IITPSA NPC

(Registration number 1958/001036/08)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Represent, promote and elevate ICT practice, knowledge and professionalism in South Africa.
Directors	U Exner T Mashegoane MC de Roche MA Parry Dr. CP Johl PH Pasi KW Matthee C Chalmers Dr. K Pillay R Kisten A Gwanzura
Registered office	Unit 3, Constantia Park 546, 16th Road Midrand 1685
Business address	Unit 3, Constantia Park 546, 16th Road Midrand 1685
Postal address	Unit 3, Constantia Park 546, 16th Road Midrand
Bankers	Standard Bank of SA Limited
Auditors	Wakely-Smith Lattuca Inc. Chartered Accountants (SA) Registered Auditors 33 Peter Place Lyme Park Bryanston 2191 PO Box 4026 Bryanston West 2016
Company registration number	1958/001036/08
Tax reference number	9261431184
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: WSL Advisory (Pty) Ltd

Contents

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

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

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

The directors have reviewed the company's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 18, which have been prepared on the going concern basis, were approved by the board of directors on 20 June 2019 and were signed on its behalf by:

Signed on behalf of the Board of Directors By:

Exner

U Exner PMIITPSA (President)

MA Parry PMIITPSA (CEO)

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of IITPSA NPC for the year ended 28 February 2019.

1. Business activities

IITPSA was established over 60 years ago, and is operated as a non-profit organisation to represent and promote the interests of practitioners and aspiring practitioners in the field of Information and Communication Technology.

The Institute now has more than 10 000 members, ranging from students to professors, from technicians to chief information officers. Our common goal is to promote the professional use of technology to develop the South African economy and to support the socio-economic targets of the country.

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

2. Review of financial results and activities

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

The Institute recorded an excellent surplus for the year ended 28 February 2019 of R6,239,722. This represented an increase of 18% from the surplus of the prior year of R5,252,952.

Revenue increased by 15% from R12,225,015 in the prior year to R14,023,561 for the year ended 28 February 2019.

3. Membership (at end February 2019)

Years	**2019**	**2018**	**2017**
Total members	10,604	9,402	7,951
Paid-up members	5,461	5,114	4,222

4. Directors

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

Board Members		**Changes**
U Exner	President	
T Mashegoane	Vice President	
MC de Roche		
MA Parry	CEO and Executive Director	
Dr. CP Johl		
B Ndlela		Resigned 24 July 2018
MK Mambani		Resigned 05 June 2018
PH Pasi		
KW Matthee	Honorary Treasurer	
C Chalmers		Appointed 24 July 2018
Dr. K Pillay		Appointed 24 July 2018
R Kisten		Appointed 24 July 2018
A Gwanzura		Appointed 24 July 2018

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Institute or in the policy regarding their use.

At 28 February 2019 the Institute's investment in property, plant and equipment amounted to R39,996 (2018:R64,827), of which R32,398 (2018: R46,584) was added in the current year through additions.

6. Events after the reporting period

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

7. Going concern

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

8. Auditors

Wakely-Smith Lattuca Inc. continued in office as auditors for the Institute for 2019.

At the AGM, the members will be requested to reappoint Wakely-Smith Lattuca Inc. as the independent external auditors of the Institute and to confirm Mr Dario Zuccolotto as the designated lead audit partner for the 2020 financial year.

Independent Auditors' Report

To the members of IITPSA NPC

Opinion

We have audited the annual financial statements of IITPSA NPC set out on pages 8 to 18, which comprise the statement of financial position as at 28 February 2019, 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 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 IITPSA NPC as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 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 annual 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. 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 directors for the Annual Financial Statements

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

In preparing the annual financial statements, the directors are responsible for assessing the Institute'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 Institute or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

Auditors' 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 International Standards on Auditing 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 International Standards on Auditing, 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 Institute'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 Institute'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 Institute 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 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.

