


# The Insurance Institute of South Africa NPC

**(Registration Number 1993/002172/08)**

**Annual Financial Statements**

**for the year ended 31 December 2023**

**Audited Financial Statements**

in compliance with the Companies Act of South Africa

Prepared by: JTK Headbush

Professional designation: CA (SA)

Title: Executive Manager Finance and Operations

# The Insurance Institute of South Africa NPC

(Registration Number 1993/002172/08)
Annual Financial Statements for the year ended 31 December 2023

## General Information

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|---|---|
| **Country of Incorporation and Domicile** | South Africa |
| **Registration Number** | 1993/002172/08 |
| **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. |
| **Board of Directors** | C N Molepe<br>T C Mahlangu<br>P G Todd<br>D N De Vos<br>A M Dias<br>P Olyott<br>Z Saungweme<br>I Mahlangu<br>D Dinnie<br>R Naicker<br>N L Morwe (Resigned 28 August 2023)<br>T P Baloyi (Resigned 19 September 2023)<br>S H Schoeman (Resigned 30 September 2023) |
| **Registered Office** | Sandton Gate, 3rd floor<br>27 Minerva Avenue<br>Glenadrienne<br>Sandton<br>2196 |
| **Postal Address** | PO Box 413264<br>Craighall<br>2024 |
| **Bankers** | First National Bank |
| **Tax Number** | 9294062840 |
| **Auditors** | Nexia SAB & T<br>119 Witch-Hazel Avenue<br>Highveld Technopark<br>Centurion |
| **Published** | 10 April 2024 |

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(Registration Number 1993/002172/08)

Annual Financial Statements for the year ended 31 December 2023

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**CEO Report**

We are pleased to present the Insurance Institute of South Africa's (IISA) CEO Report for the 2023 financial year. It has been a challenging yet successful year for our company, with many achievements and milestones reached.

**Financial Performance:**

Our company's revenue grew by 26% compared to the previous year, reaching a total of R30.8m. This growth was driven by strong membership sales which grew by 54%, gross income from the conference recorded a 29% growth, 3% increase in income from the corporate partners, 11% growth in income from book sales, investment income grew by 120%, bad debts reduced by more than 50%, and effective management of costs and efficiency in our operations.

This resulted in a net surplus of R1,8m vs R885k in 2022, recording a healthy profit margin of 6% which is an increase from 4% profitability in 2022. The Institute's solvency and liquidity has been stable in the past 4 years despite the slight decline in liquidity in 2020 which has since recovered.

Cash flow remained strong, allowing us to increase our contingency reserves; we recorded a 14% increase in cash and cash equivalents. Total assets increased by 20% in 2023 i.e. R30.3m in 2023 vs R25.3m.

**Operational Highlights:**

We successfully launched membership activations which have been well-received by the industry and contributed to our revenue growth.

Our marketing and sales teams implemented several successful campaigns that increased our brand presence and awareness in the industry, enhanced our online presence, and improved our member satisfaction index and retention index.

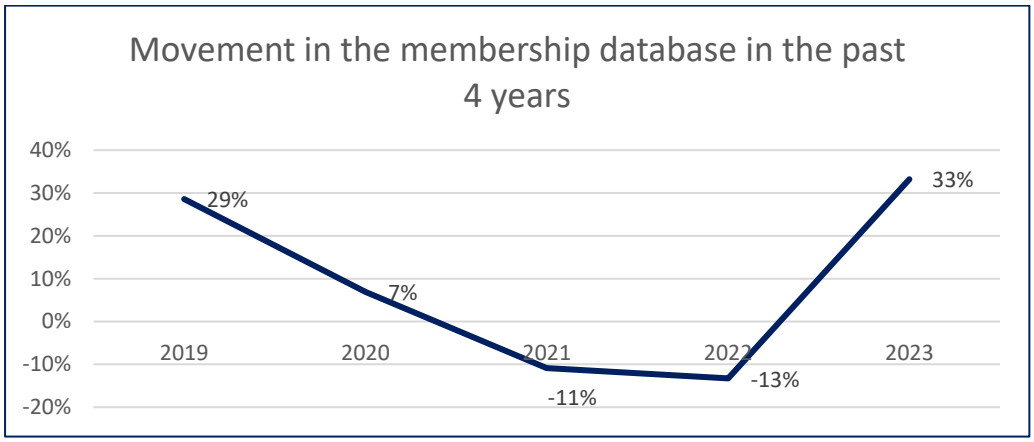
We made significant improvements to our income collection, resulting in shorter debtors' days and improved customer satisfaction and experience.

