



INSTITUTE OF ACCOUNTING & COMMERCE

*your future secured*

The Institute of Accounting and Commerce NPC  
(Registration number 1981/011981/08)  
Annual Financial Statements  
for the year ended 31 December 2016

A2A Kopano Inc.  
Chartered Accountants (S.A.)  
Registered Auditor  
Published 21 April 2017

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## General Information

---

Country of incorporation and domicile	South Africa
Nature of business and principal activities	A professional body engaged in certifying accounting officers, tax practitioners and independent reviewers
Directors	Andrew Wayne Bezuidenhout Daryl Wade Swanepoel Johanna Magrieta Jacoba Lubbe Micheal Alois Rudolf Biermann Mogamat Shafiek Tassiem Shawn Thomas Cupido Tabile Mzwakali
Registered office	252 Rosmead Avenue Wynberg Cape Town 7780
Business address	252 Rosmead Avenue Wynberg Cape Town 7780
Postal address	P.O. Box 36477 Glosderry 7702
Auditors	A2A Kopano Inc. Chartered Accountants (S.A.) Registered Auditor
Company registration number	1981/011981/08
Tax reference number	9390/063/03/1
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 internally compiled by: Valencia Williams
Published	21 April 2017

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Index

---

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

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 18

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

Detailed Income Statement	19
---------------------------	----

### Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### Preparer

Valencia Williams

### Published

21 April 2017

## Independent Auditor's Report

To the members of The Institute of Accounting and Commerce NPC

### Opinion

We have audited the annual financial statements of The Institute of Accounting and Commerce NPC set out on pages 8 to 18, which comprise the statement of financial position as at 31 December 2016, 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 The Institute of Accounting and Commerce NPC as at 31 December 2016, 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 71 of 2008.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Annual Financial Statements

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

IRBA. NO. 901944-0005 Co.Reg. No. 1998/014078/21

Directors	Chairman KJ Sithole
	Chief Executive Officer HAS Moosa
	Chairman of Executive Committee MSA Paruk
	List of Directors available at the registered office or national website.
Offices in	Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West
Website	www.a2akopano.co.za

# Independent Auditor's Report

---

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.

## Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

*A2A Kopano Inc.*

A2A Kopano Inc.  
Moegamat Stenekamp  
Director  
Registered Auditor

21 April 2017

Unit F4 - F6  
Century Square  
Heron Crescent  
Century City  
7446

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Directors' Responsibilities and Approval

---

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

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

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

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

The directors 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 3.

The annual financial statements set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 21 April 2017.

Signed on behalf of the Board of Directors By:



Andrew Wayne Bezuidenhout



Micheal Alois Rudolf Biermann

Cape Town

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Directors' Report

---

The directors have pleasure in submitting their report on the annual financial statements of The Institute of Accounting and Commerce NPC for the year ended 31 December 2016.

### 1. Nature of business

The Institute of Accounting and Commerce NPC is engaged to promote actively, the effective utilisation and development of qualified manpower, through the achievement of the highest standards of professional competence and ethical conduct amongst its members.

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 the 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.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Directors

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

Directors	Changes
Andrew Wayne Bezuidenhout	
Daryl Wade Swanepoel	Appointed 05 February 2016
Derek Michael Johnstone	Resigned 21 October 2016
Johanna Magrieta Jacoba Lubbe	
Micheal Alois Rudolf Biermann	
Mogamat Shafiek Tassiem	
Shawn Thomas Cupido	Appointed 21 October 2016
Tabile Mzwakali	

### 4. 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 31 December 2016 the company's investment in property, plant and equipment amounted to R4,931 (2015: R15,145), of which R15,509 (2015: R5,077) was added in the current year through additions.

### 5. Special resolutions

The Memorandum of Incorporation was adopted in substitution of the existing memorandum of association and articles. This authority was given in terms of a special resolution passed at the AGM held on 21 October 2016.

### 6. Events after the reporting period

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

### 7. Going concern

The directors believe that the company 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 company 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 company. 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 company.

