

**IITPSA NPC**  
**(Registration number 1958/001036/08)**

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

## IITPSA NPC

(Registration number: 1958/001036/08)

Annual Financial Statements for the year ended 28 February 2021

### General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Represent, promote and elevate ICT practice, knowledge and professionalism in South Africa
<b>Directors</b>	T Mashegoane A Gwanzura MA Parry KW Mathee MC de Roche U Exner PH Pasi R Kisten KF Chipidza J Singh SB Goba LT Kearns
<b>Registered office</b>	Unit 4, Probuild Commercial Park 347 James Crescent, Halfway House Midrand 1685
<b>Business address</b>	Unit 4, Probuild Commercial Park 347 James Crescent, Halfway House Midrand 1685
<b>Postal address</b>	PO Box 1714 Halfway House Midrand 1685
<b>Bankers</b>	Standard Bank of SA Limited
<b>Auditors</b>	Wakely-Smith Lattuca Inc. Chartered Accountants (SA) Registered Auditor 33 Peter Place Lyme Park Bryanston 2016 PO Box 4026 Bryanston West 2016
<b>Tax reference number</b>	9261431184
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: Victoria Ferreira CA(SA)

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Annual Financial Statements for the year ended 28 February 2021

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### Directors' Responsibilities and Approval

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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 28 February 2022 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 page 6 - 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 26 July 2021 and were signed on its behalf by:



T Mashegoane President



MA Parry Chief Executive Officer

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## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of IITPSA NPC and its associates for the year ended 28 February 2021.

### 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 9 000 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 a deficit for the year ended 28 February 2021 of R(2,213,759). This represented a decrease of 200% from the surplus of the prior year of R2,178,134.

The Institute's revenue decreased by 45% from R10,824,303 in the prior year to R6,004,563 for the year ended 28 February 2021.

#### COVID-19 Impact

Whilst the overall financial position of the Institute remains strong, the slowdown of new applications coming into the Institute through the Critical Skills route continued through the 2020/21 financial year. The COVID-19 pandemic, the various Lockdown alert levels and the closure of SA borders for an extended period of time have all continued to impact negatively on the inflow of revenue into the Institute, for both new applications and for renewals. This is also reflected in the decreases in both total and paid-up members at the end of the year, when compared to the prior year.

Significantly decreased income for the full year necessitated the drawing down of funds from IITPSA's reserves. Although there have been small improvements in revenue since September, we ended the full year still well off the prior year monthly levels.

### 3. Membership (at end February 2021)

	2021	2020
Total members	9,183	10,875
Paid-up members	3,280	4,700

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## Directors' Report

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### 4. Directors

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

Directors	Office	Designation	Changes
T Mashegoane	President & Board Chairperson	Non-executive	
A Gwanzura	Vice-President	Non-executive	
MA Parry	Chief Executive Officer	Executive	
KW Mathee	Treasurer	Non-executive	
MC de Roche		Non-executive	
U Exner		Non-executive	
C Chalmers		Non-executive	Resigned 18 August 2020
PH Pasi		Non-executive	
R Kisten		Non-executive	
KF Chipidza		Non-executive	Appointed 18 August 2020
J Singh		Non-executive	Appointed 18 August 2020
SB Goba		Non-executive	Appointed 18 August 2020
LT Kearns		Non-executive	Appointed 18 August 2020

### 5. Directors' interests in contracts

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

### 6. Property, plant and equipment

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

At 28 February 2021 the company's investment in property, plant and equipment amounted to R92,954 (2020: R89,806), of which R53,389 (2020: R88,129) was added in the current year through additions.

### 7. Events after the reporting period

The Institute acquired the role of operating the SA Computer Olympiads previously operated by South African Computer Olympiad Trust (SACOT) with effect from 1 November 2020. The Institute received a donation of R540,157.56 on 5 March 2021 from SACOT on their dissolution.

### 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 company for 2021.

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 Zucolotto as the designated lead audit partner for the 2022 financial year.