Our staff members are one of the critical assets of the business, through successful implementation of our human capital strategies we have maintained 100% employee satisfaction index as have had zero staff turnover.

The membership base has been declining since 2019, this is due to an increase in retiring members as well as retrenchments experienced in the industry. To combat this risk, the Institute capacitated the business development department to focus on growing the

membership base. The positive results of this approach can be noted in the 2023 increase in the membership base which recorded 33% growth and 92% retention rate.

The graph below indicates the movement in the membership base since 2019:




**Strategic Initiatives:**

The 2023 key focus areas were set as:

- Elevating the relevance of the insurance profession to be one that is aspired to,
- Grow the membership base and income,
- Being the central organisation/hub for skills development in the industry,
- Deliver training on critical skills,
- Deliver work readiness programmes.

We successfully delivered on all the above focus areas as can be noted on the above paragraphs. Furthermore, we delivered various training programmes focused on continuing skills development, through the training programme, we reached over 3 300 professionals.

We also focused on creating a pool of skilled insurance professionals and address socio economic challenges through empowerment and upskilling of matriculants with work readiness tools relevant the insurance industry. This we achieved through launching the work readiness programme, which is currently underway, upon completion of the programme the learners will exist with a NQF 5 qualification and work experience which will make them employable.

Our commitment to transformation is prevalent in us having obtained a level 1 BBBEE rating, this indicates our intentional approach to transformation on all elements of the broad based black economic empowerment.

Looking Ahead: As we move into the next financial year, we remain focused on growing the membership base, awareness of the service offering through differentiation, and optimising

the use of technology and drive operational excellence to ensure our long-term success. This focus will enable the Institute to be relevant and sustainable.

We thank our dedicated employees, loyal members, supportive corporate partners, sponsors, and engaged board members for their continued commitment and partnership. Together, we have achieved great things this year, and we are confident that we will continue to build on this success in the years to come.

## Directors' Responsibilities and Approval

The board of directors is required by the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the 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.

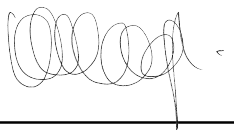
The focus of risk management in the IISA is on identifying, assessing, managing and monitoring all known forms of risk across the IISA. While operating risk cannot be fully eliminated, the IISA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 audit 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 report is presented on pages 11 to 13.

The external auditors are responsible for independently auditing and reporting on the IISA's annual financial statements. The annual financial statements have been examined by the IISA's external auditors and their unqualified audit report is presented on pages 11 to 13.

The annual financial statements set out on pages 14 to 30 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 10 April 2024 on its behalf by:



C N Molepe



T C Mahlangu

## 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 2023.

### 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.

## Directors' Report

### 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.

### 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 |
|---|---|---|---|
| C N Molepe | Chairperson | Non-Executive | |
| T C Mahlangu | Chief Executive Officer | Executive | |
| P G Todd | | Non-Executive | |
| D N De Vos | | Non-Executive | |
| A M Dias | | Non-Executive | |
| P Olyott | | Non-Executive | |
| Z Saungweme | | Non-Executive | |
| I Mahlangu | | Non-Executive | |
| D Dinnie | | Non-Executive | |
| R Naicker | | Non-Executive | |
| N L Morwe | | Non-Executive | Resigned 28 Aug 2023 |
| T P Baloyi | | Non-Executive | Resigned 19 Sep 2023 |
| S H Schoeman | | Non-Executive | Resigned 30 Sep 2023 |

### 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 as the IISA for the 2023 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, 10 April 2024. 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, Risk, Investments and Governance Committee

We are pleased to present our report for the financial year ended 31 December 2023.