### 8. Auditors

A2A Kopano Inc. continued in office as auditors for the company for 2017.

# **The Institute of Accounting and Commerce NPC**

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## **Directors' Report**

---

### **9. Secretary**

The company had no secretary during the year under review.



# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Financial Position as at 31 December 2016

Figures in Rand	Notes	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4,931	15,145
Other financial assets	3	525,834	507,438
		<u>530,765</u>	<u>522,583</u>
<b>Current Assets</b>			
Inventories	4	9,680	10,118
Trade and other receivables	5	40,897	6,683
Cash and cash equivalents	6	8,881,808	9,369,716
		<u>8,932,385</u>	<u>9,386,517</u>
<b>Total Assets</b>		<u>9,463,150</u>	<u>9,909,100</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		7,400,390	7,968,588
Bursary Reserve Fund		331,038	313,186
		<u>7,731,428</u>	<u>8,281,774</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	1,731,722	1,627,326
<b>Total Equity and Liabilities</b>		<u>9,463,150</u>	<u>9,909,100</u>

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Comprehensive Income

Figures in Rand	Notes	2016	2015
Revenue	8	2,521,309	2,476,342
Other income	9	181,037	594,307
Operating expenses		(3,890,456)	(3,364,517)
<b>Operating deficit</b>	10	<b>(1,188,110)</b>	<b>(293,868)</b>
Investment revenue	11	619,368	530,977
Fair value adjustments	12	18,396	(255,946)
<b>Deficit for the year</b>		<b>(550,346)</b>	<b>(18,837)</b>

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Changes in Equity

Figures in Rand	Bursary Reserve Fund	Accumulated surplus	Total equity
<b>Balance at 01 January 2015</b>	<b>298,272</b>	<b>8,002,339</b>	<b>8,300,611</b>
Deficit for the year	-	(18,837)	(18,837)
Transfer between reserves	14,914	(14,914)	-
<b>Balance at 01 January 2016</b>	<b>313,186</b>	<b>7,968,588</b>	<b>8,281,774</b>
Deficit for the year	-	(550,346)	(550,346)
Transfer between reserves	17,852	(17,852)	-
<b>Balance at 31 December 2016</b>	<b>331,038</b>	<b>7,400,390</b>	<b>7,731,428</b>

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Cash Flows

Figures in Rand	Notes	2016	2015
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	14	(1,091,767)	931,525
Interest income		598,553	511,884
Dividends received		20,815	19,093
<b>Net cash from operating activities</b>		<b>(472,399)</b>	<b>1,462,502</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(15,509)	(5,077)
Net movement of other financial assets		-	(775,407)
<b>Net cash from investing activities</b>		<b>(15,509)</b>	<b>(780,484)</b>
<b>Total cash movement for the year</b>		<b>(487,908)</b>	<b>682,018</b>
Cash at the beginning of the year		9,369,716	8,687,698
<b>Total cash at end of the year</b>	6	<b>8,881,808</b>	<b>9,369,716</b>

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

---

### 1. Presentation of annual financial statements

The annual financial statements have been prepared 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 items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight line	6 years
IT equipment	Straight line	3 years
Office equipment	Straight line	3 years
Security equipment	Straight line	5 years

Property, plant and equipment acquired at a cost of less than R7,000 (2009: R5,000) per item may be written off in full during the year of acquisition.

Gains and losses on disposals are recognised in profit or loss.

#### 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.

##### 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.

##### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

---

### 1.2 Financial instruments (continued)

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

### 1.3 Tax

#### Tax expenses

No provision has been made for 2016 tax as the company is exempt from tax in terms of section 10(1)(cN) of the Income Tax Act.

### 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 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

### 1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset 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.

### 1.7 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.8 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 company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

# **The Institute of Accounting and Commerce NPC**

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## **Accounting Policies**

---

### **1.8 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.

### **1.9 Revenue**

Revenue is recognised to the extent that the company 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 company. Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax and discounts.

