92ND ANNUAL GENERAL REPORT
1 January 2018 to 31 December 2018

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In terms of Article 10 of the Institute’s Memorandum of Incorporation

Notice of the Ninety Second (92nd) Annual General Meeting
Of
The Institute of Accounting and Commerce
(Formerly the Institute of Administration and Commerce)

is served

Date: 18 October 2019
Venue: SASNEV, 4 Central Square, Pinelands, Cape Town, 7405.
Time: 15:00 – 17:00

AGENDA

1. Welcome
2. Apologies
3. Notice of meeting
4. Confirmation of Minutes of the 91st Annual General Meeting
5. President’s Report 2018 / 2019
6. Chief Executive Officer’s Report 2018 / 2019
7. Audit Committee Report 2018
8. Audited Annual Financial Statements for the year ended 31 December 2018
9. Appointment of Auditors
10. Appointment of Audit Committee:
    • Ratification 2018 / 2019 and Appointment 2019 / 2020
11. Social and Ethics Committee Report 2018
12. Appointment of Social and Ethics Committee:
    • Ratification 2018 / 2019 and Appointment 2019 / 2020
13. Report Back on proposed amendments from the 2018 AGM.
14. Election and induction of Directors to the IAC Board for 2019 / 2020
15. Closure
16. Social with refreshments

By order the President.

Mr. A.W. Bezuidenhout
Notice is hereby given for a Board Meeting Of The Institute of Accounting and Commerce (Formerly the Institute of Administration and Commerce) is served

Date: 18 October 2019
Venue: SASNEV, 4 Central Square, Pinelands, Cape Town, 7405
Time: Immediately after the AGM

AGENDA

Election of Officials:

President
Vice President

By order:

Prakash Singh
Chief Executive Officer
Minutes of the 91st Annual General Meeting
Of the
Institute of Accounting & Commerce
Saint George Hotel, Irene, Pretoria
Friday 12th October 2018

Present

Board of Directors

Mr. A. Bezuidenhout (President)
Mr. S. Cupido (Vice President)
Mr. D. Johnstone (Immediate Past President)
Mr. D. Swanepoel
Mr. S. Tassiem
Mr. T. Mzwakali
Mr. C. Alberts
Ms. J. Lubbe
Mr. N. Chengeta (President – IAC Zim)

Ex Officio

Mr. E. Nagia CEO (SA)
Mr. J. Dube CEO (Zim)

Members Present

1. Riaan Badenhorst 655157
2. Ruben Barry 279218
3. Michael Biemann 650942
4. Johanna Colyn 654704
5. Vernon Laranja 341177
6. Abednico Maphane 654940
7. Nkosinathi Mhlophe 652165
8. Solomon Morulane 653169
9. Chance Mupondori 655373
10. Nazima Malek 655098
11. Nkumiseni Mulelu 655306
12. Elone Nkuna 653363
13. Prakash Singh 610148
14. Melanie Telleman 612364
15. Leatitia Van Der Walt 655095
16. Jacobus Bosman 048054
17. Matshediso Sello 654903
18. Ngoako Mohale 654799
19. Elphas Sithole 903598

Guests

1. Bernard Agulhas
2. Andre Badenhorst
3. Marilise Badenhorst
4. Granville Shenker
5. Huida Shenker
6. Sanaaz Tassiem
1. Welcome
The President (Mr. A. Bezuidenhout) opened the meeting at 15h00 and extended a warm welcome to all members and guests.

The meeting was declared valid, as a quorum was present (as required by Article 11.2 of the Memorandum of Incorporation).

2. Apologies
Apologies were received from the following members:

1. Sylvia Bruton 530848
2. Gavin Maskell 654581
3. Sandy Ward 655297
4. Kent Newman 333743
5. Johannes Johnson 650100
6. Johanna Du Toit 655643
7. Mark Walsh 653353
8. Priscilla Mostert 655070
9. Elmari Schwenke 654641
10. Ntombozuko Ngcaba 652435
11. Sandra Power 633876
12. Susan Densem 654864
13. Sybil Lesar Gonsalves 655106
14. Edmund Petersen 654896
15. David Swart 654400
16. Gina Swart 649663
17. Kevan Speight 527512
18. Paul Gouws 654727
19. Gysbert Du Plessis 655321
20. Richard Ferguson 600808
21. Brian Smith 655280
22. Steven Rigg 643455
23. Sarah De Koker 650990
24. Andries Koekemoer 070335
25. Margaret Koekemoer Spouse 513416
26. Catharina Legemaat 513416
27. Marc Doombos 654642
28. Clarissa Rizzo AON 20/20
29. Rory Voller CIPC
30. Shane Webb 20/20
31. Busisiwe Ngwenya DTI
32. Melanie Graham Partner
33. Veronica Van Dyk CIPC
34. Mahlodi Raphasha 655374

Proxies
Proxies in favour of the following persons were received and tabled in terms of Article 13.2 and 13.3 of the Memorandum of Incorporation:

Mr. M. Biermann 2
Mr. D. Johnstone 4
Mr. A. Bezuidenhout 4
Mr. S. Cupido 23
Mr. C. Alberts 16
Mr. S. Tassiem 3
Mrs. M. Tellemann 3

Total proxies received 55
3. Notice of Meeting

IAC AGM Notice 2018:
Notice of the meeting was electronically circulated to all members as follows:

IAC AGM Bulk Mail Notices to members 2019

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The AGM Electronic Booklets were emailed on the 13th September 2018.

4. Confirmation of Minutes of the 90th Annual General Meeting

The minutes of the 90th AGM was published in the AGM booklet. The AGM took place on the 13th October 2017 and was held at the Destiny Exclusive Hotel in Kempton Park, Gauteng.