### 1. 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. Members 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 2023 financial year.

| Name of member | 28 Mar 2023 | 20 June 2023 | 19 Sep 2023 | 28 Nov 2023 |
|---|---|---|---|---|
| P G Todd (Chairperson) | Present | Present | Present | Present |
| R Naicker | Absent* | Present | Present | Absent* |
| D N De Vos | Present | Present | Present | Present |
| I Mahlangu | Present | Present | Present | Present |

* Apologies received

### 3. Role 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, Risk, Investments and Governance Committee

**4. Annual Financial Statements**

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 25th of July 2023, 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 Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act 71 of 2008 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:



**Peter Todd**
**Chairperson of the Audit, Risk, Investments and Governance Committee**
**10 April 2024**

## Independent Auditor's Report

**To the Member of The Insurance Institute of South Africa NPC**

**Report on the Audit of the Annual Financial Statements**

**Opinion**

We have audited the annual financial statements of The Insurance Institute of South Africa NPC set out on pages 14 to 30, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Insurance Institute of South Africa NPC as at 31 December 2023, 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 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 Annual Financial Statements section of our report. We are independent of the IISA 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Other Information**

The board of directors is 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 2023", which includes the Directors' Report, the statement of Directors' Responsibilities and Approval, and the Report of the Audit, Risk, Investments and Governance Committee as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Board of Directors for the Annual Financial Statements**

The board of directors is responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the board of directors determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the board of directors is responsible for assessing the IISA'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 board of directors either intends to liquidate the IISA or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 IISA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of 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 IISA'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 annual 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 IISA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Per: A Ramasike**
**CA(SA) R.A**
**Registered Auditor**

**119 Witch-Hazel Avenue**
**Highveld Technopark**
**Centurion**

## Statement of Comprehensive Income

| Figures in R | Notes | 2023 | 2022 |
|---|---|---|---|
| Revenue | 12 | 27,988,659 | 22,899,104 |
| Direct Expenses | 13 | (9,796,539) | (7,815,279) |
| **Gross surplus** | | **18,192,120** | **15,083,825** |
| Other operating income | 14 | 695,818 | 253,945 |
| Other operating expenses | 15 | (19,249,244) | (15,679,215) |
| **Operating (deficit)** | 16 | **(361,306)** | **(341,445)** |
| Finance income | 17 | 2,141,302 | 1,226,292 |
| **Surplus for the year** | | **1,779,996** | **884,847** |

## Statement of Financial Position

| Figures in R | Notes | 2023 | 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 476,360 | 595,521 |
| Intangible assets | 5 | 227,679 | 248,541 |
| | | **704,039** | **844,062** |
| **Current assets** | | | |
| Trade and other receivables | 6 | 4,260,777 | 2,240,069 |
| Cash and cash equivalents | 7 | 25,277,059 | 22,203,434 |
| | | **29,537,836** | **24,443,503** |
| **Total assets** | | **30,241,875** | **25,287,565** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Retained income | | 3,163,886 | 2,383,890 |
| Reserves | 8 | 18,500,000 | 17,500,000 |
| | | **21,663,886** | **19,883,890** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 9 | 8,325,673 | 5,097,958 |
| Deferred income | 11 | 252,316 | 305,717 |
| | | **8,577,989** | **5,403,675** |
| **Total equity and liabilities** | | **30,241,875** | **25,287,565** |

## Statement of Cash Flows

| Figures in R | Notes | 2023 | 2022 |
|---|---|---|---|
| **Net cash flows from / (used in) operations** | 22 | 1,057,709 | (631,482) |
| Finance income | | 2,141,302 | 1,226,292 |
| **Total cash movement for the year** | | **3,199,011** | **594,810** |
| **Cash flows used in investing activities** | | | |
| Purchase of property, plant and equipment | | (125,386) | (141,628) |
| **Cash flows used in investing activities** | | **(125,386)** | **(141,628)** |
| **Net increase in cash and cash equivalents** | | **3,073,625** | **453,182** |
| Cash and cash equivalents at beginning of the year | | 22,203,434 | 21,379,102 |
| **Cash and cash equivalents at end of the year** | 7 | **25,277,059** | **21,832,284** |

