Chartered Institute for Business Accountants NPC

(Registration Number 1990/005364/08)

Financial Statements

for the 15 month period ended 30 September 2023

Audited Financial Statements

in compliance with the Companies Act of South Africa

Prepared by: Chantelle Booyens

Professional designation: CBA(SA)

Title: Chief Financial Officer

Reviewed by: Yatin Soma

Professional designation: CA (SA)

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Financial Statements for the 15 month period ended 30 September 2023

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	1990/005364/08
Nature of Business and Principal Activities	The company functions as a professional body for business accountants.
Board of Directors	PC de Jager L Germanos N Dick PM Majozi N van Wyk C Booyens R Ngobeni (Resigned 5 December 2022) R Voller (Appointed 16 September 2022) B Gova (Appointed 24 August 2023)
Registered Office	Block A First Floor Sandton Close 2 Cnr Norwich Close and 5th Str Sandton 2196
Business Address	Corporate 66 Block E 66 Von Willich Ave Centurion Pretoria 0157
Postal Address	PO Box 7905 Centurion 0046
Bankers	ABSA Bank Limited
Level of Assurance	These statements have been audited in compliance with the applicable requirements of the Companies of South Africa.
Preparer	Theses financial statements were internally compiled under the supervision of: Chantelle Booyens CBA(SA)

Directors' Responsibilities and Approval

The board of directors is required by the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is its responsibility to ensure that the financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the 15 month financial period. The financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The board of directors acknowledges that it is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the board of 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 board of directors is 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the board of directors has no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, Nexia SAB&T, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the member, the board of directors and committees of the board of directors. The board of directors believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 33, and the supplementary information set out on pages 34 to 35 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 31 January 2024 on its behalf by:

NF van Wyk	PC de Jager

Directors' Report

The directors have pleasure in submitting their report for the annual financial statements of the Chartered Institute for Business Accountants NPC for the 15 month period ended 30 September 2023.

1. Review of activities

The main objective and purpose of the company are to establish and provide membership, tiered recognition, designations, certifications and licensing for persons to be employed, or self employed, as accountants and finance professionals in commerce, private practice, the public sector and academia, and all other objectives relating hereto. The company operates principally in Southern Africa.

There have been no material changes in to the nature of the company's business from the previous financial year.

2. 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 to meet its foreseeable cash requirements. The directors are also not aware of any material non-compliance with statutory of regulatory requirements or of any pending changes to legislation which may affect the company.

3. Events after reporting date

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

4. Directors' interest in contracts

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

5. Change of Company Name

The company underwent a name change in the current reporting period and is now known as the Chartered Institute for Business Accountants NPC.

6. Change of Company Year-end

The company underwent a year-end change to 30 September with the intention of eventually transitioning to a 31 December year-end. This has been done to align to international standards for membership organisations and to simplify the sompany's billing process with regards to annual membership fees and CPD packages.

7. Board of Directors

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

Directors	Office	Designation	Nationality	Changes
NF van Wyk	Director	Executive	South African	
C Booyens	Director	Executive	South African	
PC de Jager	Director	Non-executive	South African	
R Ngobeni	Director	Non-executive	South African	Resigned (05 December 2022)
L Germanos	Director	Non-executive	South African	
N Dick	Director	Non-executive	South African	
PM Majozi	Director	Non-executive	South African	
R Voller	Director	Non-executive	South African	Appointed (16 September 2022)
B Gova	Director	Non-executive	South African	Appointed (24 August 2023)

8. Secretary

The company's designated secretary is A Jones, attorney from 8 February 2019.

Directors' Report

9. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa, and believe that the company is liquid and solvent at the approval date of the financial statements.

10. Independent Auditors

Nexia SAB&T were the independent auditors for the period under review.

Nexia SAB&T

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INDEPENDENT AUDITOR'S REPORT

To the members of Chartered Institute for Business Accountants NPC

Opinion

We have audited the financial statements of Chartered Institute for Business Accountants NPC set out on pages 8 to 33, which comprise the statement of financial position as at 30 September 2023, and the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chartered Institute for Business Accountants NPC as at 30 September 2023, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Chartered Institute for Business Accountants NPC Annual Financial Statements for the period ended 30 September 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.

