

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC
(Registration No. 1981/011981/08)

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2014



LEVENDAL & ASSOCIATES INCORPORATED

REGISTERED CHARTERED ACCOUNTANTS & AUDITORS

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC
(Registration No. 1981/011981/08)

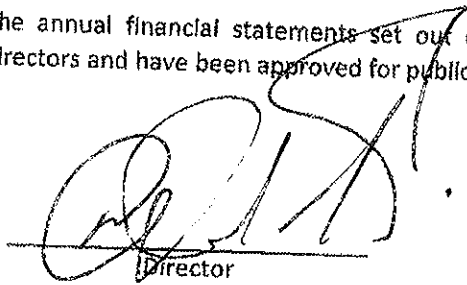
ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2014

These annual financial statements include statements which have been audited in compliance with the Companies Act and are presented as follows:

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General information	2
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Approval

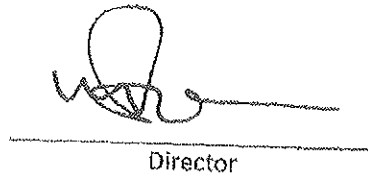
The annual financial statements set out on pages 7 to 16 are the responsibility of the directors and have been approved for publication and are signed on their behalf by:



Director

27 May 2015

Date



Director

1 June 2015

Date

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

GENERAL INFORMATION

Company name	The Institute of Accounting and Commerce NPC
Registration number	1981/011981/08
Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	A professional body engaged in certifying accounting officers, tax practitioners and independent reviewers.
Directors	Derek Micheal Johnstone Andrew Wayne Bezuidenhout Michael Alois Rudolf Biermann Mahomed Aneez Tayob Bjorn Mathew Manuel Tabile Mzwakali Mogamat Shafiek Tassiem
Registered office	252 Rosemead Avenue, Wynberg, Cape Town, 7780
Business address	252 Rosemead Avenue, Wynberg, Cape Town, 7780
Postal address	252 Rosemead Avenue, Wynberg, Cape Town, 7780
Auditors	Levendal and Associates Incorporated



LEVENDAL & ASSOCIATES INCORPORATED

REGISTERED CHARTERED ACCOUNTANTS & AUDITORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

We have audited the annual financial statements of The Institute of Accounting and Commerce NPC which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 16.

Director's Responsibility for the Financial Statements

The company director's is responsible for the preparation and fair presentation of these 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 director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

Director J.G. Levendal B.Com. CA (SA), RA (SA)

Assisted by: Cedric Jansen, B.Proc. Mawande Mayedwa B.Com PA (SA), Steven Chirairo B.Compt. IAC.PA (SA);
Malvin Kusangaya ACMA, CGMA; Morris Hluthini B.Acc

Reg. No. 2005/013035/21 Practice No. 956317

CAPE TOWN

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

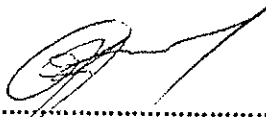
In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Director's Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Director's Report is the responsibility of the director. Based on reading the Director's Report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Director's Report and accordingly do not express an opinion thereon.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedule set out on page 17 and 18 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.



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J.G Levendal (Director)
Levendal and Associates Incorporated
Chartered accountants (SA)
Registered Auditors and Accountants

02 June 2015
Bellville, 7530

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors have pleasure in submitting their report together with the audited annual financial statements for the year ended 31 December 2014.

General review

The Institute of Accounting and Commerce NPC is an association incorporated in the Republic of South Africa. The principal activities of the association are certifying accounting officers and reviewers.

No matter which is material to the financial affairs of the association has occurred between 31 December 2014 and the date of approval of the financial statements.

Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act, 2008.

The directors are also responsible for the organisation's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the organisations annual general meeting for the approval. It is possible that amendments may be required prior to shareholder approval being given.

Financial results

The results of the organisation for the year under review are fully set out in the attached financial statements and require no further comment.

Events after the end of the reporting period

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of this report.