## Statement of Changes in Equity

| Figures in R | Reserves | Retained income | Total Equity |
|---|---|---|---|
| **Balance at 1 January 2022 as previously reported** | 16,500,000 | 2,510,031 | 19,010,031 |
| Increase (decrease) due to corrections of prior period errors | - | (10,988) | (10,988) |
| **Balance at 1 January 2022 as restated** | 16,500,000 | 2,499,043 | 18,999,043 |
| **Changes in equity** | | | |
| Surplus for the year | - | 884,847 | 884,847 |
| Transfers from retained income | 1,000,000 | (1,000,000) | - |
| **Balance at 31 December 2022** | **17,500,000** | **2,383,890** | **19,883,890** |
| **Balance at 1 January 2023 as previously reported** | 17,500,000 | 2,377,701 | 19,877,701 |
| Increase (decrease) due to corrections of prior period errors | - | 6,189 | 6,189 |
| **Balance at 1 January 2023 as restated** | 17,500,000 | 2,383,890 | 19,883,890 |
| **Changes in equity** | | | |
| Surplus for the year | - | 1,779,996 | 1,779,996 |
| Transfers from retained income | 1,000,000 | (1,000,000) | - |
| **Balance at 31 December 2023** | **18,500,000** | **3,163,886** | **21,663,886** |

## 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 Act 71 of 2008. 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 10 April 2024. 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.

Costs include expenditure that is directly attributable to the acquisition of asset. The cost of self-constructed assets includes the following:

The cost of material and direct labour;

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

Purchased software that is integral to the functionality of the related equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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**

## Accounting Policies

***Basis of preparation continued...***

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:

| Asset class | Useful life / depreciation rate |
|---|---|
| Leasehold improvements | 5 years |
| Motor vehicles | 6 years |
| Fixtures and fittings | 6 years |
| Computer equipment | 3-6 years |
| Printing Equipment | 8 years |

**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.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

## Accounting Policies

***Basis of preparation continued...***

| Asset class | Useful life / depreciation rate |
|---|---|
| Computer Software | 15 years |

**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, or their component part, 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 (120 days for corporate debtors) are to be provided for as doubtful debts.
- All debtors balances over 365 days (180 days for corporate debtors) 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.

**2.4 Leases**

**Operating leases as lessor**

Lease income from operating leases is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

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.

## Accounting Policies

***Basis of preparation continued...***

Income for leases is disclosed under revenue 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 unless another systematic basis is more representative of the pattern of the benefit obtained.

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

**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
- Learning and development income
- Leadership and skills development income

**2.6 Employee benefits**

**Short-term employee benefits**

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of profit-sharing and 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.

**Termination benefits**

A liability for termination benefit is recognised at the earlier of when the offer can no longer be withdrawn and when the related restructuring costs are recognised.

**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.

## Accounting Policies

***Basis of preparation continued...***

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.

**Provisions**

Provisions are inherently based on assumptions and estimates using the best information available.

**3.1 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.

**3.1.1 Key sources of estimation uncertainty**

**Impairment of property, plant and equipment**

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

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

### 4. Property, plant and equipment

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated depreciation | Carrying Value | Cost | Accumulated depreciation | Carrying Value |
| Furniture and Fixures | 164,034 | (64,339) | 99,695 | 128,794 | (42,458) | 86,336 |
| Motor vehicles | 218,706 | (198,963) | 19,743 | 218,706 | (180,148) | 38,558 |
| Computer Equipment | 368,499 | (227,140) | 141,359 | 291,887 | (155,184) | 136,703 |
| Printing equipment | 625,900 | (621,188) | 4,712 | 625,900 | (614,110) | 11,790 |
| Leasehold improvements | 556,414 | (345,563) | 210,851 | 556,414 | (234,280) | 322,134 |
| **Total** | **1,933,553** | **(1,457,193)** | **476,360** | **1,821,701** | **(1,226,180)** | **595,521** |