Proposal that the minutes of the 90th Annual General Meeting of the Institute (held on 13th October 2017) were circulated and is a true reflection of the meeting.

Proposer: Mr. C. Alberts
Seconder: Mr. M. Bierrmann

5. President’s Report for 2017 / 2018

The President tabled and read out his report for 2017/2018. The report was circulated to all members together with the notice of the AGM.

The President’s report for 2017/2018 was tabled and adopted.

6. CEO’s Report for 2017 / 2018

The CEO tabled and read out his report for 2017/2018. The report was circulated to all members together with the notice of the AGM.

The CEO’s report for 2017/2018 was tabled and adopted.
7. Audited Financial Statements for the year ended 31 December 2017

The audited financial statements were tabled. The financial statements were circulated to all members together with a notice of the AGM.

Proposed: Mr. M. Biermann
Seconded: Mr. C. Alberts

That the unqualified audited financial statements be accepted.

All agreed.

8. Appointment of Auditors

The Board recommended that we continue with the current Auditors, A2A Kopano, for the 3rd term next year.

Proposed: Mr. M. Biermann
Seconded: Mrs. J. Lubbe

All agreed with the proposal.

9. Proposed Amendments to the IAC Constitution

The Secretariat, Mr. E. Nagia, informed the meeting that these proposed amendments has been circulated to members, but the IAC Board has decided not to table or vote on the proposed amendments to the IAC Constitution as they agreed that these proposals first be forwarded and deliberated by the Social & Ethics Committee, that would analyse these proposals and assess the greater impact that these proposals will have on the Constitution and assess the possible effects it will have on the broader membership of the Institute.

He further informed the meeting that depending on the outcome of those deliberations and assessments, the IAC Board will then, if necessary, call for a Special General Meeting to table these proposals.

Mr. Granville Shenker commented as follows:
- That the various proposals are conflicting with each other, and not consistent.
- That these points allude to politics within the IAC Board, and sounds mischievous as we have a very solid Constitution.
- That personal interest is being displayed rather than the interest of the membership of IAC.
- That if these proposals be tabled on this platform, it will not be democratic considering the amount of proxies noted in this meeting by the Secretariat.
- That the Social & Ethics Committee will be the wrong forum as the IAC Board should handle it in the form of a Bosberaad.

Mr. Granville Shenker further enlightened the meeting that the IAC Constitution has been well researched and studied and great thought has been applied before putting pen to paper in drawing up this Constitution, and that it is not the right thing to make amendments to suit individual interests.
He also asked that if the IAC Board does find it necessary to call a Special General Meeting after the analysis is completed, that it be represented by a broader spectrum of members who has input into these proposals and given ample notice of this meeting.

He concluded that the individuals who proposed these amendments be held to account, and that they explain fully their reasons for these proposals.

The meeting agreed that this point will not be further discussed, and that no resolutions will be taken in this regard.

10. Approval of Nominations of Directors to the IAC Board for 2018 / 2019

Mr. E. Nagia reported that:

- Nominations for members to serve as Directors on the IAC Board (in terms of Article 15 of the Memorandum of Incorporation) were circulated from the 24th August 2018 (8 weeks) prior to the AGM.
- This is in compliance with Article 20.2 of the Memorandum of Incorporation, which states that one months notice needs to be served.
- Nominations from the following Regions were also received for their Representatives to serve as Directors on the IAC Board for the 2018 / 2019 year:
  
  - Mr. S. Cupido Western Province Region
  - Ms. J. Lubbe Free State Region
  - Mr. T. Mzwakali Eastern Province Region
  - Mr. N. Chengeta Zimbabwe

Mr. E. Nagia reported that the Gauteng Region did not qualify for a Representative for the 2018 / 2019 period as there was a constitutional inconsistency in the Gauteng Regional AGM process.

- The following 6 nominations for Directors for the 2018 / 2019 year were received:
  
  - Mr. A. Bezuidenhout
  - Mr. D. Johnstone
  - Mr. D. Swanepoel
  - Mr. S. Tassiem
  - Mr. M. Biermann
  - Mrs. M. Telleman

This meant that out of the 6 nominees listed above, the meeting would go into a voting process to vote for 5 of the 6 nominees to serve as Directors for the 2018 / 2019 period.

Mr. P. Singh, the General Manager of IAC, administered the voting process which was held by secret ballot. The voting members comprised of:

| Voting members that was present | 29 |
| Proxies noted by the Secretariat | 55 |
| Total votes                      | 84 |
The following 5 Directors were voted in to serve for the 2018/2019 period:

- Mr. A. Bezuidenhout
- Mr. D. Johnstone
- Mr. D. Swanepoel
- Mr. M. Biermann
- Mrs. M. Telleman

Directors that were not re-elected to the Board for 2019

- Mr. S. Tassiem
- Mr. C. Alberts

11. Induction of Elected Directors to the IAC Board for 2018/2019

The Secretariat, Mr. E. Nagia, announced the Office Bearers of the IAC Board for 2018/2019, period as elected by the New IAC Board, to the meeting.

President: Mr. A. Bezuidenhout
Vice President: Mr. S. Cupido
Immediate Past President: Mr. D. Johnstone

All nominees accepted their nomination and were inducted as Directors by accepting the Oath of Office which was read out by Mrs. M. Telleman on behalf of all incumbent Directors.

12. Closure

There being no further matters raised, the President declared the meeting closed at 17h00.

President: ____________________ Date: 16 September 2019
It is my honour to once again give you an overview of this Institute, which has a rich and diverse history of achievements over many years. It is because of the fact that it belongs to you, the members, that this Institute has stood the test of time. Everything that it has been achieved has been with your support.

