IITPSA NPC

(Registration number 1958/001036/08)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

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	T Mashegoane A Gwanzura MA Parry KW Matthee MC de Roche U Exner C Chalmers PH Pasi R Kisten
Registered office	Unit 4, Probuild Commercial Park 347 James Crescent, Halfway House Midrand 1685
Business address	Unit 4, Probuild Commercial Park 347 James Crescent, Halfway House Midrand 1685
Postal address	PO Box 1714 Halfway House Midrand 1685
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:

Published

24 June 2020

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 Institute 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 Institute 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 Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute 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 Institute's cash flow forecast for the year to 28 February 2021 and, in the light of this review and the current financial position, They are satisfied that the Institute 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 Institute's annual financial statements. The annual financial statements have been examined by the Institute's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 24 June 2020 and were signed on its behalf by:

Signed on behalf of the Board of Directors By:

T Mashegoane President

MA Parry Chief Executive Officer

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of IITPSA NPC for the year ended 29 February 2020.

1. Business activities

IITPSA NPC 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 communications technology.

The Institute now has more than 10 800 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 a surplus for the year ended 29 February 2020 of R2 178 134. This represented a decrease of 65% from the surplus of the prior year of R6 239 722.

Revenue decreased by 22% from R14 023 561 in the prior year to R10 824 303 for the year ended 29 February 2020.

3. Membership (at end February 2020)

Years	2020	2019
Total members	10 875	10 604
Paid-up members	4 700	5 461

4. Directors

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

Board Members	Office	Designation	Changes
T Mashegoane	President & Board Chairperson	Non-executive	
A Gwanzura	Vice-President	Non-executive	
MA Parry	Chief Executive Officer	Executive	
KW Matthee	Honorary Treasurer	Non-executive	
MC de Roche		Non-executive	
U Exner		Non-executive	
C Chalmers		Non-executive	
Dr. CP Johl		Non-executive	Resigned 31 July 2019
PH Pasi		Non-executive	
Dr. K Pillay		Non-executive	Resigned 31 July 2019
R Kisten		Non-executive	

Dr. CP Johl resigned as a non-executive director effective 31 July 2019, and Dr. K Pillay resigned as a non-executive director effective 31 July 2019. The board of directors expressed their sincere appreciation to the outgoing directors for their contributions during their respective periods of office.

5. Directors' interests in contracts

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

Directors' Report

6. 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 29 February 2020 the Institute's investment in property, plant and equipment amounted to R89 806 (2019:R39 996), of which R88 129 (2019: R32 398) was added in the current year through additions.

7. 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.

8. 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.

9. Auditors

Wakely-Smith Lattuca Inc. continued in office as auditors for the Institute for 2020.

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 2021 financial year.

Independent Auditors' Report

To the members of IITPSA NPC

Opinion

We have audited the annual financial statements of IITPSA NPC (the company) set out on pages 8 to 18, which comprise the statement of financial position as at 29 February 2020, 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 29 February 2020, 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "IITPSA NPC annual financial statements for the year ended 29 February 2020", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, 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 on the other information obtained prior to the date of this auditor's report, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company 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.

Wakely-Smith Lattuca Inc.
Chartered Accountants (SA)
Registered Auditors

24 June 2020

33 Peter Place
Lyme Park
Bryanston
2191

Per:
Dario Zuccolotto
Director

Statement of Financial Position as at 29 February 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	89 806	39 996
Current Assets			
Trade and other receivables	3	70 107	135 582
Cash and cash equivalents	4	26 684 812	24 870 131
		26 754 919	**25 005 713**
Total Assets		**26 844 725**	**25 045 709**
Equity and Liabilities			
Equity			
Retained surplus		24 150 473	21 972 339
Liabilities			
Current Liabilities			
Trade and other payables	5	258 044	323 427
Deferred income	6	1 859 971	2 240 437
Provisions	7	576 237	509 506
		2 694 252	**3 073 370**
Total Equity and Liabilities		**26 844 725**	**25 045 709**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue		10 824 303	14 023 561
Cost of sales		(2 413 469)	(3 056 728)
Gross surplus		**8 410 834**	**10 966 833**
Operating expenses		(8 131 463)	(6 326 991)
Operating surplus	8	**279 371**	**4 639 842**
Investment revenue	9	1 898 764	1 600 437
Loss on disposal of fixed assets		(1)	(557)
Surplus for the year		**2 178 134**	**6 239 722**
Other comprehensive income		-	-
Total comprehensive income for the year		**2 178 134**	**6 239 722**

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 March 2018	**15 732 617**	**15 732 617**
Surplus for the year	6 239 722	6 239 722
Other comprehensive income	-	-
Total comprehensive income for the year	**6 239 722**	**6 239 722**
Balance at 01 March 2019	**21 972 339**	**21 972 339**
Surplus for the year	2 178 134	2 178 134
Other comprehensive income	-	-
Total comprehensive income for the year	**2 178 134**	**2 178 134**
Balance at 29 February 2020	**24 150 473**	**24 150 473**

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash generated from operations	12	4 046	4 016 118
Interest income		1 898 764	1 600 437
Net cash from operating activities		**1 902 810**	**5 616 555**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(88 129)	(32 398)
Sale of property, plant and equipment	2	-	704
Net cash from investing activities		**(88 129)**	**(31 694)**
Total cash movement for the year		**1 814 681**	**5 584 861**
Cash at the beginning of the year		24 870 131	19 285 270
Total cash at end of the year	4	**26 684 812**	**24 870 131**

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, 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 Institute 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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

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.

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.

1.5 Impairment of assets

The Institute assesses at each reporting date whether there is any indication that property, plant and equipment 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 company 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 profit or loss, using the effective interest rate method.