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## Independent Auditors' Report

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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 28 February 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 2021, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 28 February 2021", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 19, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 and will 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.

# Independent Auditors' Report

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## 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 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 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.

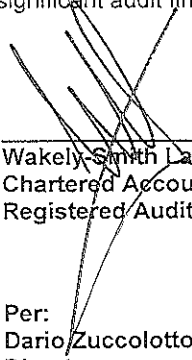
## Auditors' Responsibilities for the Audit of the Financial Statements

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.



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

Per:  
Dario Zuccolotto  
Director

26 July 2021

33 Peter Place  
Lyme Park  
Bryanston



## IITPSA NPC

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### Statement of Financial Position as at 28 February 2021

Figures in Rand	Note(s)	2021	2020
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	92,954	89,806
Current Assets			
Trade and other receivables	3	76,678	70,107
Cash and cash equivalents	4	23,862,483	26,684,812
		<b>23,939,161</b>	<b>26,754,919</b>
<b>Total Assets</b>		<b>24,032,115</b>	<b>26,844,725</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained surplus		21,936,715	24,150,474
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	5	169,369	258,043
Deferred income	6	1,509,374	1,859,971
Provisions	7	416,657	576,237
		<b>2,095,400</b>	<b>2,694,251</b>
<b>Total Equity and Liabilities</b>		<b>24,032,115</b>	<b>26,844,725</b>

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### Statement of Comprehensive Income

Figures in Rand	Note(s)	2021	2020
Revenue		6,004,563	10,824,303
Cost of sales		(1,149,057)	(2,413,469)
<b>Gross profit</b>		<b>4,855,506</b>	<b>8,410,834</b>
Other income		1,003	-
Operating expenses		(8,329,274)	(8,131,464)
<b>Operating (deficit) surplus</b>	8	<b>(3,472,765)</b>	<b>279,370</b>
Investment revenue	9	1,259,006	1,898,764
<b>(Deficit) surplus for the year</b>		<b>(2,213,759)</b>	<b>2,178,134</b>
Other comprehensive income		-	-
<b>Total comprehensive (deficit) surplus for the year</b>		<b>(2,213,759)</b>	<b>2,178,134</b>

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### Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
<b>Balance at 01 March 2019</b>	<b>21,972,340</b>	<b>21,972,340</b>
Surplus for the year	2,178,134	2,178,134
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2,178,134</b>	<b>2,178,134</b>
<b>Balance at 01 March 2020</b>	<b>24,150,474</b>	<b>24,150,474</b>
Deficit for the year	(2,213,759)	(2,213,759)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(2,213,759)</b>	<b>(2,213,759)</b>
<b>Balance at 28 February 2021</b>	<b>21,936,715</b>	<b>21,936,715</b>

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### Statement of Cash Flows

Figures in Rand	Note(s)	2021	2020
<b>Cash flows (used in) from operating activities</b>			
Cash (used in) generated from operations	12	(4,028,949)	4,046
Interest income		1,259,006	1,898,764
<b>Net cash from operating activities</b>		<b>(2,769,943)</b>	<b>1,902,810</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment	2	(53,389)	(88,129)
Sale of property, plant and equipment	2	1,003	-
<b>Net cash used in investing activities</b>		<b>(52,386)</b>	<b>(88,129)</b>
<b>Total cash movement for the year</b>		<b>(2,822,329)</b>	<b>1,814,681</b>
Cash at the beginning of the year		26,684,812	24,870,131
<b>Total cash at end of the year</b>	4	<b>23,862,483</b>	<b>26,684,812</b>

# IITPSA NPC

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Annual Financial Statements for the year ended 28 February 2021

## Accounting Policies

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### 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 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 Institute 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:

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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.

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## Accounting Policies

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### 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 Institute assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model 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.

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### **Accounting Policies**

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#### **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.

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.