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

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

### 2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	80,510	(80,510)	-	80,510	(80,510)	-
IT equipment	91,569	(91,569)	-	83,735	(83,735)	-
Office equipment	107,834	(105,673)	2,161	107,615	(96,822)	10,793
Security equipment	17,133	(14,363)	2,770	9,677	(5,325)	4,352
<b>Total</b>	<b>297,046</b>	<b>(292,115)</b>	<b>4,931</b>	<b>281,537</b>	<b>(266,392)</b>	<b>15,145</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
IT equipment	-	7,834	(7,834)	-
Office equipment	10,793	219	(8,851)	2,161
Security equipment	4,352	7,456	(9,038)	2,770
	<b>15,145</b>	<b>15,509</b>	<b>(25,723)</b>	<b>4,931</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
IT equipment	-	3,060	(3,060)	-
Office equipment	18,634	2,017	(9,858)	10,793
Security equipment	5,935	-	(1,583)	4,352
	<b>24,569</b>	<b>5,077</b>	<b>(14,501)</b>	<b>15,145</b>

### 3. Other financial assets

#### At fair value

Listed shares	525,834	507,438
---------------	---------	---------

#### Unlisted financial assets at fair value

Momentum Money Market Fund	172,919	194,674
	<u>172,919</u>	<u>194,674</u>
Impairment	(172,919)	(194,674)
	<u>-</u>	<u>-</u>

The Momentum Money Market Fund held with African Bank Limited has been fully impaired.

#### Non-current assets

At fair value	525,834	507,438
---------------	---------	---------

The fair values of listed or quoted investments are based on the quoted market price at reporting period date.



# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>3. Other financial assets (continued)</b>		
<b>Details of investments</b>		
<b>Listed - at fair value</b>		
Old Mutual Plc	48,650	59,780
Sanlam Limited	477,184	447,658
	<b>525,834</b>	<b>507,438</b>
<b>4. Inventories</b>		
Merchandise	9,680	10,118
<b>5. Trade and other receivables</b>		
Trade receivables	3,663	-
VAT receivable	3,457	5,391
Other receivables	33,777	1,292
	<b>40,897</b>	<b>6,683</b>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	8,163	5,774
Bank balances	8,873,645	9,363,942
	<b>8,881,808</b>	<b>9,369,716</b>
<b>7. Trade and other payables</b>		
Trade payables	24,212	17,678
Deposits for membership fees	1,574,673	1,513,513
Other payables	132,837	96,135
	<b>1,731,722</b>	<b>1,627,326</b>
<b>8. Revenue</b>		
Membership fees	2,521,309	2,476,342
<b>9. Other income</b>		
Bad debts recovered	2,500	-
CPD Penalty interest	95,000	487,500
Dividends received	21,754	-
Late payment penalties	61,783	106,807
	<b>181,037</b>	<b>594,307</b>
<b>10. Operating deficit</b>		
Operating deficit for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	216,567	198,685

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in Rand	2016	2015
<b>10. Operating deficit (continued)</b>		
Depreciation on property, plant and equipment	25,723	14,501
Employee costs	2,318,025	1,786,169
<b>11. Investment revenue</b>		
<b>Dividend revenue</b>		
Unlisted financial assets - Local	20,815	19,093
<b>Interest revenue</b>		
Bank	596,447	511,774
Unlisted financial assets	2,106	110
	<b>598,553</b>	<b>511,884</b>
	<b>619,368</b>	<b>530,977</b>
<b>12. Fair value adjustments</b>		
Other financial assets	18,396	(255,946)
<b>13. Auditor's remuneration</b>		
Fees	44,000	44,000
<b>14. Cash (used in) generated from operations</b>		
Deficit before taxation	(550,346)	(18,837)
<b>Adjustments for:</b>		
Depreciation	25,723	14,501
Dividends received	(20,815)	(19,093)
Interest received	(598,553)	(511,884)
Fair value adjustments	(18,396)	255,946
Impairment reversals	-	(194,674)
Sundry income	-	(594,307)
<b>Changes in working capital:</b>		
Inventories	437	(10,119)
Trade and other receivables	(34,214)	(6,682)
Trade and other payables	104,397	2,016,674
	<b>(1,091,767)</b>	<b>931,525</b>
<b>15. Related parties</b>		
Relationships		
Member of key management	Ehsaan Nagia (Chief financial officer)	
<b>Related party balances and transactions with key management personnel of the company or its parent</b>		
<b>Related party transactions</b>		
<b>Rent paid to related parties</b>		
Ehsaan Nagia	216,567	198,685