Nexia SAB&T

Nexia SAB&T
Yatin Soma
Director
Registered Auditor
2 February 2024

Statement of Financial Position

Figures in R	Notes	30 September 2023	30 June 2022
Assets			
Non-current assets			
Property, plant and equipment	5	267,827	135,086
Intangible assets other than goodwill	6	450,556	450,556
Total non-current assets		**718,383**	**585,642**
Current assets			
Trade and other receivables	7	8,573,182	8,507,590
Cash and cash equivalents	8	402,811	2,090,843
Total current assets		**8,975,993**	**10,598,433**
Total assets		**9,694,376**	**11,184,075**
Equity and liabilities			
Equity			
Accumulated surplus		1,803,156	1,794,016
Other non-distributable reserves	9	59,247	-
Total equity		**1,862,403**	**1,794,016**
Liabilities			
Current liabilities			
Trade and other payables	10	7,831,973	9,390,059
Total equity and liabilities		**9,694,376**	**11,184,075**

Statement of Surplus or Deficit and Other Comprehensive Income

Figures in R	Notes	15 month period ended 30 September 2023	12 month period ended 30 June 2023	12 month period ended 30 June 2022
Revenue	11	43,797,345	33,881,532	34,249,324
Other income	12	2,111,030	1,646,530	1,284,874
Administrative expenses	13	(3,677,561)	(2,738,900)	(2,133,038)
Other expenses	14	(42,222,948)	(31,989,109)	(33,315,974)
Other gains and (losses)	15	(26,653)	(19,366)	(40,874)
(Deficit) / surplus from operating activities	16	**(18,787)**	**780,686**	**44,312**
Finance income	17	27,927	23,871	17,530
Surplus for the period		**9,140**	**804,557**	**61,842**
Other comprehensive income net of tax				
Components of other comprehensive income that will not be reclassified to surplus or deficit				
Gains on revaluation of fixed assets		59,247	-	-
Total other comprehensive income that will not be reclassified to surplus or deficit		**59,247**	**-**	**-**
Total other comprehensive income net of tax	19	**59,247**	**-**	**-**
Total comprehensive income		**68,387**	**804,557**	**61,842**

Statement of Changes in Equity

Figures in R	Revaluation surplus	Accumulated surplus	Total
Balance at 1 July 2021	-	1,732,174	1,732,174
Changes in equity			
Surplus for the year	-	61,842	61,842
Balance at 30 June 2022	**-**	**1,794,016**	**1,794,016**
Balance at 1 July 2022	-	1,794,016	1,794,016
Changes in equity			
Surplus for the period	-	9,140	9,140
Other comprehensive income	59,247	-	59,247
Balance at 30 September 2023	**59,247**	**1,803,156**	**1,862,403**

Statement of Cash Flows

Figures in R	Notes	15 month period ended 30 September 2023	12 month period ended 30 June 2023	12 month period ended 30 June 2022
Cash flows from/(used in) operations				
Net cash flows used in operations	24	(1,482,083)	(983,981)	(179,754)
Interest received		27,927	23,871	17,530
Net cash flows used in operating activities		**(1,454,156)**	**(960,110)**	**(162,224)**
Cash flows from/(used in) investing activities				
Proceeds from sales of property, plant and equipment		-		17,815
Purchase of property, plant and equipment		(197,160)	(163,914)	(107,605)
Purchase of intangible assets		(47,912)	-	(16,703)
Proceeds from disposal of non-current assets		11,196	11,196	(17,814)
Cash flows from/(used in) investing activities		**(233,876)**	**(152,718)**	**(124,307)**
Net decrease in cash and cash equivalents		**(1,688,032)**	**(1,112,828)**	**(286,531)**
Cash and cash equivalents at beginning of the period		2,090,843	2,090,843	2,377,374
Cash and cash equivalents at end of the period	**8**	**402,811**	**978,015**	**2,090,843**

Accounting Policies

1. General information

Chartered Institute for Business Accountants NPC ('the company') functions as a professional body for business accountants.

The company is incorporated as a non-profit company and domiciled in South Africa. The address of its registered office is Block A First Floor, Sandton Close 2 , Cnr Norwich Close and 5th Str, Sandton, 2196.

2. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, Internal Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rand, which is the company's functional currency.

These accounting policies are consistent with the previous financial year.

2.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

Property, plant and equipment is recognised as an asset when it can be identified as present economic resource controlled by the company as a result of past events. An economic resource is a right that has the potential to produce economic benefits.