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### Notes to the Annual Financial Statements

Figures in Rand 2021 2020

#### 2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	32,851	(32,851)	-	32,851	(27,160)	5,691
Office equipment	328,449	(235,495)	92,954	275,059	(194,301)	80,758
Computer software	78,469	(78,469)	-	78,469	(75,112)	3,357
<b>Total</b>	<b>439,769</b>	<b>(346,815)</b>	<b>92,954</b>	<b>386,379</b>	<b>(296,573)</b>	<b>89,806</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	5,691	-	(5,691)	-
Office equipment	80,758	53,389	(41,193)	92,954
Computer software	3,357	-	(3,357)	-
	<b>89,806</b>	<b>53,389</b>	<b>(50,241)</b>	<b>92,954</b>

#### 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
	<b>39,996</b>	<b>88,129</b>	<b>(38,319)</b>	<b>89,806</b>

#### 3. Trade and other receivables

Trade receivables	58,992	25,318
Prepayments	12,686	14,789
Deposits	5,000	30,000
	<b>76,678</b>	<b>70,107</b>

#### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,213	1,656
Standard Bank Business Current Account	176,160	189,052
Standard Bank Investment Account	279,129	-
Standard Bank Market Link	104,316	256,636
Stanlib Money Market Fund	23,300,665	26,237,468
	<b>23,862,483</b>	<b>26,684,812</b>



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## Notes to the Annual Financial Statements

Figures in Rand	2021	2020		
<b>5. Trade and other payables</b>				
Accrued audit fees	42,000	40,500		
Debtors with credit balances	-	1,550		
Declined applications to be refunded	-	19,550		
Trade payables	15,667	59,947		
Unutilised sponsorship funds	20,115	20,115		
VAT	87,087	116,381		
Other accrued expenses	4,500	-		
	<u>169,369</u>	<u>258,043</u>		
<b>6. Deferred income</b>				
Membership fees received in advance	1,134,761	1,565,487		
Critical Skills Assessment income received in advance	374,613	294,484		
	<u>1,509,374</u>	<u>1,859,971</u>		
<b>7. Provisions</b>				
<b>Reconciliation of provisions - 2021</b>				
	<b>Opening balance</b>	<b>Additions</b>	<b>Utilised during the year</b>	<b>Total</b>
Leave pay	214,340	288,648	(214,340)	288,648
Bonuses	361,897	128,009	(361,897)	128,009
	<u>576,237</u>	<u>416,657</u>	<u>(576,237)</u>	<u>416,657</u>
<b>Reconciliation of provisions - 2020</b>				
	<b>Opening balance</b>	<b>Additions</b>	<b>Utilised during the year</b>	<b>Total</b>
Leave pay	188,503	214,340	(188,503)	214,340
Bonuses	321,003	361,897	(321,003)	361,897
	<u>509,506</u>	<u>576,237</u>	<u>(509,506)</u>	<u>576,237</u>
<b>8. Operating (deficit) surplus</b>				
Operating (deficit) surplus for the year is stated after accounting for the following:				
<b>Operating lease charges</b>				
Premises		704,998	312,565	
• Contractual amounts				
Property, plant and equipment		1,003	(1)	
Depreciation		50,241	38,319	
Employee costs		5,570,317	5,011,229	
<b>9. Investment revenue</b>				
<b>Interest revenue</b>				
Bank		1,259,006	1,898,764	

## IITPSA NPC

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Annual Financial Statements for the year ended 28 February 2021

### Notes to the Annual Financial Statements

Figures in Rand

	2021	2020
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#### 10. Taxation

##### Reconciliation of the tax expense

Reconciliation between accounting (deficit) or surplus and tax expense.