On a very sad note this year; one of our previous and very loyal staff members, Mr Duncan Stark, passed away, leaving behind his wife, children and relatives very dear to him. Mr Stark had been with the institute for 26 years and had also written and maintained the IAC member database.

The past year has certainly been filled with changes:

We said good bye to our previous CEO, Mr Ehsaan Nagia, as he began his retirement. I would like to thank him for his loyal support to myself and to the Board. Mr Nagia gave the Institute a lot of his time, and his efforts allowed the Institute to grow and become the Institute that it is today. I hope that Mr Nagia is getting some well deserved rest!

With the retiring of Mr Nagia, I would like to congratulate Mr Prakash Singh on his appointment as the new CEO of the IAC. I am sure Mr Singh has crossed all your paths before, as the General Manager, and now as the CEO. We know that you have big shoes to fill and we have the utmost confidence that you will make your personal mark on this Institute, as you steer our institute forward.

You will find that the annual financial statements of the Institute reflect a healthy, stable, liquid Institute. I do, however, again take this opportunity to request that members and regions help the institute to grow its membership. As in any organisation, income growth is always required. There is a minimum cost factor to operate and if we are not able to increase membership, it will not be possible for the office to produce these types of results going forward. I would like to thank the CEO and his Staff for always controlling and assessing costs.

Membership
As I reflect on each year’s membership figures I again would like to thank those members who continue to be compliant and also encourage other members to become compliant in terms of CPD requirements. This year we saw a very well-organised one day conference held by the IAC in the Western Cape, and I would like to thank the Western Cape Committee for all the work that went into making this a great success. The report back from members present indicated that not only did they enjoy the day, but they also found value in the day out of the office, which is so important to maintain CPD’s.

It is with great pleasure to once again report that your Institute has maintained its relationship with the controlling bodies such as SARS, CIPC, SAQA etc and it is certainly our intention to continue on this path. At the PAFA AGM, which was held in Morocco earlier this year, the now past-president of PAFA congratulated the IAC in obtaining its full membership with PAFA. This was a great achievement for our Institute.

As in the past, we have engaged with a number of Universities during the year. These visits serve to plant the seeds of the IAC, not only with the students but with the academic staff as well. I would like to thank the IAC staff for their efforts in this respect.
To each of the above Directors, please accept my very sincere appreciation for being Directors of integrity and future-thinkers. I would like to thank you for all your loyalty, support, input, dedication and total commitment to the IAC, putting the IAC above any personal gains or ambitions. These characteristics mentioned above are what made the current Board an excellent team.

Annual General Meeting
The Annual General Meeting of the Institute of Accounting and Commerce (IAC) will be held at SASNEV, 4 Central Square, Pinelands, on the 18th October 2019 at 15h00. The notice of the AGM is enclosed with this report.

Future
Our commitment remains to be the focused body of which you are a member of. We will strive to achieve this goal by thinking ahead, planning, maintaining the standards which have been set and, primarily, being of service and support to you, the member.

Vote Of Thanks
I would like to thank the Chief Executive Officer and the Staff of the Institute for all their hard work and efforts over the past year. I am sure that them Board, as in the past, will be determined to do everything in its power during 2019 / 2020 to keep the IAC firmly established on the road of being a major role player in the industry, and making the IAC your future.

In closing I would like to express my heartfelt thanks to both past and present Board members, members of IAC and the IAC staff for all the support, guidance and encouragement that I have received over the last year.

I would like to leave you with the following reflections:

“Change is the law of life and those who look only to the past or present are certain to miss the future.” (John F. Kennedy)

“If everyone is moving forward together, then success takes care of itself.” – (Henry Ford)

“Coming together is a beginning, staying together is progress, & working together is success.” – (Henry Ford)

Andrew Wayne Bezuidenhout
President

Board
Currently, your Board comprises of eight Directors from South Africa,
The Board elected at the 2018 AGM was made up as follows:

Mr. A W Bezuidenhout (President)(Elected)
Mr. S Cupido (Vice President) (Chairperson Western Cape)
Mr. D M Johnstone (Immediate Past President)
Mr. T Mzwakali (Chairperson Eastern Cape)
Mrs. J Lubbe (Chairperson Free State)
Mr. D Swanepoel (Elected Director)
Mrs. M Telleman (Elected Director)
Mr. M Biermann (Elected Director)
Dear IAC Members,

It is an absolute privilege that the IAC Board has entrusted and tasked me to be the CEO of the Institute as of the 1st June 2019. My main task really is to serve you, our Members, and then to serve at the pleasure of the IAC Board, the Statutory Bodies, Staff and all Stakeholders involved with our Institute.

At this point, it is only right to thank all concerned, and in particular Mr. Ehsaan Nagia, the ex CEO, whom I served under for 3 years as the General Manager of the Institute and for equipping me for this era in taking the Institute forward.

One is always aware of Benjamin Franklin who declared that death and taxes are the only certainties in life, but he could have added "change" to that because "change" is not only certain, but it is rife in these dynamic environmental conditions we find ourselves in.

The IAC has come to the point of experiencing this change. The year 2019 has been hectically challenging from day one and those of you keeping abreast of the Financial Markets, Corporate Governance, Ethics and Compliance, will attest to the fact that change is needed to survive in the day we live in. The IAC has seen many challenges and successes over the years and with the turmoil of the rand and unstable economy, yet the IAC has emerged from this turmoil, with renewed strength, and a determination to fulfill our mission.

Membership
The lack of growth in our membership numbers has been due to a “see-saw” effect because while we are attracting annually approximately 5% of the membership base who hold Designations, at the same time we are losing the same percentage due to various reasons. Although we lose members on compliance issues, we also lose members who are unable to pay their subscription fees. Since the profile split of our members are leaning towards the higher age group, we have had members resign due to retirement and sadly some have passed on. My sympathies go to their families.