Notes to the Annual Financial Statements

2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	32 851	(27 160)	5 691	29 460	(27 160)	2 300
Office equipment	275 059	(194 301)	80 758	209 431	(174 846)	34 585
Computer software	78 469	(75 112)	3 357	70 411	(67 300)	3 111
Total	**386 379**	**(296 573)**	**89 806**	**309 302**	**(269 306)**	**39 996**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	2 300	3 391	-	5 691
Office equipment	34 585	76 680	(30 507)	80 758
Computer software	3 111	8 058	(7 812)	3 357
	39 996	**88 129**	**(38 319)**	**89 806**

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**

	2020	2019

3. Trade and other receivables

	2020	2019
Trade receivables	25 318	27 469
Prepayments	14 789	78 113
Deposits	30 000	30 000
	70 107	**135 582**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020	2019
Cash on hand	1 656	3 605
Standard Bank Business Current Account	189 052	31 125
Standard Bank Market Link	256 636	277 914
Stanlib Money Market Fund	26 237 468	24 557 487
	26 684 812	**24 870 131**

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

5. Trade and other payables

Trade payables	59 948	46 387
VAT	116 381	180 432
Debtors with credit balances	1 550	10 227
Accrued audit fees	40 500	40 500
Unutilised sponsorship funds	20 115	24 730
Declined applications to be refunded	19 550	21 151
	258 044	**323 427**

6. Deferred income

Membership fees received in advance	1 565 487	1 739 765
Critical Skills Assessment income received in advance	294 484	500 672
	1 859 971	**2 240 437**

Split between non-current and current portions

Current liabilities	1 859 971	2 240 437

7. Provisions

Reconciliation of provisions - 2020

	Opening balance	Additions	Utilised during the year	Total
Leave pay	188 503	214 340	(188 503)	214 340
Bonuses	321 003	361 897	(321 003)	361 897
	509 506	**576 237**	**(509 506)**	**576 237**

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**

8. Operating surplus

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

Operating lease charges

Premises		
• Contractual amounts	312 565	295 525

Loss on disposal of fixed assets	1	557
Depreciation	38 319	56 525
Employee costs	5 011 229	3 694 118

Notes to the Annual Financial Statements

Figures in Rand	2020	2019

9. Investment revenue

Interest revenue		
Other interest	1 898 764	1 600 437

10. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	2 178 134	6 239 722
Tax at the applicable tax rate of 28% (2019: 28%)	609 878	1 747 122
Tax effect of adjustments on taxable income		
Exempt income		
Exempt income	(609 878)	(1 747 122)
	-	-

The Institute is a Public Benefit Organisation and as such is not subject to taxation in terms of Section 10(1)(cN) of the Income Tax Act No.58 of 1962.

11. Auditors' remuneration

Fees	40 500	40 500
Adjustment for previous year	4 207	-
Tax and secretarial services	4 350	19 749
	49 057	**60 249**

12. Cash generated from operations

Surplus before taxation	2 178 134	6 239 722
Adjustments for:		
Depreciation	38 319	56 525
Loss on disposal of fixed assets	1	557
Interest received	(1 898 764)	(1 600 437)
Movements in provisions	66 731	(3 959)
Other non-cash items - fixed assets	(1)	(557)
Changes in working capital:		
Trade and other receivables	65 475	53 333
Trade and other payables	(65 383)	115 368
Deferred income	(380 466)	(844 434)
	4 046	**4 016 118**

13. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	52 094	104 188

Operating lease payments represent rentals payable by the Institute for certain of its 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

14. Directors' remuneration

Executive

2020

	Emoluments	Reimbursive travel allowance	Total
Executive	1 396 177	3 653	1 399 830

2019

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

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Critical skills assessments		5 005 478	7 974 485
Gala awards events		35 880	41 827
ICDL licence fees		109 453	110 669
Memberships		5 620 692	5 890 298
Projects and other events		2 800	6 282
Skills survey		50 000	-
		10 824 303	**14 023 561**
Cost of sales			
Critical skills assessments		(1 459 907)	(2 218 462)
Membership and other costs		(953 562)	(838 266)
		(2 413 469)	**(3 056 728)**
Gross surplus		**8 410 834**	**10 966 833**
Operating expenses			
Annual duty		(2 000)	(450)
Auditors' remuneration	11	(49 057)	(60 249)
Bank charges		(82 686)	(88 197)
Bursaries and special projects		(188 277)	(103 518)
Depreciation		(38 319)	(56 525)
Employee costs		(5 011 229)	(3 694 118)
IFIP/IP3/FEAPO expenses		(100 461)	(168 550)
IT expenses		(198 922)	(150 626)
Insurance		(14 747)	(16 396)
Lease rentals on operating lease		(312 565)	(295 525)
Legal expenses		(1 750)	(71 608)
Minor assets written-off		(14 844)	(10 848)
Municipal expenses- electricity and water		(48 836)	(45 639)
Placement fees		(237 600)	-
Postage		(820)	(870)
Printing and stationery		(108 714)	(95 733)
Public relations/marketing/advertising		(959 682)	(352 913)
Repairs and maintenance		(3 880)	(355)
Sponsorships		(449 739)	(415 000)
Staff welfare		(66 951)	(67 930)
Strategic projects		-	(210 000)
Subscriptions		(17 403)	(18 834)
Telephone		(44 286)	(43 140)
Training		(3 465)	(18 355)
Travel - local		(175 230)	(341 612)
		(8 131 463)	**(6 326 991)**
Operating surplus	8	**279 371**	**4 639 842**
Investment income		1 898 764	1 600 437
Loss on disposal of fixed assets		(1)	(557)
		1 898 763	**1 599 880**
Surplus for the year		**2 178 134**	**6 239 722**

The supplementary information presented does not form part of the annual financial statements and is unaudited