20 June 2019

Wakely-Smith Lattuca Inc.
Chartered Accountants (SA)
Registered Auditors
Per: Dario Zuccolotto
Director

33 Peter Place
Lyme Park
Bryanston
2191

Statement of Financial Position as at 28 February 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	39,996	64,827
Current Assets			
Trade and other receivables	3	135,582	188,915
Cash and cash equivalents	4	24,870,131	19,285,270
		25,005,713	**19,474,185**
Total Assets		**25,045,709**	**19,539,012**
Equity and Liabilities			
Equity			
Retained surplus		21,972,340	15,732,618
Liabilities			
Current Liabilities			
Trade and other payables	5	323,426	208,058
Deferred income	6	2,240,437	3,084,871
Provisions	7	509,506	513,465
		3,073,369	**3,806,394**
Total Equity and Liabilities		**25,045,709**	**19,539,012**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Revenue		14,023,561	12,225,015
Cost of sales		(3,056,728)	(2,971,426)
Gross surplus		**10,966,833**	**9,253,589**
Operating expenses		(6,326,991)	(5,227,748)
Operating surplus	8	**4,639,842**	**4,025,841**
Investment revenue	9	1,600,437	1,227,111
Loss on disposal of fixed assets		(557)	-
Surplus for the year		**6,239,722**	**5,252,952**
Other comprehensive surplus		-	-
Total comprehensive surplus for the year		**6,239,722**	**5,252,952**

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 March 2017	**10,479,666**	**10,479,666**
Surplus for the year	5,252,952	5,252,952
Other comprehensive income	-	-
Total comprehensive surplus for the year	**5,252,952**	**5,252,952**
Balance at 01 March 2018	**15,732,618**	**15,732,618**
Surplus for the year	6,239,722	6,239,722
Other comprehensive income	-	-
Total comprehensive surplus for the year	**6,239,722**	**6,239,722**
Balance at 28 February 2019	**21,972,340**	**21,972,340**

Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash generated from operations	12	4,016,118	4,486,830
Interest income		1,600,437	1,227,111
Net cash from operating activities		**5,616,555**	**5,713,941**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(32,398)	(46,584)
Disposal of fixed assets	2	704	-
Net cash from investing activities		**(31,694)**	**(46,584)**
Total cash movement for the year		**5,584,861**	**5,667,357**
Cash at the beginning of the year		19,285,270	13,617,913
Total cash at end of the year	4	**24,870,131**	**19,285,270**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

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

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6-7 years
Office equipment	Straight line	3-5 years
Computer software	Straight line	2-3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

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

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at amortised cost

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

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

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Leases

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

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.5 Impairment of assets

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

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

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

1.6 Provisions and contingencies

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

Accounting Policies

1.6 Provisions and contingencies (continued)

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

Provisions are not recognised for future operating losses.

1.7 Revenue

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

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

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	29,460	(27,160)	2,300	29,563	(27,160)	2,403
Office equipment	209,431	(174,846)	34,585	230,704	(181,906)	48,798
Computer software	70,411	(67,300)	3,111	100,341	(86,715)	13,626
Total	**309,302**	**(269,306)**	**39,996**	**360,608**	**(295,781)**	**64,827**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	2,403	-	(103)	-	2,300
Office equipment	48,798	24,948	(594)	(38,567)	34,585
Computer software	13,626	7,450	(7)	(17,958)	3,111
	64,827	**32,398**	**(704)**	**(56,525)**	**39,996**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	2,403	-	-	2,403
Office equipment	36,179	30,249	(17,630)	48,798
Computer software	4,035	16,335	(6,744)	13,626
	42,617	**46,584**	**(24,374)**	**64,827**

3. Trade and other receivables

	2019	2018
Trade receivables	27,469	85,807
Prepayments	78,113	64,688
Deposits	30,000	30,000
IITP Foundation Advance	-	8,420
	135,582	**188,915**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2019	2018
Cash on hand	3,605	2,674
Bank balance	31,125	37,074
Short-term deposits	24,835,401	19,245,522
	24,870,131	**19,285,270**

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

5. Trade and other payables

Trade payables	46,386	10,417
VAT	180,432	125,830
Debtors with credit balances	10,227	-
Accrued audit fees	40,500	38,500
Unutilised sponsorship funds	24,730	28,590
Other payables	21,151	4,721
	323,426	**208,058**

6. Deferred income

Membership fees received in advance	1,739,765	1,607,071
Critical Skills Assessment income received in advance	500,672	1,477,800
	2,240,437	**3,084,871**

7. Provisions

Reconciliation of provisions - 2019

	Opening balance	Additions	Utilised during the year	Total
WIIT student bursaries	40,000	-	(40,000)	-
Leave pay	123,385	188,503	(123,385)	188,503
Bonuses	350,080	321,003	(350,080)	321,003
	513,465	**509,506**	**(513,465)**	**509,506**