We are very fortunate to have members who has been well educated in complying with CPD Hours, and who understand the need for CPD Audits, which is a requirement from the Statutory Bodies. After 4 years, we have audited all members who joined till 2018. At this point I would like to thank our members for taking the time to comply amidst their busy schedules.

By the time you receive this communication, we would have finalized all the aspects required for the Designation of the Business Rescue Practitioner, so members and those interested may apply. We are looking forward to establishing this Designation like all our other Designations.

Recognition of the IAC
The rich heritage of the IAC in being well respected amongst the Statutory Bodies is recognized in our thirst for good governance. We are building good relationships, especially in Africa, being a Full Member of PAFA in the zest of attaining membership of IFAC in the future.

Technology and Communication
The communication to members via emails has been complemented with SMS notifications and is working well. For the first time in the 92 year history of IAC we now issue members with electronic certificates, with members having their own vaults. The security built into this system is excellent.
We continue to supply you with our daily and weekly email notifications and our updates via the social media platforms.

Our practice groups and monthly forums have been active, and we are looking forward to starting 2 new practice groups. The Pretoria Practice group is spreading its wings to start up a new one in Limpopo to cover members practicing in that area (Thanks to Riaan Badenhorst) and the East London Practice Group is spreading its wings to start up a new one in Umtata to cover the members practicing in that area (Thanks to Tabile Mzwakali). Thank you to all who are continuing with CPD sessions in other regions. Your efforts have not gone unnoticed.

Special thanks go to the Western Province Committee for hosting the WP IAC Conference in Cape Town this year. It was a huge success. We are aware of the hard work that goes into planning these events, and acknowledge that it was done and executed very well. Thank you.

Finance
The Finance Audit Report for 2018 and the Audited Financial Statements for the year ended 31 December 2018 from our Auditors A2A Kopano Incorporated is attached to the Annual Report. As expected, we once again achieved an unqualified audit report for 2018.

The Statement of Comprehensive Income shows that we had a Net Loss of R433 720.00, and that looks disastrous on face value, but upon analysis we acknowledge that expenses were very well managed for 2018.

In fact if one took into account and calculated just 3 abnormal costs:

- The CPD Conference Costs
- Payment of contractual Costs on Salaries, and the
- Fair Value Adjustment Account

One would deduce that the costs to the previous year expenses were consistent and in fact better.

Our members can be assured that with the changes made, and the current strategies put in place, the Institute should perform optimally favourably going forward. The emphasis futuristically must be to grow our membership. To do this we need the assistance of all members.

Concluding Remarks
Allow me to express my gratitude to all Board members, the IAC staff and you, the members, for your tremendous support to the Institute. It is an honour for me to steer a great Institute, who has a great heritage and an even greater future ahead.

I believe in commitment & teamwork and conclude with a statement which I believe in. “Our attitude will determine our altitude & together we can accomplish great things”

Yours sincerely,

Prakash Singh
Chief Executive Officer
Audit Committee Report 2018 Financial Statements

Your Audit Committee for the year ended 2018, consisted of Mrs. Leatitia Van Der Walt, Mr. Daryl Swanepoel, and the Chairman of the Committee, Mr. Derek Johnstone.

The Audit Committee drew guidelines and its foundation from:
- Audit Committee Charter Mpumalanga
- Condor Governance Specialists and
- Audit Committee Guidebook ex Grant Thornton

To this end a meeting was held with Mr. P. Singh and Mrs. V. Williams prior to the audit, and secondly the Audit Manager from the external auditors, A2A Kopano, during which relevant questions were raised and the systems and requirements discussed and agreed upon.

The Audit Committee held a meeting during which the financial statements were worked through, with Mr. Singh and Mrs. Williams being present. Certain suggestions were made re certain minor amendments, was brought to regarding the layout and description of certain accounts reflected in the Financial Statements.

Subsequent to the audit I met with the partner from A2A Kopano responsible for the audit, during which we discussed the Financial Statements. There being no critical matters to report and laying forward a clear Audit Report, the Financials were circulated for the relevant signatures.

I would like to take this opportunity of thanking the members of the Audit Committee as well as the staff for their co-operation and assistance in completing this task successfully.

Derek M Johnstone
Chairperson: Audit Committee
The Institute of Accounting and Commerce NPC
(Registration number 1981/011981/08)
Annual Financial Statements
for the year ended 31 December 2018

A2A Kopano Inc.
Chartered Accountants (S.A.)
Registered Auditor
Published 08 March 2019
The Institute of Accounting and Commerce NPC
(Registration number 1981/011981/08)
Annual Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile  South Africa

Nature of business and principal activities  A recognised professional body engaged in registering Accounting Officers, Tax and Business Rescue Practitioners who 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

Directors  Andrew Wayne Bezuidenhout
Daryl Wade Swanepoel
Derek Michael Johnstone
Johanna Magrieta Jacoba Lubbe
Melanie Telleman
Michael Alois Rudolf Biermann
Shawn Thomas Cupido
Tabile Mzwakali
Norman Chengeta

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  9390/063/03/01

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  08 March 2019
# The Institute of Accounting and Commerce NPC

(Registration number 1981/011981/08)

Annual Financial Statements for the year ended 31 December 2018

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

| Detailed Income Statement                                   | 33    |

## 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
08 March 2019
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 2018, 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 2018, 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 and the Detailed Income Statement 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 the 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.
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 skepticism 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.
Moegamat Stenekamp
Director
Registered Auditor
08 March 2019
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 2018

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 judgement 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 endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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 access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company’s annual financial statements. The annual financial statements have been examined by the company’s external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the board of directors on March 2019.

