance Committee.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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

Trade and other payables expose IISA to liquidity risk and possibly to interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Accounting Policies

Basis of preparation continued...

2.4 Leases

Operating leases as lessor

Assets subject to operating leases are included in the statements of financial position according to the nature of the asset.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under other income in profit or loss.

Operating leases as lessee

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

IISA recognises revenue from the following major sources:

- Membership income
- Corporate partners
- Conference revenue
- BAC services
- Learning and development income
- Leadership and skills development income

Revenue is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

The entity has transferred the significant risks and rewards of ownership of the goods to the buyer;
The entity retains neither continuing managerial involvement nor effective control over the goods sold;
The amount of revenue can be measured reliably;
It is probable that the economic benefits associated with the transaction will flow to the entity; and
The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue shall be measured at the fair value of the consideration received or receivable, net of value added tax (VAT), trade discounts and sales returns.

Accounting Policies

Basis of preparation continued...

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

The expected cost of bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised as an expense in the period it falls due.

2.7 Reserves

The purpose of the Reserving Policy is to ensure the stability of the ongoing operations of the organisation, its projects/ programs, and employment. Reserves are intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

Minimum reserves

The Reserve is made up of designated funds set aside by action of the Board of Directors. The minimum amount to be designated will be an amount sufficient to maintain ongoing operations and projects/ programs for a set period of time.

The Minimum Reserve Fund is equal to twelve months of operating and administrative costs excluding conference costs. The operating and administrative costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office expenses, delivering training programmes, IT related costs, and ongoing professional services.

Funding the reserves

The Reserve Fund will be funded with surplus funds or net income. The Board of Directors may direct that a specific source of revenue be set aside for Reserves.

Annual review

The Reserve Fund will be reviewed and adjusted in response to internal and external changes. The minimum amount of the Reserve Fund will be calculated each year after approval of the annual budget and submitted to the committee for approval and onward submission to the Board for final approval. The approved Reserve Fund will be included in the management accounts. The Reserve Fund will be recorded in the annual financial statements, management accounts as well as the finance system.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements continued...

Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with International Financial Reporting Standards for Small and Medium-Sized Entities 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.

Notes to the Annual Financial Statements

Figures in R | **2025** | **2024**

4. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
Furniture and Fixures	409 176	(131 177)	277 999	265 378	(105 214)	160 164
Motor vehicles	268 619	(66 371)	202 248	268 619	(21 593)	247 027
Computer equipment	589 396	(248 097)	341 299	553 098	(331 543)	221 555
Leasehold improvements	563 419	(525 360)	38 058	556 414	(457 150)	99 263
Total	**1830 610**	**(971 005)**	**859 604**	**1643 509**	**(915 500)**	**728 009**

Reconciliation of property, plant and equipment - 2025

	Opening balance	**Additions**	**Write off**	**Depreciation**	**Total**
Furniture and Fixures	160 164	164 381	(6 293)	(40 253)	277 999
Motor vehicles	247 028	-	-	(44 780)	202 248
Computer equipment	221 518	240 294	(14 891)	(105 622)	341 299
Leasehold improvements	99 263	7 005	-	(68 210)	38 058
	727 973	**411 680**	**(21 184)**	**(258 865)**	**859 604**

Reconciliation of property, plant and equipment - 2024

	Opening balance	**Additions**	**Write off**	**Depreciation**	**Total**
Furniture and Fixures	99 695	101 344	-	(40 875)	160 164
Motor vehicles	19 743	268 619	(14 640)	(26 695)	247 028
Computer equipment	141 359	203 727	(14 075)	(109 456)	221 555
Printing equipment	4 712	-	-	(4 712)	-
Leasehold improvements	210 851	-	-	(111 588)	99 263
	476 360	**573 690**	**(28 715)**	**(293 326)**	**728 010**

Computer Equipment with a total cost of R203 298 and accumulated depreciation of R188 407 were written off due to obsolescence, theft or damage. The net effect of the write off was R14 891.

Furniture and Fixtures with a total cost of R20 583 and accumulated depreciation of R14 290 were written off due to obsolescence, theft or damage. The net effect of the write off was R6 293.

A register containing the information registered by the Companies of South Africa is available for inspection at the registered office of IISA.