**Reconciliation of property, plant and equipment - 2023**

| | Opening balance | Additions | Depreciation | Total |
|---|---|---|---|---|
| Furniture and Fixures | 86,336 | 35,240 | (21,881) | 99,695 |
| Motor vehicles | 38,558 | - | (18,815) | 19,743 |
| Computer Equipment | 136,703 | 90,146 | (85,490) | 141,359 |
| Printing equipment | 11,790 | - | (7,078) | 4,712 |
| Leasehold improvements | 322,134 | - | (111,283) | 210,851 |
| | **595,521** | **125,386** | **(244,547)** | **476,360** |

**Reconciliation of property, plant and equipment - 2022**

| | Opening balance | Additions | Depreciation | Total |
|---|---|---|---|---|
| Furniture and Fixures | 42,656 | 60,288 | (16,608) | 86,336 |
| Motor vehicles | 57,373 | - | (18,815) | 38,558 |
| Computer Equipment | 163,227 | 81,340 | (107,864) | 136,703 |
| Printing equipment | 18,867 | - | (7,077) | 11,790 |
| Leasehold improvements | 433,416 | - | (111,282) | 322,134 |
| | **715,539** | **141,628** | **(261,646)** | **595,521** |

Computer Equipment with a total cost of R13 534 and accumulated depreciation of R13 534 were written off. The net effect of the write off was Rnil and will not have an impact on the users of the annual financial statements.

A register containing the information registered by the Companies Act 71. of 2008 is available for inspection at the registered office of IISA.

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

### 5. Intangible assets

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated depreciation | Carrying Value | Cost | Accumulated depreciation | Carrying Value |
| Computer software | 865,444 | (637,765) | 227,679 | 865,444 | (616,903) | 248,541 |
| **Total** | **865,444** | **(637,765)** | **227,679** | **865,444** | **(616,903)** | **248,541** |

**Reconciliation of intangible assets - 2023**

| | Opening balance | Additions | Depreciation | Total |
|---|---|---|---|---|
| Computer software | 248,541 | - | (20,862) | 227,679 |
| | **248,541** | - | **(20,862)** | **227,679** |

**Reconciliation of intangible assets - 2022**

| | Opening balance | Additions | Depreciation | Total |
|---|---|---|---|---|
| Computer software | 410,948 | - | (162,407) | 248,541 |
| | **410,948** | - | **(162,407)** | **248,541** |

### 6. Trade and other receivables

**Trade and other receivables comprise:**

| | | |
|---|---|---|
| Trade receivables | 1,986,319 | 1,295,831 |
| Provision for bad debts | (222,369) | (164,532) |
| Trade receivables - net | 1,763,950 | 1,131,299 |
| Sundry debtors | 8,319 | 1,689 |
| Prepaid expenses | 178,382 | 173,948 |
| VAT | 2,194,184 | 850,308 |
| Other receivables | 115,942 | 82,825 |
| | 4,260,777 | 2,240,069 |
| **Total trade and other receivables** | **4,260,777** | **2,240,069** |

### 7. Cash and cash equivalents

### 7.1 Cash and cash equivalents included in current assets:

| | | |
|---|---|---|
| **Cash** | | |
| Bank balances | 25,277,059 | 22,203,434 |

### 7.2 Net cash and cash equivalents

| | | |
|---|---|---|
| Current assets | 25,277,059 | 22,203,434 |

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

### 8. Reserves

**Nature and purpose of reserves**

| | | |
|---|---|---|
| Reserves | 18,500,000 | 17,500,000 |

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 a 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 the contingency reserves by R1 000 000, to ensure the stability of the ongoing operations of the organisation, its projects, programs and employment.