Signed on behalf of the Board of Directors by:

Andrew Wayne Bezuidenhout
(President)

Shawn Thomas Cupido
(Vice President)

Derek Michael Johnstone
(Audit Committee Chairman)

Cape Town
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 2018.

1. Nature of business

The Institute of Accounting and Commerce NPC is a recognized professional body engaged in registering Accounting Officers, Tax and Business Rescue Practitioners who promote actively, the effective utilization and development of qualified manpower, through the achievement of the highest standards of professional competence and ethical conduct amongst its members and operates principally in South Africa.

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:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Designation</th>
<th>Nationality</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew Wayne Bezuidenhout</td>
<td>President</td>
<td>South African</td>
<td>Resigned 12 October 2018</td>
</tr>
<tr>
<td>Colinn Peter Alberts</td>
<td>Social &amp; Ethics Chairman</td>
<td>South African</td>
<td></td>
</tr>
<tr>
<td>Daryl Wade Swanepoel</td>
<td>Audit Committee Chairman</td>
<td>South African</td>
<td></td>
</tr>
<tr>
<td>Derek Michael Johnstone</td>
<td></td>
<td>South African</td>
<td></td>
</tr>
<tr>
<td>Johanna Magrieta Jacoba Lubbe</td>
<td></td>
<td>South African</td>
<td></td>
</tr>
<tr>
<td>Melanie Telleman</td>
<td></td>
<td>South African</td>
<td>Appointed 12 October 2018</td>
</tr>
<tr>
<td>Michael Alois Rudolf Biermann</td>
<td></td>
<td>South African</td>
<td>Resigned 12 October 2018</td>
</tr>
<tr>
<td>Mogamat Shafiek Tassiem</td>
<td></td>
<td>South African</td>
<td>Appointed 12 October 2018</td>
</tr>
<tr>
<td>Shawn Thomas Cupido</td>
<td>President</td>
<td>South African</td>
<td></td>
</tr>
<tr>
<td>Tabile Mzwakali</td>
<td></td>
<td>South African</td>
<td>Appointed 12 October 2018</td>
</tr>
<tr>
<td>Norman Chengeta</td>
<td>President (Zimbabwe)</td>
<td>Zimbabwean</td>
<td></td>
</tr>
</tbody>
</table>

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 2018 the company’s investment in property, plant and equipment amounted to R4,927 (2017: R1, 187), of which R12,950 (2017: R3,596) was added in the current year through additions.
5. 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.

6. 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.

7. Auditors

A2A Kopano Inc. will continue in office as auditors of the company for the next financial period.

8. Secretary

The company had no secretary during the year under review.
### Statement of Financial Position as at 31 December 2018

<table>
<thead>
<tr>
<th>Figures in Rand</th>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2</td>
<td>4,927</td>
<td>1,187</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>3</td>
<td>756,921</td>
<td>701,242</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>761,848</td>
<td>702,429</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>4</td>
<td>19,544</td>
<td>8,200</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>27,678</td>
<td>17,238</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6</td>
<td>8,281,545</td>
<td>8,915,507</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>8,328,767</td>
<td>8,940,945</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>9,090,615</td>
<td>9,643,374</td>
</tr>
<tr>
<td><strong>Equity and Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td></td>
<td>6,987,072</td>
<td>7,443,708</td>
</tr>
<tr>
<td>Bursary reserve fund</td>
<td></td>
<td>375,471</td>
<td>352,555</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>7,362,543</td>
<td>7,796,263</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7</td>
<td>1,728,072</td>
<td>1,847,111</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td>9,090,615</td>
<td>9,643,374</td>
</tr>
</tbody>
</table>
## Statement of Comprehensive Income

<table>
<thead>
<tr>
<th>Figures in Rand</th>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>8</td>
<td>2,831,259</td>
<td>2,768,971</td>
</tr>
<tr>
<td>Other income</td>
<td>9</td>
<td>342,693</td>
<td>313,134</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td>(4,228,004)</td>
<td>(3,839,304)</td>
</tr>
<tr>
<td><strong>Operating (deficit)</strong></td>
<td>10</td>
<td>(1,054,052)</td>
<td>(757,199)</td>
</tr>
<tr>
<td>Investment revenue</td>
<td>11</td>
<td>564,653</td>
<td>646,626</td>
</tr>
<tr>
<td>Fair value adjustments</td>
<td>12</td>
<td>55,679</td>
<td>175,408</td>
</tr>
<tr>
<td><strong>(Deficit) surplus for the year</strong></td>
<td></td>
<td>(433,720)</td>
<td>64,835</td>
</tr>
</tbody>
</table>
The Institute of Accounting and Commerce NPC  
(Registration number 1981/011981/08)  
Annual Financial Statements for the year ended 31 December 2018  
Statement of Changes in Equity

<table>
<thead>
<tr>
<th>Figures in Rand</th>
<th>Bursary Reserve Fund</th>
<th>Accumulated Surplus</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 01 January 2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Deficit) for the year</td>
<td>331,038</td>
<td>7,400,390</td>
<td>7,731,428</td>
</tr>
<tr>
<td>Transfer between reserves</td>
<td>21,517</td>
<td>(21,517)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 01 January 2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>352,555</td>
<td>(433,720)</td>
<td>(7,796,263)</td>
</tr>
<tr>
<td>Transfer between reserves</td>
<td>22,916</td>
<td>(22,916)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 December 2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>375,471</td>
<td>6,987,072</td>
<td>7,362,543</td>
</tr>
</tbody>
</table>
## Statement of Cash Flows