Notes to the Annual Financial Statements

Figures in R | **2025** | **2024**

5. Intangible assets

	2025			2024		
	Cost	Accumulated ammortisation	Carrying Value	Cost	Accumulated amortisation	Carrying Value
Computer software	1021 294	(684 951)	336 343	865 444	(658 627)	206 817
	1021 294	**(684 951)**	**336 343**	**865 444**	**(658 627)**	**206 817**

Reconciliation of changes in intangible assets - 2025

	Opening balance	**Additions**	**Write off**	**Ammortisation**	**Total**
Computer software	206 817	155 850	0	(26 324)	336 343
	206 817	**155 850**	**0**	**(26 324)**	**336 343**

Reconciliation of changes in intangible assets - 2024

	Opening balance	**Additions**	**Write off**	**Ammortisation**	**Total**
Computer software	227 679	0	0	(20 862)	206 817
	227 679	**0**	**0**	**(20 862)**	**206 817**

6. Trade and other receivables

6.1 Trade and other receivables comprise:

	2025	2024
Trade receivables	7,911,028	4,743,257
Trade receivables impairment	(1,769,938)	(495,806)
Trade receivables - net	6,141,090	4,247,451
Sundry debtors	56,085	86,626
Prepaid expenses	274,816	221,264
VAT	3,092,816	843,386
Other receivables	134,517	138,728
Total trade and other receivables	**9,699,324**	**5,537,455**

6.2 Items included in Trade and other receivables not classified as financial instruments

	2025	2024
Prepaid expenses	274,816	221,264
VAT	3,092,816	843,386
Total non-financial instruments included in trade and other receivables	**3,367,632**	**1,064,650**
Total trade and other receivables excluding non-financial assets included in trade and other receivables	6,331,692	4,472,805
Total trade and other receivables	**9,699,324**	**5,537,455**

Notes to the Annual Financial Statements

Figures in R	2025	2024

7. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash		
Bank balances	2,108,659	169,225
Cash equivalents		
Short term investments	23,736,829	21,531,144
Demand deposits	1,658,723	8,739,762
	25,395,552	**30,270,906**
	27,504,211	**30,440,131**

8. Reserves

Nature and purpose of reserves

Reserves	27,000,000	22,000,000

The purpose of the reserves is to ensure the stability of the ongoing operations of the organisation, its projects/ programs, and employment. Reserves are intended to provide an internal source of funds for situations such as sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

During the financial year, the board of directors approved the increase of contingency reserves by R5 000 000, to ensure the stability of the ongoing operations of the organisation, its projects, programs and employment.

9. Trade and other payables

9.1 Trade and other payables comprise:

Trade payables	751,492	68,387
Income received in advance	4,475,928	5,248,506
Leave and bonus payable	2,166,593	2,326,641
Accrued lease payable	237,463	244,887
Debtors with credit balances	248,755	490,366
Bank balance	-	10,514
Accrued expense	-	2,135
Unclaimed deposits	1,396,686	1,145,604
Deposits received	18,328	18,328
Payroll liabilities	389,231	301,506
Total trade and other payables	**9,684,476**	**9,856,874**

Notes to the Annual Financial Statements

Figures in R	2025	2024

Trade and other payables continued...

9.2 Items included in trade and other payables not classified as financial liabilities

Income received in advance	4,475,928	5,248,506
Leave and bonus payable	2,166,593	2,326,641
Payroll liabilities	389,231	301,506
Debtors with credit balances	248,755	490,366
Accrued lease payable	237,463	244,887
Total non-financial liabilities included in trade and other payables	**7,517,970**	**8,611,906**
Total trade and other payables excluding non-financial liabilities included in trade and other payables	2,166,506	1,244,968
Total trade and other payables	**9,684,476**	**9,856,874**

10. Commitments

10.1 Operating lease - as lesee (expense)

Not later than one year	2,142,088	1,458,199
Later than one year and not later than five years	8,568,352	-
Later than five years	3,034,625	-
	13,745,065	**1,458,199**

Operating lease payments represent rentals payable by IISA for its office premises. Leases are nogotiated for an average term of five to seven years and rentals increase by 7% annully. No contingent rent is payable.

10.2 Operating lease - as lesee (income)

Not later than one year	136,919	103,425
Later than one year and not later than five years	524,854	-
	661,773	**103,425**

Certain of IISA's office space generates rental income. The average lease agreement term is 60 months with a 5% annual escalation.