Accounting (deficit) surplus for the year	(2,213,759)	2,178,134
Tax at the applicable tax rate of 28% (2020: 28%)	619,853	609,878
<b>Tax effect of adjustments on taxable income</b>		
Exempt income	(619,853)	(609,878)
	<u>-</u>	<u>-</u>

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. Auditor's remuneration

Fees	42,000	40,500
Adjustment for previous year	-	4,207
Tax and secretarial services	28,408	4,350
	<u>70,408</u>	<u>49,057</u>

#### 12. Cash (used in) generated from operations

(Deficit) surplus for the year	(2,213,759)	2,178,134
<b>Adjustments for:</b>		
Depreciation and amortisation	50,241	38,319
(Profit) loss on sale of assets	(1,003)	1
Interest received	(1,259,006)	(1,898,764)
Movements in provisions	(159,580)	66,731
Other non-cash items - fixed assets	-	(1)
<b>Changes in working capital:</b>		
Trade and other receivables	(6,571)	65,475
Trade and other payables	(88,674)	(65,383)
Deferred income	(350,597)	(380,466)
	<u>(4,028,949)</u>	<u>4,046</u>

#### 13. Commitments

##### Operating leases – as lessee (expense)

##### Minimum lease payments due

- within one year	905,760	52,094
- within second to fifth year inclusive	1,137,876	-
	<u>2,043,636</u>	<u>52,094</u>

Operating lease payments represent rentals payable by the Institution for certain of its office premises. Leases are negotiated for an average term of three years. No contingent rent is payable.

## IITPSA NPC

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Annual Financial Statements for the year ended 28 February 2021

### Notes to the Annual Financial Statements

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#### 14. Directors' remuneration

2021

	Emoluments	Reimbursive travel allowance	Annual performance based payment	Total
Executive	1,034,280	756	128,009	1,163,045

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2020

	Emoluments	Reimbursive travel allowance	Annual performance based payment	Total
Executive	1,034,280	3,653	361,897	1,399,830

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## IITPSA NPC

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Annual Financial Statements for the year ended 28 February 2021

### Detailed Income Statement

Figures in Rand	Note(s)	2021	2020
<b>Revenue</b>			
CPD training		37,391	-
Critical skills assessment		1,757,791	5,005,478
Gala awards events		-	35,880
ICDL licence fees		34,499	109,453
Memberships		4,174,305	5,620,692
Projects and other events		577	2,800
Skills survey		-	50,000
		<b>6,004,563</b>	<b>10,824,303</b>
<b>Cost of sales</b>			
Critical skills assessments		(639,300)	(1,459,907)
Membership and other costs		(509,757)	(953,562)
		<b>(1,149,057)</b>	<b>(2,413,469)</b>
<b>Gross profit</b>		<b>4,855,506</b>	<b>8,410,834</b>
<b>Other income</b>			
Gains on disposal of assets		1,003	-
<b>Operating expenses</b>			
Annual duty		2,000	2,000
Auditors remuneration	11	70,408	49,057
Bank charges		47,541	82,686
Bursaries and special projects		302,652	188,277
Computer expenses		406,800	198,922
Consulting and professional fees		4,500	-
Depreciation		50,241	38,319
Donations		81,000	-
Electricity and water		74,577	48,836
Employee costs		5,570,317	5,011,229
IFIP/IP3/FEAPO expenses		23,992	100,461
Insurance		30,324	14,747
Lease rentals on operating lease		704,998	312,565
Legal expenses		19,805	1,750
Loss on sale of fixed assets		-	1
Minor assets written off		11,330	14,844
Placement fees		-	237,600
Postage		500	820
Printing and stationery		44,666	108,714
Public relations, marketing and advertising		610,292	959,682
Repairs and maintenance		5,700	3,880
Security		3,804	-
Sponsorships		-	449,739
Staff welfare		54,507	66,951
Subscriptions		27,188	17,403
Telephone		30,741	44,286
Training		10,620	3,465
Travel - local		140,771	175,230
		<b>8,329,274</b>	<b>8,131,464</b>
<b>Operating (deficit) surplus</b>	8	<b>(3,472,765)</b>	<b>279,370</b>
Investment income	9	1,259,006	1,898,764
<b>(Deficit) surplus for the year</b>		<b>(2,213,759)</b>	<b>2,178,134</b>