Reconciliation of provisions - 2018

	Opening balance	Additions	Utilised during the year	Total
WIIT student bursaries	-	40,000	-	40,000
Leave pay	85,355	123,384	(85,354)	123,385
Bonuses	359,502	350,080	(359,502)	350,080
	444,857	**513,464**	**(444,856)**	**513,465**

8. Operating surplus

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

Operating lease charges		
Premises		
• Contractual amounts	295,525	274,085
Loss on disposal of fixed assets	557	-
Depreciation	56,525	24,374
Employee costs	3,694,118	2,906,777

9. Investment revenue

Interest revenue		
Bank	1,600,437	1,227,111

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

10. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	6,239,722	5,252,952
Tax at the applicable tax rate of 28% (2018: 28%)	1,747,122	1,470,827

The Institute is a Public Benefit Organisation (PBO) and as such is not subject to taxation in terms of Section 10(1)(cN) of the Income Tax Act No. 58 of 1962 (the Act). The (PBO) has met the requirements set out in Section 30B of (the Act), and hence Income Tax Exemption has been granted in terms of Section 10(1)(d)(iv)(bb) of the Act.

11. Auditors' remuneration

Fees	40,500	38,500
Adjustment for previous year	-	36,995
Tax and secretarial services	19,749	4,080
	60,249	**79,575**

12. Cash generated from operations

Profit before taxation	6,239,722	5,252,952
Adjustments for:		
Depreciation	56,525	24,374
Loss on disposal of fixed assets	557	-
Interest received	(1,600,437)	(1,227,111)
Movements in provisions	(3,959)	68,608
Other non-cash items - fixed assets	(557)	-
Changes in working capital:		
Trade and other receivables	53,333	(127,457)
Trade and other payables	115,368	(48,992)
Deferred income	(844,434)	544,456
	4,016,118	**4,486,830**

13. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	104,188	243,430

Operating lease payments represent rentals payable by the company for certain of it's office premises. Leases are negotiated for an average term of six months and rentals are fixed for an average of six months. No contingent rent is payable.

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

14. Directors' remuneration

Executive

2019

	Emoluments	Reimbursive travel allowance	Total
Executive	1,278,663	6,031	1,284,694

2018

	Emoluments	Reimbursive travel allowance	Total
Executive	1,307,740	9,301	1,317,041

Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Awards events		41,827	230,938
Critical skills assessments		7,974,485	7,039,569
ICDL licence fees		110,669	127,691
Projects and conferences		6,282	27,640
Subscriptions		5,890,298	4,799,177
		14,023,561	**12,225,015**
Cost of sales			
Purchases		(3,056,728)	(2,971,426)
Gross surplus		**10,966,833**	**9,253,589**
Other income			
Interest received	9	1,600,437	1,227,111
Operating expenses			
Annual duty		(450)	(450)
Auditors' remuneration	11	(60,249)	(79,575)
Bank charges		(88,197)	(70,523)
Bursaries and special projects		(103,518)	(236,164)
Depreciation		(56,525)	(24,374)
Employee costs		(3,694,118)	(2,906,777)
IFIP/IP3/FEAPO expenses		(168,550)	(137,282)
IT expenses		(150,626)	(132,732)
Insurance		(16,396)	(18,683)
Lease rentals on operating lease		(295,525)	(274,085)
Legal expenses		(71,608)	(5,364)
Minor assets written-off		(10,848)	(14,957)
Municipal expenses - electricity and water		(45,639)	(43,037)
Postage		(870)	(1,249)
Printing and stationery		(95,733)	(84,450)
Promotions		(352,913)	(370,185)
Repairs and maintenance		(355)	(1,342)
SACAB		-	(16,500)
Security		-	(1,600)
Sponsorships		(415,000)	(383,930)
Staff welfare		(67,930)	(99,838)
Strategic projects		(210,000)	-
Subscriptions		(18,834)	(3,441)
Telephone		(43,140)	(62,168)
Training		(18,355)	(61,376)
Travel - local		(341,612)	(197,666)
		(6,326,991)	**(5,227,748)**
Operating surplus	8	**6,240,279**	**5,252,952**
Loss on disposal of fixed assets		(557)	-
Surplus for the year		**6,239,722**	**5,252,952**