11. Deferred income

11.1 Deferred income comprise:

Insurance skills development fund	-	110,000
Leadership and skills development fund	152,316	152,316
	152,316	**262,316**

Notes to the Annual Financial Statements

Figures in R — **2025** — **2024**

Deferred income continued...

11.2 Reconciliation of deferred income - 2025

	Opening balance	Movement	Closing balance
Insurance skills development fund	110 000	(110 000)	0
Leadership and skills development fund	152 316	-	152 316
	262 316	**(110 000)**	**152 316**

Reconciliation of deferred income - 2024

	Opening balance	Movement	Closing balance
Insurance skills development fund	100 000	10 000	110 000
Leadership and skills development fund	152 316	-	152 316
	252 316	**100 000**	**262 316**

IISA received funding for skills development from the industry, which should be utlised in subsidising registration fees and others expenses for forums and seminars offered to delegates. The other expenses also entail items such as venue hire, travel and accomodation and refreshments.

12. Revenue

Revenue comprises:

	2025	2024
Sale of goods	581,573	537,995
Rendering of services	50,922,379	39,823,596
Total revenue	**51,503,952**	**40,361,591**

13. Direct Expenses

Direct Expenses comprise:

	2025	2024
Rendering of services	19,521,615	15,289,056

14. Other income

Other income comprises:

	2025	2024
Other income	94,126	409,081
Bad debts recovered	10,832	48,061
Rent received	124,110	118,200
Total other income	**229,068**	**575,342**

Notes to the Annual Financial Statements

Figures in R	2025	2024

15. Other expenses

Other expenses comprise:

Advertising	1,242,407	1,005,116
Amortisation	26,324	20,862
Auditors remuneration - external and internal audits	266,676	166,110
Bad debts	2,121,573	758,904
Bank charges	102,353	91,546
Computer expenses	1,459,638	1,139,543
Consulting and professional fees	1,586,164	503,215
Depreciation	258,864	288,035
Employee benefit expenses	21,109,831	15,637,591
Entertainment	7,997	6,811
Expenditure on local institutes	154,504	75,475
Fines and penalties	1,189	824
Impairment	21,183	29,376
Insurance	201,020	163,695
Lease rentals on operating lease	1,733,764	1,455,974
Motor vehicle expense	32,659	23,523
Municipal charges	580,672	554,840
Postage	22,290	23,677
Printing and stationery	119,328	107,927
Property related expenses	49,138	59,614
Repairs and maintenance	26,570	65,895
Social Investment Expense	681,618	77,000
Telephone and fax	309,057	244,088
Travel	720,323	326,312
Total other expenses	**32,835,142**	**22,825,953**

16. Finance income

Finance income comprises:

Investment income	2,393,246	2,406,428

Figures in R	2025	2024

17. Employee costs

17.1 Employee costs comprise:

	2025	2024
Basic	9,480,235	7,874,486
Bonus	2,962,195	2,439,603
SARS payroll expenses	4,357,022	3,435,584
Group risk and medical benefits	4,136,274	1,840,766
Leave pay	174,105	47,152
Total salaries	**21,109,831**	**15,637,591**

18.2 Directors' Remuneration
Executive
2025

	Emoluments	Annual bonus	Total
TC Mahlangu	3,647,791	989,726	4,637,517
	3,647,791	**989,726**	**4,637,517**

2024

	Emoluments	Annual bonus	Total
TC Mahlangu	3,410,126	1,088,850	4,498,976
	3,410,126	**1,088,850**	**4,498,976**

18. Related parties
Relationships

Members of key management	TC Mahlangu
Directors	CN Molepe
	PG Todd
	AM Dias
	P Olyott
	Z Saungweme
	I Mahlangu
	D Dinnie
	R Naicker
	VC Rozani
	JT Lorathu
	N Bruwe
	M Dowelani

Compensation paid to directors and key management personnel

	2025	2024
Short-term employee benefits	4,637,517	4,498,976

Notes to the Annual Financial Statements

Figures in R	2025	2024

19. Change in accounting estimates

In applying the accounting policy for property plant and equipment and intangible assets, management has reviewed the useful life of the following category:

Property, plant and equipment

During the reassessment of useful lives of property, plant and equipment usefulives were revised from 3 years to 4 years. The impact of the revision is provided below:

Accounts recevables

During the financial year ended 31 December 2025, the Board approved a revision to the Company's provisioning methodology for corporate partner receivables. Previously, corporate partner debtors were assessed for impairment and provided for as doubtful once outstanding for more than 120 days. Following a review of historical collection patterns, credit risk experience, and the nature of corporate partner relationships, management revised this estimate to 240 days. The impact of the revision is provided below:

Statement of Comprehensive Income:	**Previously stated**	**Adjustment**	**Restated Amount**
Decrease in computer equipment depreciation	130,118	24,496	105,622
Decrease in leasehold improvements depreciation	94,072	25,862	68,210
Decrease in furnituire and equipment depreciation	47,707	7,454	40,253
Decrease in bad debts expense	1,409,953	135,821	1,274,132
	1,681,849	**193,632**	**1,488,217**

Statement of Financial Position:			
Increase in property, plant and equipment	801,794	57,811	859,605
Increase in Accounts receivable (decrease in bad debts)	9,563,503	135,821	9,699,324
	10,365,297	**193,632**	**10,558,929**

20. Events after the reporting date

The directors have evaluated events subsequent to the reporting date up to the date of approval of these financial statements.

No adjusting or non-adjusting events occurred between the reporting date and the date of approval of the financial statements that would require adjustment to, or disclosure in, these financial statements in accordance with Section 32, Events after the End of the Reporting Period, of the IFRS for SMEs Standard.

21. 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.

Notes to the Annual Financial Statements

Figures in R	2025	2024

22. Cash (used in)/ generated from operations

Surplus for the year	**1,769,509**	**5,228,352**
Adjustments for:		
Finance income	(2,393,246)	(2,406,428)
Depreciation and amortisation expense	285,188	308,933
Bad debts	2,142,756	758,904
Change in operating assets and liabilities:		
Adjustments for increase in trade accounts receivable	(4,015,212)	(3,242,406)
Adjustments for (increase) / decrease in other operating receivables	(2,268,230)	1,201,533
Adjustments for increase / (decrease) in trade accounts payable	683,105	(19,415)
Adjustments for (decrease) / increase in other operating payables	(855,503)	1,485,570
Adjustments for (decrease) / increase in deferred income	(110,000)	10,000
Net cash flows (used in) / from operations	**(4,761,633)**	**3,325,043**

23. Taxation

No provision for income tax has been made in the annual financial statements because IISA is exempt from income tax in terms of section 10(1)(d)(iii) of the Income Tax Act No. 58 of 1962

Figures in R	2025	2024

24. Financial instruments and risk management

24.1 Categories of financial instruments

Financial Assets

Financial Assets at Amortised Cost	**2025 (R)**	**2024 (R)**
Trade receivables - net	6,141,090	4,247,451
Sundry debtors	56,085	86,626
Other receivables	134,517	138,728
Cash and cash equivalents	27,504,211	30,440,131
Total Financial Assets	**33,835,903**	**34,912,936**

Financial Liabilities

Financial Liabilities at Amortised Cost	**2025 (R)**	**2024 (R)**
Trade payables	751,492	68,387
Accrued lease payable	237,463	244,887
Unclaimed deposits	1,396,686	1,145,604
Deposits received	18,328	18,328
Total Financial Liabilities	**2,403,969**	**1,477,206**

The carrying amounts of financial assets and financial liabilities approximate their fair values due to the short term nature of these instruments.

24.2 Financial Risk Management

Overview
The institute is exposed to the following risks arising from financial instruments:

Credit risk;
Liquidity risk; and
Market risk, comprising interest rate risk

The board of directors has the overall responsibility for the establishment and oversight of the IISA's risk management framework. The Audit, Risk, Investments and Governance Committee assists the Board in monitoring the effectiveness of risk management processes.

Credit Risk
Credit is the risk of financial loss to the IISA if a customer or counterparty fails to meet its contractual obligations.

The IISA's maximum exposure to credit risk at year-end was:

Financial Assets	**2025 (R)**	**2024 (R)**
Trade receivables - net	6,141,090	4,247,451
Sundry debtors and other receivables	190,602	225,354
Cash and cash equivalents	27,504,211	30,440,131
Maximum Exposure to credit risk	**33,835,903**	**34,912,936**

Notes to the Annual Financial Statements

Figures in R	2025	2024

Financial instruments and risk management continued...