<table>
<thead>
<tr>
<th>Figures in Rand</th>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>13</td>
<td>(1,185,665)</td>
<td>(609,330)</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>526,926</td>
<td>624,979</td>
</tr>
<tr>
<td>Dividends received</td>
<td></td>
<td>37,727</td>
<td>21,647</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td></td>
<td>(621,012)</td>
<td>37,296</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>2</td>
<td>(12,950)</td>
<td>(3,596)</td>
</tr>
<tr>
<td><strong>Total cash movement for the year</strong></td>
<td></td>
<td>(633,962)</td>
<td>33,700</td>
</tr>
<tr>
<td>Cash at the beginning of the year</td>
<td></td>
<td>8,915,507</td>
<td>8,881,807</td>
</tr>
<tr>
<td><strong>Total cash at end of the year</strong></td>
<td>6</td>
<td>8,281,545</td>
<td>8,915,507</td>
</tr>
</tbody>
</table>
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 recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

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:

<table>
<thead>
<tr>
<th>Item</th>
<th>Depreciation method</th>
<th>Average useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>Straight line</td>
<td>6 years</td>
</tr>
<tr>
<td>IT equipment</td>
<td>Straight line</td>
<td>3 years</td>
</tr>
<tr>
<td>Office equipment</td>
<td>Straight line</td>
<td>3 years</td>
</tr>
<tr>
<td>Security equipment</td>
<td>Straight line</td>
<td>5 years</td>
</tr>
</tbody>
</table>

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

Gains and losses on disposals are recognized 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 amortized 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 amortized 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 recognized immediately in profit or loss.
The Institute of Accounting and Commerce NPC
(Registration number 1981/011981/08)
Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1.2 Financial instruments (cont.)

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.

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 2018 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 recognized 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 recognized 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 recognized for the asset (or group of assets) in prior years. A reversal of impairment is recognized 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 recognized in the period in which the service is rendered and are not discounted.

1.8 Provisions and contingencies

Provisions are recognized 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 2018  

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 recognized as interest expense.

Provisions are not recognized for future operating losses.

1.9 Revenue

Revenue is recognized 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 sales taxes and discounts.

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

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

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>80,510</td>
<td>(80,510)</td>
</tr>
<tr>
<td>IT equipment</td>
<td>100,539</td>
<td>(95,612)</td>
</tr>
<tr>
<td>Office equipment</td>
<td>70,460</td>
<td>(70,460)</td>
</tr>
<tr>
<td>Security equipment</td>
<td>17,133</td>
<td>(17,133)</td>
</tr>
<tr>
<td>Total</td>
<td>268,642</td>
<td>(263,715)</td>
</tr>
</tbody>
</table>

Reconciliation of property, plant and equipment- 2018

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Additions</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT equipment</td>
<td>-</td>
<td>7,390</td>
<td>(2,463)</td>
<td>4,927</td>
</tr>
<tr>
<td>Office equipment</td>
<td>-</td>
<td>5,560</td>
<td>(5,560)</td>
<td>-</td>
</tr>
<tr>
<td>Security equipment</td>
<td>1,187</td>
<td>-</td>
<td>(1,187)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,187</td>
<td>12,950</td>
<td>(9,210)</td>
<td>4,927</td>
</tr>
</tbody>
</table>
3. Other financial assets

At fair value
Listed shares

Non-current assets
At fair value

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

Details of investments

Listed - at fair value
Old Mutual PLC
Sanlam Limited

4. Inventories
Merchandise

5. Trade and other receivables
Trade receivables
VAT
Other receivables

6. Cash and cash equivalents
Cash and cash equivalents consist of:
Cash on hand
Bank balances
## Figures in Rand

### 7. Trade and other payables

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits for membership fees</td>
<td>1,672,404</td>
<td>1,726,165</td>
</tr>
<tr>
<td>Other payables</td>
<td>55,668</td>
<td>120,946</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,728,072</strong></td>
<td><strong>1,847,111</strong></td>
</tr>
</tbody>
</table>

### 8. Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees</td>
<td>2,831,259</td>
<td>2,768,971</td>
</tr>
</tbody>
</table>

### 9. Other income

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPD penalty interest</td>
<td>54,530</td>
<td>84,000</td>
</tr>
<tr>
<td>CPD national conferences</td>
<td>163,335</td>
<td>-</td>
</tr>
<tr>
<td>Impairment cost recovered</td>
<td>-</td>
<td>172,919</td>
</tr>
<tr>
<td>Late payment penalties</td>
<td>39,552</td>
<td>56,215</td>
</tr>
<tr>
<td>Prescribed fees</td>
<td>21,150</td>
<td>-</td>
</tr>
<tr>
<td>Promotional income</td>
<td>23,800</td>
<td>-</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>40,326</td>
<td>56,215</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>342,693</strong></td>
<td><strong>313,134</strong></td>
</tr>
</tbody>
</table>

### 10. Operating deficit

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

**Operating lease charges**

- Premises
  - Contractual amounts
    | 2018 | 2017 |
    |------|------|
    | 257,303 | 236,058 |

Depreciation on property, plant and equipment

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,210</td>
<td>7,340</td>
</tr>
</tbody>
</table>

Employee costs

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,543,743</td>
<td>2,256,384</td>
</tr>
</tbody>
</table>

### 11. Investment revenue

#### Dividend revenue

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>37,727</td>
<td>21,647</td>
</tr>
</tbody>
</table>

#### Interest Revenue

- Bank

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>526,926</td>
<td>607,193</td>
</tr>
</tbody>
</table>

- Other financial assets

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>17,786</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>526,926</td>
<td>624,979</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>564,653</td>
<td>646,626</td>
</tr>
</tbody>
</table>