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in Rand

2016

2015

### 16. Directors' meeting attendance fees

#### Executive

#### 2016

	Meeting attendance fees	Total
Andrew Wayne Bezuidenhout	47,600	47,600
Daryl Wade Swanepoel	13,600	13,600
Derek Michael Johnstone	45,200	45,200
Johanna Magrieta Jacoba Lubbe	12,200	12,200
Micheal Alois Rudolf Biermann	59,600	59,600
Mogamat Shafiek Tassiem	20,200	20,200
Shawn Thomas Cupido	600	600
Tabile Mzwakali	9,600	9,600
	<b>208,600</b>	<b>208,600</b>

#### 2015

	Meeting attendance fees	Total
Andrew Wayne Bezuidenhout	27,500	27,500
Bjorn Mathew Manuel	4,600	4,600
Derek Michael Johnstone	51,600	51,600
Johanna Magrieta Jacoba Lubbe	1,200	1,200
Micheal Alois Rudolf Biermann	42,300	42,300
Mogamat Shafiek Tassiem	11,500	11,500
Tabile Mzwakali	9,400	9,400
	<b>148,100</b>	<b>148,100</b>

### 17. Comparative figures

Certain comparative figures have been reclassified.

# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2016

## Detailed Income Statement

Figures in Rand	Notes	2016	2015
<b>Revenue</b>			
Membership fees		2,521,309	2,476,342
<b>Other income</b>			
Bad debts recovered		2,500	-
CPD penalty interest		95,000	487,500
Dividends received	11	20,815	19,093
Impairment reversal		21,754	-
Interest received	11	598,553	511,884
Late payment penalties		61,783	106,807
		<b>800,405</b>	<b>1,125,284</b>
<b>Operating expenses</b>			
Advertising and marketing		120,289	60,434
Assessor's fees		42,983	35,134
Auditors remuneration	13	44,000	44,000
Bad debts		9,249	102,192
Bank charges		23,625	25,846
Computer expenses		2,498	1,491
Consumables		436	1,290
Depreciation		25,723	14,501
Discount allowed		10,673	6,813
Donations		1,800	-
Employee costs		2,318,025	1,786,169
Entertainment		1,092	1,469
Gifts		1,420	2,551
Insurance		364,977	353,758
Internet and website expenses		4,954	4,758
Lease rentals on operating lease		216,567	198,685
Legal expenses		3,655	19,980
Licence and registrations fees		1,415	1,286
Meeting attendance fees	16	208,600	148,100
Municipal expenses		33,772	28,652
Postage		12,482	12,619
Printing and stationery		15,910	20,780
Repairs and maintenance		5,735	4,403
Secretarial fees		1,050	1,050
Security		3,485	6,026
Services to members		42,800	35,200
Staff welfare		24,443	29,977
Subscriptions		35,029	2,887
Telephone and fax		43,027	43,375
Travel - local		171,842	163,355
Travel - overseas		92,424	195,651
Venue cost		6,476	12,085
		<b>3,890,456</b>	<b>3,364,517</b>
<b>Operating (deficit) surplus</b>	10	<b>(568,742)</b>	<b>237,109</b>
Fair value adjustments	12	18,396	(255,946)
<b>Deficit for the year</b>		<b>(550,346)</b>	<b>(18,837)</b>