The IISA manages credit risk through ongoing monitoring of receivable balances, regular review of debtor ageing reports and the application of impairment provisions in accordance with approved policies. Cash resources are investd with reputable South African institutions.

Liquidity Risk

Liquidity risk is the risk that the IISA will encounter difficulty in meeting obligations associated with financial liabilities.

The Institute manages liquidity risk by maintaining adequate cash reserves and monitoring forecast cash flows. At 31 December 2025, the Institute held cash and cash equivalents of R27,504,211 (2024: R30,440,131), which significantly exceeded its financial liabilities of R2,403,969 (2024: R1,477,206).

The contractual maturity profile of financial liabilities was as follows:

2025	**Total (R)**
Trade payables	751,492
Deposits received	18,328
Unclaimed deposits	1,396,686
	2,166,506

Market Risk

Interest Rate Risk

The Institute is exposed to interest rate risk through cash and cash equivalent balances invested with financial institutions.

At 31 December 2025, interest-bearing cash and cash equivalents amounted to R27,504,211 (2024: R30,440,131). Finance income earned during the year amounted to R2,393,246 (2024: R2,406,428).

Management continuously monitors prevailing interest rates and investment opportunities to optimise returns while preserving capital.

Foreign Currency Risk

The Institute is not exposed to significant foreign currency risk as substantially all transactions are denominated in South African Rand.

Price Risk

The Institute does not hold listed equity investments or other market-traded financial instruments and is therefore not exposed to significant price risk.

Detailed Income Statement

Figures in R	Notes	2025	2024
Revenue	12		
Book sales		581,573	537,995
Conference revenue		18,855,398	15,684,450
Corporate partners		6,567,637	5,708,990
CPD Accreditation		476,307	596,480
Examination services		1,809,215	2,147,809
Foreign income		-	235,400
Leadership and skills development		11,974,869	5,779,302
Learning and development		527,162	261,197
Membership		10,711,791	9,409,968
		51,503,952	**40,361,591**
Direct Expenses	13		
Conference services		(13,363,038)	(11,403,987)
Examinations and events		(1,217,715)	(1,521,067)
Projects		(4,940,862)	(2,364,002)
		(19,521,615)	**(15,289,056)**
Gross surplus		**31,982,337**	**25,072,535**
Other income	14		
Bad debts recovered		10,832	48,061
Claims and reimbursements		94,126	409,081
Rent received		124,110	118,200
		229,068	**575,342**

Detailed Income Statement

Figures in R	Notes	2025	2024
Other expenses	15		
Advertising		(1,242,407)	(1,005,116)
Amortisation - intangible assets		(26,324)	(20,862)
Auditors remuneration - external and internal audits		(266,676)	(166,110)
Bad debts		(2,121,573)	(758,904)
Bank charges		(102,353)	(91,546)
Computer expenses		(1,459,638)	(1,139,543)
Consulting and professional fees		(1,586,164)	(503,215)
Depreciation - property, plant and equipment		(258,864)	(288,035)
Employee costs - salaries	17	(21,109,831)	(15,637,591)
Entertainment		(7,997)	(6,811)
Expenditure on local institutes		(154,504)	(75,475)
Fines and penalties		(1,189)	(824)
Impairments property, plant and equip.		(21,183)	(29,376)
Insurance		(201,020)	(163,695)
Lease rentals on operating lease		(1,733,764)	(1,455,974)
Motor vehicle expense		(32,659)	(23,523)
Municipal charges		(580,672)	(554,840)
Office expenses		(49,138)	(59,614)
Postage		(22,290)	(23,677)
Printing and stationery		(119,328)	(107,927)
Repairs and maintenance		(26,570)	(65,895)
Social Investment Expense		(681,618)	(77,000)
Telephone and fax		(309,057)	(244,088)
Travel		(720,323)	(326,312)
		(32,835,142)	**(22,825,953)**
(Deficit) / surplus from operating activities		**(623,737)**	**2,821,924**
Finance income	16		
Investment income		2,393,246	2,406,428
Surplus for the year		**1,769,509**	**5,228,352**