### 9. Trade and other payables

**Trade and other payables comprise:**

| | | |
|---|---|---|
| Trade payables | 87,796 | 129,743 |
| Income received in advance | 4,777,230 | 1,991,162 |
| Short-term employee benefits | 1,583,981 | 1,148,624 |
| Accrued lease payable | 430,737 | 494,970 |
| Debtors with credit balances | 219,535 | 219,931 |
| Other payables | 977,173 | 915,839 |
| Deposits received | 7,000 | 7,000 |
| Payroll liabilities | 242,221 | 190,689 |
| **Total trade and other payables** | **8,325,673** | **5,097,958** |

### 10. Commitments

### 10.1 Operating leases - as lesee (expense)

| | | |
|---|---|---|
| Not later than one year | 1,641,824 | 1,520,208 |
| Later than one year and not later than five years | 1,458,199 | 3,100,024 |
| | **3,100,023** | **4,620,231** |

Operating lease payments represent rentals payable by IISA for its office premises. Leases are negotiated for an average term of five years and rentals increase by 8% annually. No contingent rent is payable.

### 10.2 Operating leases - as lessor (income)

| | | |
|---|---|---|
| Not later than one year | 118,200 | 115,273 |
| Later than one year and not later than five years | 103,425 | - |
| | **221,625** | **115,273** |

Certain of IISA's office space generates rental income. The average lease agreement term is 22 months with an 5% annual escaltion.

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

### 11. Deferred income

**Deferred income comprise:**

| | | |
|---|---|---|
| Insurance skills development fund | 100,000 | 122,800 |
| Leadership and skills development fund | 152,316 | 182,917 |
| | **252,316** | **305,717** |

| **Reconciliation of deferred income - 2023** | **Opening balance** | **Movement** | **Closing balance** |
|---|---|---|---|
| Insurance skills development fund | 122,800 | (22,800) | 100,000 |
| Leadership and skills development fund | 182,917 | (30,601) | 152,316 |
| | **305,717** | **(53,401)** | **252,316** |

| **Reconciliation of deferred income - 2022** | **Opening balance** | **Movement** | **Closing balance** |
|---|---|---|---|
| Insurance skills development fund | - | 122,800 | 122,800 |
| Leadership and skills development fund | 209,543 | (26,626) | 182,917 |
| | **209,543** | **96,174** | **305,717** |

IISA received funding for skills development from the Industry, which should be utilized in subsidizing registration fees and other 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:**

| | | |
|---|---|---|
| Sale of goods | 754,380 | 679,097 |
| Rendering of services | 27,234,279 | 22,220,007 |
| **Total revenue** | **27,988,659** | **22,899,104** |

### 13. Direct expenses

**Direct expenses comprise:**

| | | |
|---|---|---|
| Rendering of services | 9,796,539 | 7,815,279 |

### 14. Other income

**Other income comprises:**

| | | |
|---|---|---|
| Other income | 372,487 | 14,441 |
| Bad debts recovered | 208,058 | 129,720 |
| Rent received | 115,273 | 109,784 |
| **Total other income** | **695,818** | **253,945** |

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

### 15. Other expenses

**Other expenses comprise:**

| | | |
|---|---|---|
| Advertising | 827,720 | 764,565 |
| Amortisation | 20,862 | 162,407 |
| Auditors remuneration - external and internal audits | 289,020 | 132,761 |
| Bad debts | 426,264 | 927,070 |
| Bank charges | 73,536 | 47,545 |
| Computer expenses | 1,089,073 | 839,970 |
| Consulting and professional fees | 585,053 | 238,139 |
| Depreciation | 244,547 | 261,646 |
| Employee benefit expenses | 12,855,755 | 9,521,198 |
| Entertainment | 3,750 | 3,651 |
| Expenditure on local institutes | 175,811 | 174,856 |
| Fines and penalties | - | 22,115 |
| Insurance | 169,737 | 139,004 |
| Lease rentals on operating lease | 1,455,974 | 1,455,974 |
| Motor vehicle expense | 13,233 | 9,910 |
| Municipal charges | 566,503 | 434,073 |
| Postage | 27,335 | 59,664 |
| Printing and stationery | 86,197 | 124,298 |
| Property related expenses | 20,186 | 28,288 |
| Repairs and maintenance | 10,848 | 14,614 |
| Social Investment Expense | 61,733 | 73,689 |
| Telephone and fax | 193,109 | 173,333 |
| Travel - Local | 52,998 | 70,445 |
| **Total other expenses** | **19,249,244** | **15,679,215** |