### 12. Fair value adjustments

- Other financial assets

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>55,679</td>
<td>175,408</td>
</tr>
</tbody>
</table>
13. Cash used in operations

(Loss) profit before taxation

Adjustments for:
- Depreciation 9,210 7,340
- Dividends received (37,727) (21,647)
- Interest received (526,926) (624,979)
- Fair value adjustments (55,679) (175,408)

Changes in working capital:
- Inventories (11,344) 1,482
- Trade and other receivables (10,440) 23,658
- Trade and other payables (119,039) 115,389

Total cash used in operations (1,185,665) (609,330)

14. Auditor’s remuneration

Fees 42,250 42,250

15. Directors’ meeting attendance fees

Executive

Names

Andrew Wayne Bezuidenhout 44,800 54,000
Colinn Peter Alberts 15,200 3,200
Daryl Wade Swanepoel 15,500 15,100
Derek Michael Johnstone 24,700 29,900
Johanna Magrieta Jacoba Lubbe 16,000 11,800
Michael Alois Rudolf Biermann 3,200 27,100
Mogamat Shafiek Tassiem 19,500 14,900
Shawn Thomas Cupido 23,200 14,300
Tabile Mzwakali 16,000 11,900

Total 178,100 182,200

16. Related parties

Relationships

Members of key management

Andrew Wayne Bezuidenhout
Ehsaan Nagia
Michael Alois Rudolf Biermann
Prakash Singh
Tabile Mzwakali

Related party balances and transactions with key management personnel of the company or its parent

Related party transactions
Rent paid to related parties

Ehsaan Nagia 257,303 236,058

Figures in Rand
The Institute of Accounting and Commerce NPC  
(Registration number 1981/011981/08)  
Annual Financial Statements for the year ended 31 December 2018  
Notes to the Annual Financial Statements

<table>
<thead>
<tr>
<th>Figures in Rand</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assessor fees paid to related parties</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andrew Wayne Bezuidenhout</td>
<td>6,000</td>
<td>1,700</td>
</tr>
<tr>
<td>Ehsaan Nagia</td>
<td>23,434</td>
<td>26,400</td>
</tr>
<tr>
<td>Michael Alois Rudolf Biermann</td>
<td>-</td>
<td>13,801</td>
</tr>
<tr>
<td>Prakash Singh</td>
<td>5,700</td>
<td>-</td>
</tr>
<tr>
<td>Tabile Mzwakali</td>
<td>8,200</td>
<td>1,700</td>
</tr>
</tbody>
</table>
### Figures in Rand

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership fees</td>
<td>2,831,259</td>
<td>2,768,971</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPD national conferences</td>
<td>163,335</td>
<td>-</td>
</tr>
<tr>
<td>CPD penalty interest</td>
<td>54,530</td>
<td>84,000</td>
</tr>
<tr>
<td>Dividends received</td>
<td>11 37,727</td>
<td>21,647</td>
</tr>
<tr>
<td>Impairment reversal</td>
<td>-</td>
<td>172,919</td>
</tr>
<tr>
<td>Interest received</td>
<td>11 526,926</td>
<td>624,979</td>
</tr>
<tr>
<td>Late payment penalties</td>
<td>39,552</td>
<td>56,215</td>
</tr>
<tr>
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<td>21,150</td>
<td>-</td>
</tr>
<tr>
<td>Promotional income</td>
<td>23,800</td>
<td>-</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>40,326</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>68,827</td>
<td>89,933</td>
</tr>
<tr>
<td>Assessor's fee</td>
<td>47,134</td>
<td>51,051</td>
</tr>
<tr>
<td>Auditors remuneration</td>
<td>14 42,250</td>
<td>42,250</td>
</tr>
<tr>
<td>Bank charges</td>
<td>22,640</td>
<td>23,578</td>
</tr>
<tr>
<td>CPD national conferences</td>
<td>170,829</td>
<td>-</td>
</tr>
<tr>
<td>Computer expenses</td>
<td>7,029</td>
<td>2,454</td>
</tr>
<tr>
<td>Consumables</td>
<td>-</td>
<td>1,481</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9,210</td>
<td>7,340</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Employee Costs</td>
<td>2,543,743</td>
<td>2,256,384</td>
</tr>
<tr>
<td>Entertainment</td>
<td>2,523</td>
<td>2,018</td>
</tr>
<tr>
<td>Gifts</td>
<td>789</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>306,997</td>
<td>365,848</td>
</tr>
<tr>
<td>Internet and website expenses</td>
<td>14,272</td>
<td>8,766</td>
</tr>
<tr>
<td>Lease rentals on operating lease</td>
<td>257,303</td>
<td>236,058</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>6,720</td>
<td>1,300</td>
</tr>
<tr>
<td>Licence and registration fees</td>
<td>-</td>
<td>1,556</td>
</tr>
<tr>
<td>Meeting attendance fees</td>
<td>15 178,100</td>
<td>182,200</td>
</tr>
<tr>
<td>Municipal expenses</td>
<td>27,735</td>
<td>32,144</td>
</tr>
<tr>
<td>Postage</td>
<td>10,586</td>
<td>13,366</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>39,743</td>
<td>16,158</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>5,326</td>
<td>5,387</td>
</tr>
<tr>
<td>Secretarial fees</td>
<td>480</td>
<td>-</td>
</tr>
<tr>
<td>Security</td>
<td>4,207</td>
<td>3,811</td>
</tr>
<tr>
<td>Services to members</td>
<td>26,040</td>
<td>33,400</td>
</tr>
<tr>
<td>Staff welfare</td>
<td>23,082</td>
<td>22,534</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>50,885</td>
<td>30,583</td>
</tr>
<tr>
<td>Telephone and fax</td>
<td>48,967</td>
<td>45,344</td>
</tr>
<tr>
<td>Travel - local</td>
<td>228,425</td>
<td>205,873</td>
</tr>
<tr>
<td>Travel - overseas</td>
<td>84,162</td>
<td>156,487</td>
</tr>
<tr>
<td><strong>Operating (deficit)</strong></td>
<td>10</td>
<td>(489,399)</td>
</tr>
<tr>
<td>Fair value adjustments</td>
<td>12</td>
<td>55,679</td>
</tr>
<tr>
<td><strong>(Deficit) surplus for the year</strong></td>
<td>(433,720)</td>
<td>64,835</td>
</tr>
</tbody>
</table>
Following the Institute's Annual General Meeting, the IAC Board elected a new Social & Ethics Committee, comprising of Mr. Daryl Swanepoel, Mr. Derek Johnstone and Ms. Melanie Telleman. Mr. Daryl Swanepoel was re-elected as the Chairperson.