Directors and secretary

The directors of the company during the accounting period and up to the date of this report were as follows:

Derek Michael Johnstone	
Andrew Wayne Bezuidenhout	Appointed 24 October 2014
Micheal Alois Rudolf Biermann	
Mahomed Aneez Tayob	
Bjorn Mathew Manuel	
Tabile Mzwakali	Appointed 24 October 2014
Mogamat Shafiek Tassiem	Appointed 24 October 2014
Johanna M.J. Badehorst	Resigned 24 October 2014

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Company Secretary

E. Nagja

P. O Box 36477, Glosderry, Cape Town

Auditors

Levendal and Associates Incorporated will continue in office in accordance with the Companies Act, 2008.

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Notes	2014 R	2013 R
Assets			
Non-current assets			
Property, plant and equipment	3	24,570	5,936
Investments	4	568,711	429,856
Current assets			
Inventories	5	11,406	13,141
Trade receivables	6	38,228	10,342
Other receivables and prepayments	7	12,785	-
Bank and cash balances	8	8,687,698	8,258,802
Total assets		9,343,398	8,718,077
Equity and liabilities			
Equity			
Accumulated surplus		8,002,338	7,409,346
Non-current liabilities			
Long-term provisions	9	298,273	293,593
Current liabilities			
Trade and other payables	10	1,042,787	1,015,138
Total equity and liabilities		9,343,398	8,718,077

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 R	2013 R
Income			
Revenue		2,745,026	2,564,930
Other income		438,355	99,921
Total income		<u>3,183,381</u>	<u>2,664,851</u>
Expenses			
Operating expenses		(3,086,178)	(2,535,667)
Fair value adjustments		138,855	59,308
Administration expenses		(108,571)	(148,521)
Finance expenses	11	465,505	432,995
Surplus before tax	12	<u>592,992</u>	<u>472,966</u>
Taxation	13	-	-
Surplus for the year		<u><u>592,992</u></u>	<u><u>472,966</u></u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Accumulated surplus R	Total R
Balance at 31 December 2012	6,936,380	6,936,380
Surplus for the period	472,966	472,966
Balance at 31 December 2013	<u>7,409,346</u>	<u>7,409,346</u>
Surplus for the period	592,992	592,992
Balance at 31 December 2014	<u><u>8,002,338</u></u>	<u><u>8,002,338</u></u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 R	2013 R
Net cash retained in operating activities		466,565	439,827
Cash receipts from members		2,717,140	2,552,816
Cash paid to suppliers and employees		(3,171,426)	(2,688,332)
Cash generated from operating activities	14.1	(454,286)	(135,516)
Interest received		480,185	447,047
Interest paid		(14,680)	(14,052)
Dividends received		16,991	17,500
Sundry income		438,355	124,848
 Cash flows from investing activities		(42,350)	(61,065)
Purchase of property, plant and equipment	14.2	(42,350)	(4,853)
To increase operating capacity		(42,350)	(4,853)
Scrapping of property, plant and equipment		-	3,097
Disposal / purchase of investments		-	(59,309)
 Cash flows from financing activities		4,680	12,552
Proceeds from long-term borrowings		4,680	12,552
 Net increase in cash and cash equivalents		428,896	391,314
Cash and cash equivalents at beginning of period		8,258,802	7,867,488
Cash and cash equivalents at end of period	14.3	8,687,698	8,258,802

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. General information

The Institute of Accounting and Commerce NPC is a non-profit company, incorporated in South Africa. Its principal business activity is a professional body, engaged in certifying accounting officers and tax practitioners and operates principally in South Africa.

2. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the company, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. They are presented in South African Rands.

Property, plant and equipment

Property, plant and equipment are tangible assets that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item is its cash price equivalent at the recognition date.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits. The carrying amount of the replaced part is also derecognised. All other repairs and maintenance and servicing costs are charged to profit or loss as incurred.

Depreciation on other assets is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

	Useful life
Computer equipment	3
Office equipment	6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Inventories

Inventories are initially measured at cost and subsequently stated at the lower of estimated selling price less costs to complete and sell. Cost is calculated using the first-in-first-out method and comprises direct materials, packaging, labour costs and overheads. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell and the impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown separately in current liabilities.

Revenue

Revenue, which excludes Value Added Tax, comprises of the sale of goods, rendering of services and interest received.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company.

Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

3 Property, plant and equipment

	2014			2013		
	Cost	Accum. deprec / impair.	Carrying value	Cost	Accum. deprec / impair.	Carrying value
	R	R	R	R	R	R
Computer equipment	80,675	(80,675)	-	69,132	(69,132)	-
Furniture and fittings	195,786	(171,216)	24,570	164,979	(159,043)	5,936
	<u>276,461</u>	<u>(251,891)</u>	<u>24,570</u>	<u>234,111</u>	<u>(228,175)</u>	<u>5,936</u>

The carrying amounts for 2014 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Other	Deprec. / impairment	Carrying value at end of year
	R	R	R	R	R	R
Computer equipment	-	11,543			(11,543)	-
Furniture and fittings	5,936	30,807			(12,173)	24,570
	<u>5,936</u>	<u>42,350</u>	<u>-</u>	<u>-</u>	<u>(23,716)</u>	<u>24,570</u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

				2014 R	2013 R
4 Investments					
		No. of shares	Class of		
		2014	2013		
			shares		
	Listed investments at market value				
	Sanlam Limited	7,456	7456	Ordinary	520,131
	Old Mutual Plc	1,400	1,400	Ordinary	48,580
					<u>568,711</u>
					<u>429,856</u>
	Fair value of the shares is determined annually at the balance sheet date.				
5. Inventories					
	Inventories comprise:				
	Finished goods			11,406	13,141
	The above amounts are held at the lower of cost and net realisable value.				
				<u>11,406</u>	<u>13,141</u>
6. Trade receivables					
	Trade debtors			34,144	1,669
	Sars - VAT			3,647	8,673
	Debtor WCA			437	-
				<u>38,228</u>	<u>10,342</u>
7. Other receivables and prepayments					
	These include: Staff loans				
	Mr D Johnstone			10,525	-
	S Busch			2,260	-
				<u>12,785</u>	<u>-</u>
8. Bank and cash balances					
	Bank and cash balances at year end comprise:				
	FNB Current Acc 62190124645			547,460	562,684
	FNB Money Market			502,787	1,233,186
	Money Market Bursary			174,514	235,804
	RMB Investment Acc			13,512	6,077,647
	Standard bank Current Acc			12,760	25,135
	FNB 7 Day Interest plus Acc			7,432,563	119,340
	Petty Cash			3,733	3,767
	Cash Clearing Committee			(20)	(20)
	Cash on Hand : Foreign Currency			389	389
	Deposits lodged				870
				<u>8,687,698</u>	<u>8,258,802</u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 R	2013 R
9. Long-term provisions		
IAC Educational Bursary fund		
Opening carrying amount	293,593	281,041
Movement	4,680	12,552
	<u>298,273</u>	<u>293,593</u>
10. Trade and other payables		
Trade creditors	695	777
Other payables	1,042,092	1,014,361
	<u>1,042,787</u>	<u>1,015,138</u>
11. Finance expenses - Net		
Interest expense	14,680	14,052
Interest income	(480,185)	(447,047)
	<u>(465,505)</u>	<u>(432,995)</u>
12. Surplus before tax		
Surplus from operations is arrived at after taking into account the following:		
Income		
Revenue from:		
Membership fees	2,745,026	2,564,930
Penalties and interest	415,989	65,540
Dividends	16,991	17,500
Fair value adjustments of investments held	138,855	59,308
Expenses		
Auditors remuneration		
Audit fees	38,500	35,000
Depreciation	23,716	40,170
Computer equipment	11,543	15,252
Furniture and fittings	12,173	24,918
Foreign exchange losses	688	-
Employee costs	1,708,792	1,415,877
Directors emolments - meeting attendance fees	173,900	179,700
Salaries	1,534,892	1,236,177
Income from unlisted investments	497,176	464,547
Dividend income	16,991	17,500
Interest income	480,185	447,047

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

13. Taxation

No provision for tax has been provided as the company is exempt from tax in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act.