### 16. Operating (deficit)

Operating surplus/(deficit) for the year is stated after charging (crediting) the following, amongst others:

| | | |
|---|---|---|
| **Auditors Remuneration - internal and exertnal** | | |
| Audit fees | 289,020 | 132,761 |
| **Employee Costs** | | |
| Salaries, wages, bonuses and other benefits | 12,855,755 | 9,521,198 |
| **Leases** | | |
| Operating lease rental expense | 1,455,974 | 1,455,974 |
| **Depreciation** | | |
| Depreciation of property plant and equipment | 244,547 | 261,646 |
| **Amortisation** | | |
| Amortisation of intangible assets | 20,862 | 162,407 |

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

**17. Finance income**

**Finance income comprises:**

| | | |
|---|---|---|
| Investment income | 2,141,302 | 1,226,292 |

**18. Employee costs**

**18.1 Employee costs comprise:**

| | | |
|---|---|---|
| Basic | 7,036,009 | 5,412,613 |
| Bonus | 1,556,914 | 958,542 |
| SARS payroll expenses | 2,848,777 | 2,174,761 |
| Other payroll benefits | 1,412,900 | 1,050,853 |
| Leave pay provision | 1,155 | (75,571) |
| **Total salaries** | **12,855,755** | **9,521,198** |

**19.2 Directors' remuneration**

**Executive**

**2023**

| | Emoluments | Annual bonus | Total |
|---|---|---|---|
| TC Mahlangu | 2,970,415 | 720,135 | 3,690,550 |
| | **2,970,415** | **720,135** | **3,690,550** |

**2022**

| | | | |
|---|---|---|---|
| TC Mahlangu | 2,693,508 | 618,959 | 3,312,467 |
| | **2,693,508** | **618,959** | **3,312,467** |

**19. Related parties**

Relationships

| | |
|---|---|
| Members of key management | T C Mahlangu |
| Directors | C N Molepe |
| | P G Todd |
| | N L Morwe |
| | D N De Vos |
| | A M Dias |
| | T P Baloyi |
| | P Olyott |
| | Z Saungweme |
| | I Mahlangu |
| | S H Schoeman |
| | D Dinnie |
| | R Naiker |

**Compensation paid to directors and key management personnel**

| | | |
|---|---|---|
| Short-term employee benefits | **3,690,550** | **3,312,467** |

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

### 20. 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, equipment and intangible assets**

The useful life of computer equipment was revised from 3 years to 3-6 years. The useful life of computer software was revised from 5 years to 15 years. This revision has had the following effect on the annual financial statements:

| | | |
|---|---|---|
| **Statement of Comprehensive Income:** | | |
| Decrease in computer equipment depreciation | 19,028 | - |
| Decrease in computer software amortisation | 125 636 | - |
| | **144,664** | **-** |
| **Statement of Financial Position** | | |
| Increase in Property, plant and equipment | 19,028 | - |
| Increase in Intangible assets | 125 636 | - |
| | **144,664** | - |

### 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.

### 22. Cash (used in)/ generated from operations

| | | |
|---|---|---|
| **Surplus for the year** | **1,779,996** | **884,847** |
| **Adjustments for:** | | |
| Finance income | (2,141,302) | (1,226,292) |
| Depreciation and amortisation expense | 265,409 | 424,053 |
| Bad debts | 426,264 | 927,070 |
| **Change in operating assets and liabilities:** | | |
| Adjustments for (increase) / decrease in trade accounts receivable | (1,058,915) | 546,565 |
| Adjustment for decrease/ (increase) in receivables | (1,388,057) | (905,947) |
| Adjustments for decrease in trade accounts payable | (41,947) | (246,490) |
| Adjustments for increase / (decrease) in other operating payables | 3,269,662 | (1,131,462) |
| Adjustments for (decrease) / increase in deferred income | (53,401) | 96,174 |
| **Net cash flows from operations** | **1,057,709** | **(631,482)** |

### 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.

## Notes to the Annual Financial Statements

| Figures in R | 2023 | 2022 |
|---|---|---|

**24. Contingent liability**

During the previous reporting period, it was noted that there may be a third party who could initiate a claim against the IISA based on unfounded allegations of liability relating to the organisation of an event. No provision has been made in the financial statements as management consider the outflow of economic benefits to be less likely than not. The financial implications are estimated to be R3 000 000. To the best of management's knowledge and belief, there are no other contingent liabilities which may materially affect the financial position of IISA as at 31 December 2023.