During the aforementioned AGM, it was resolved that the proposed constitutional amendments that were tabled at the AGM, since the amendments raised certain ethical questions, be referred to the Social & Ethics Committee for consideration and recommendation to the IAC Board, prior to the Board pursuing the process for amending the constitution. The proposed amendments were placed on the agenda of the committees meeting held on 4th February 2019.

Whilst three amendments were proposed, the amendment put forward by Mr. Mickey Biermann, was withdrawn. The committee therefore only considered the remaining two, namely:

(i) To the clause “Votes may be given either personally or by proxy. On show of hands, a members present may also declare the proxies given to him or her and may vote those proxies with the instructions of the givers thereof”, it was proposed that the number of proxies given to any individual be limited to ten, and that the total number of proxies at any given meeting must not exceed the total number of voting members present at the meeting”.

In considering the negative implications of campaigning on the basis of personality clashes, and that it is not in the spirit of member involvement for one person to hold over 150 proxies, when comparing the convention in public companies and considering the practicalities of implementing such a regime, it was resolved not to propose an amendment to the MOI. Instead, it was proposed to include a clause in the Code of Conduct to say that improper or negative campaigning is an offence. Furthermore, when voting for Officials to the Board, the proxy form should be specific and not allow for an open vote.

(ii) To the clause “No person who is not a member of the Company shall be eligible to hold office as a member of the Board”, it was proposed that only Accounting Officers may be elected to the Board.

The committee was of the opinion that such a proposal would not muster support in the case of a judicial challenge, since all members of the Institute by virtue of their membership should have equal opportunity to serve.

It was however proposed that when selecting members to represent the Institute at various meeting or on certain Bodies, they should be duly qualified for the specific task at hand.

The aforementioned recommendations were made to the Board.

The Social and Ethics committee also reviewed the complaints and investigation process, and made the following procedural recommendations to the Board:

- A complaint is lodged in the form of an affidavit.
- The CEO passes it on to the Chief Investigating Officer.
- The Investigator peruses the complaint.
- The Investigator then compares the complaint to the IAC Code of Conduct.
- He establishes whether there is “prima facie” misconduct or a breach of the Code of Conduct.
- He reports it to the President and CEO.
The President and CEO then assess the case reported to them by the Investigator.

They then make a conclusion as to whether:
- No breach is identified
- A breach is identified but no action required
- A breach is identified and corrective action is needed
- A breach is identified and finds it serious enough and takes it to mediation. If mediation cannot solve it – it must go to Tribunal

The President and CEO then together make a decision on the following regarding the complaint:

- They acknowledge that there is a “prima facie” case, but if it is something minor, that they are not going to pursue this complaint, in which case the complaint is considered as concluded.
- They acknowledge that there is a “prima facie” case, but the Institute needs to proceed and bring about corrective action.
- They acknowledge that there is a “prima facie” case, and the Institute need to form a disciplinary tribunal, which is established by the President, who takes the complaint forward.

Where there is no physical wrong doing, but there is merely a minor dispute between the parties, it should be handed over to the President and CEO to recommend a resolution.

Other work of the committee included:
- The preparing of the Social and Ethics Committee’s Terms of Reference; and
- The IAC transformational policy which is available on the IAC website

Lastly, the committee noted the revised structure of the Ethics Institute of South Africa, who ceased to register corporates as members, consequentially resulting in the termination of the institute’s membership thereof.

Daryl Swanepoel
Chairperson: Social and Ethics Committee
IAC BOARD OF DIRECTORS

Andrew Bezuidenhout
President
South Africa

Shawn Cupido
Vice President
Chair Western Province

Derek Johnstone
Immediate Past President

Tabile Mzwakali
Director
Chair Eastern Province

Joey Lubbe
Director
Chair Free State Province

Daryl Swanepoel
Director

Michael Biermann
Director

Melanie Telleman
Director

Norman Chengeta
President
Zimbabwe

Prakash Singh
Chief Executive Officer
South Africa

Jabulani Dube
Chief Executive Officer
Zimbabwe

IAC STAFF MEMBERS

Valencia Williams
Finance Officer

Soraya Busch
Membership Officer

Abeedah Inglis
Personal Assistant

Tasriq Adams
IT Technician & Marketing Officer

Bronwyn Benjamin
Compliance Officer
CONTACT US

021 761 6211
https://facebook.com/IACSA
www.iacsa.co.za
info@iacsa.com
www.linkedin.com/company/iac-sa

HEAD OFFICE
252 Rosmead Avenue
Wynberg, 7780

PO Box 36477
Glosderry, 7702
South Africa

Recognised Controlling Body for Accounting Professionals,
Tax and Business Rescue Practitioners.