	2014 R	2013 R
14 Notes to the cash flow statement		
14.1 Reconciliation of net profit before taxation to cashflows from operations		
Net profit before taxation	592,992	472,966
Adjustments for :		
Depreciation	23,715	40,169
Sundry income	(438,355)	(65,540)
Dividends received	(16,991)	(17,500)
Interest received	(480,185)	(447,047)
Finance expenses - net	14,680	14,052
Fair value adjustments	(138,855)	(59,308)
Operating profit before working capital changes	<u>(442,999)</u>	<u>(62,208)</u>
Working capital changes		
Decrease in inventories	1,735	3,450
Decrease in trade receivables	(27,886)	(3,314)
Decrease in prepayments and other receivables	(12,785)	-
Increase in trade and other payables	27,649	(73,444)
Cash generated from operations	<u><u>(454,286)</u></u>	<u><u>(135,516)</u></u>
14.2 Property, plant and equipment		
During the period, the company acquired property, plant and equipment with a cost of R 42,349.52, of which none was acquired by means of finance leases. Cash payments of R 42,349.52 were made to purchase property, plant and equipment.	<u>42,350</u>	<u>4,853</u>
14.3 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments.		
Bank and cash balances	<u>8,687,698</u>	<u>8,258,802</u>
	<u><u>8,687,698</u></u>	<u><u>8,258,802</u></u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 R	2013 R
15. Related party disclosures			
15.1 Directors remuneration			
The following material related parties have been identified:			
Members of key management	Relationship	Meeting attendance fees	Meeting attendance fees
J. M. J Badenhorst	Director	17,800	14,500
A. W. Bezuidenhout	Director	51,000	80,900
D. M. Johnstone	Director	60,300	34,700
M. Biermann	Director	18,500	14,400
M. A. Tayob	Director	12,100	19,000
B. Manuel	Director	8,700	3,200
R. De Jager	Director	-	3,200
I. Neethling	Director	-	9,800
MS Tassiem	Director	2,300	-
T Mzwakali	Director	3,200	-
		<u>173,900</u>	<u>179,700</u>

15.2 Lease payments (premises)

There were related party transactions with E Nagia, who is the CEO of the institution and transaction included the following:

Lease payments (premises)	<u>182,280</u>	<u>150,208</u>
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16. Events after the end of the reporting period

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of approval of these financial statements.

17. Going concern

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 R	2013 R
Revenue	2,745,026	2,564,930
Membership fees	2,745,026	2,564,930
Other income	577,210	159,229
CPD penalty interest	415,989	65,540
Dividend received	16,991	17,500
Discount received for cash	-	21
Fair value adjustments	138,855	59,308
Other income	5,375	16,860
Total Income	3,322,236	2,724,159
Operating expenses	(3,086,178)	(2,532,217)
Assessor's fees	68,337	64,924
Bad debts	31,654	-
Bank charges	42,683	32,457
Burglar alarm/monitoring	8,050	5,000
Company annual duties	450	450
Computer expenses	6,265	7,642
Depreciation	23,715	40,169
Directors remuneration - meeting attendance fees	173,900	179,700
Discounts allowed (on pensioners subs)	4,125	-
Entertainment - CEO's account	2,236	2,029
Entertainment - President's account	489	430
First aid and medical expense	-	167
Flowers, gifts and awards	5,563	1,750
Forex exchange loss	688	-
IAC regalia expense	1,734	8,800
Investigation and disciplinary costs	-	6,000
Insurance - Business(content)	9,499	6,341
Insurance - Directors Indemnity	8,960	8,960
Insurance - Excesses	1,000	750
Insurance - Members indemnity	319,734	253,020
Licence and registration fees	1,169	1,063
Municipal services	29,169	28,734
Postage	11,247	9,862
Printing and stationery	16,998	38,805
Repairs and maintenance	4,221	24,960
Rental	182,280	150,208

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

Rental - storage		430	-
Salaries and related costs		1,534,892	1,236,177
Scrapping allowance		-	3,097
Services to member - benefits		33,600	30,400
Staff welfare		22,011	16,590
Subscriptions		3,026	2,882
Telephone and fax		39,277	41,472
Travel - local		195,634	305,500
Travel - overseas		284,032	13,869
Venue cost		19,110	10,009
Administration expenses		(108,571)	(148,521)
Advertising and marketing		59,529	98,716
Auditor's remuneration		38,500	35,000
Internet and website expenses		8,792	12,955
Legal fees		1,750	1,850
Finance expenses	11	465,505	432,995
Interest received		(480,185)	(447,047)
Interest paid		14,680	14,052
Surplus before taxation	12	592,992	476,416
Taxation	13	-	-
Surplus for the period		592,992	476,416