**25. Financial instruments and risk management**

**Financial risk management**

**Overview**

IISA is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the IISA's risk management framework. The board has established the audit, risk, investments & governance committee, which is responsible for developing and monitoring the IISA's risk management policies. The committee reports quarterly to the board of directors on its activities.

The IISA's risk management policies are established to identify and analyse the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the IISA's activities

The IISA audit, risk, investments & governance committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the IISA. The audit, risk, investments & governance committee is assisted in its oversight role by internal audit as and when scheduled. Internal audit would also undertake ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit, risk, investments & governance committee.

The liquidity risk is that the IISA will not be able to meet it's financial obligations as they fall due. The IISA manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are available. Credit risk consists mainly of cash deposits, cash equivalents and trade receivables.

## Detailed Income Statement

| Figures in R | Notes | 2023 | 2022 |
|---|---|---|---|
| **Revenue** | 12 | | |
| BAC services | | 1,109,199 | 2,123,922 |
| Book sales | | 754,380 | 679,097 |
| Conference revenue | | 12,327,874 | 9,552,927 |
| Corporate partners | | 5,068,556 | 4,935,441 |
| CPD Accreditation | | 441,655 | 401,209 |
| Foreign income | | 62,988 | 35,772 |
| Leadership and skills development | | 2,512,055 | 1,141,609 |
| Learning and development | | 102,537 | 395,706 |
| Membership | | 5,609,415 | 3,633,421 |
| | | **27,988,659** | **22,899,104** |
| **Direct Expenses** | 13 | | |
| Rendering of services | | (9,796,539) | (7,815,279) |
| **Gross surplus** | | **18,192,120** | **15,083,825** |
| **Other income** | 14 | | |
| Bad debts recovered | | 208,058 | 129,720 |
| Other income | | 372,487 | 14,441 |
| Rent received | | 115,273 | 109,784 |
| | | **695,818** | **253,945** |

## Detailed Income Statement

| Figures in R | Notes | 2023 | 2022 |
|---|---|---|---|
| **Other expenses** | 15 | | |
| Advertising | | (827,720) | (764,565) |
| Amortisation | | (20,862) | (162,407) |
| Auditors remuneration - external and internal audits | | (289,020) | (132,761) |
| Bad debts | | (426,264) | (927,070) |
| Bank charges | | (73,536) | (47,545) |
| Computer expenses | | (1,089,073) | (839,970) |
| Consulting and professional fees | | (585,053) | (238,139) |
| Depreciation | | (244,547) | (261,646) |
| Employee costs | | (12,855,755) | (9,521,198) |
| Entertainment | | (3,750) | (3,651) |
| Expenditure on local institutes | | (175,811) | (174,856) |
| Fines and penalties | | - | (22,115) |
| Insurance | | (169,737) | (139,004) |
| Lease rentals on operating lease | | (1,455,974) | (1,455,974) |
| Motor vehicle expense | | (13,233) | (9,910) |
| Municipal expenses | | (566,503) | (434,073) |
| Office expenses | | (20,186) | (28,288) |
| Postage | | (27,335) | (59,664) |
| Printing and stationery | | (86,197) | (124,298) |
| Repairs and maintenance | | (10,848) | (14,614) |
| Social Investment Expense | | (61,733) | (73,689) |
| Telephone and fax | | (193,109) | (173,333) |
| Travel - Local | | (52,998) | (70,445) |
| | | **(19,249,244)** | **(15,679,215)** |
| **Deficit from operating activities** | 16 | **(361,306)** | **(341,445)** |
| **Finance income** | 17 | | |
| Investment income | | 2,141,302 | 1,226,292 |
| **Surplus for the year** | | **1,779,996** | **884,847** |