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes all of the expenditure which is directly attributable to the acquisition. Should the acquisition cost of an asset be equal to or less than R7000 then the asset will be expensed in the year of acquisition.

After initial recognition, property, plant and equipment is measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Asset class	Useful life / depreciation rate	Depreciation method
Fixtures and fittings	5 years	Straight line
Office equipment	3 years	Straight line
IT equipment	3 years	Straight line
Computer software	2 years	Straight line

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Impairments

The company tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are classified as other gains on the face of the statement of surplus or deficit and other comprehensive income.

2.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. The asset is determined to be identifiable if it either is separable, or arises from contractual or other legal rights.

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

Intangible assets are initially measured at cost.

Internally generated intangible assets are recognised initially at cost, being the sum of expenditure from the date the recognition criteria for an intangible asset are met, bearing in mind the following additional criteria:
- During the research phase, no intangible asset is recognised. Expenditure on research is recognised as an expense when it is incurred.
- During the development phase, an intangible asset will be recognised only if the following can be demonstrated:
  - it is technically feasible to complete the intangible asset so that it will be available for use or sale;
  - there is an intention to complete the intangible asset and use or sell it;
  - there is an ability to use or sell the intangible asset;
  - it is possible to demonstrate how the asset will generate probable future economic benefits;
  - there are available financial, technical and other resources to complete the development of the intangible asset as well as to use or sell the intangible asset;
  - the expenditure attributable to the intangible asset during the development phase can be reliably measured.

Research or development expenditure related to an in-process research or development project acquired separately or in a business combination and recognised as an intangible asset and is incurred after the acquisition of that project is also accounted for in this way.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Expenditure on an intangible asset is recognised as an expense when it is incurred unless it is part of the cost of an intangible asset that meets the recognition criteria or if the item is acquired in a business combination and cannot be recognised as an intangible asset it is recognised as part of goodwill at the acquisition date. Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised, but is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

The company tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset in which case the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if required by another standard.

2.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatory at fair value through surplus or deficit; or
- Designated as at fair value through other comprehensive income.

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments); or
- Mandatory at fair value through the surplus or deficit. (This classification automatically applies to all debt instruments which do no qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through the surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost. (This category applies when the financial instrument is not repayable within 12 months. All financial liabilities are initially held at fair value less any transaction costs. For subsequent measurement the effective interest rate method is applied); or
- Mandatory at fair value through surplus or deficit. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through surplus or deficit).

Trade and other receivables

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Classification

Trade and other receivables are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method on any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

Credit risk

Details of the credit risk are included in the trade and other receivables note and the financial instruments and risk management note.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Trade and other payables

Classification

Trade and other payables are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Recognition and measurement

Trade and other payables are recognised when there is a present obligation of the company to transfer an economic resource as a result of past events. An obligation is a duty or responsibility that the entity has no practical ability to avoid. Trade and other payables are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of the interest expense, then it is included in surplus or deficit in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk.

2.4 Tax

No provision has been made for tax as the company is exempt from paying taxes in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act No 58 of 1962.

2.5 Revenue from contracts with customers

The company recognises revenue from the following major sources:
- Membership fees
- CPD, License and Upskilling fees
- Grant and tender income

Revenue is measured based on the consideration specified in a contract with a member and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a member.

Membership Fees

Membership fees are recognised in the financial period in which the application for membership is approved or renewed.

New Members

The prospective member applies for associate membership via the online application portal. The prospective member needs to accept the company's terms and conditions and pay the association fee before a membership number is issued and the revenue recognised. The associate member can then apply for one of the designations and provide the required supporting documentation as per the specific requirements of the designation applied for. The designation application is assessed and if the requirements are met and the application approved, a proforma invoice is issued to the member for payment. The membership fee is only recognised once the proforma invoice is paid or a commitment/promise is shown by the member to pay the fees. The commitment/promise includes a formal arrangement by virtue of a debit order instruction or an informal verbal commitment to make payment.

Renewals

The terms and conditions prescribe the process for membership cancellation and require notice of cancellation at least 30 days prior to the renewal date. Membership is automatically renewed if no cancellation instruction is received. The system sends automated communications to the members notifying them of the membership renewal, which will be due within 30 days from the renewal date. If a member doesn't make a payment arrangement or full payment for his/her membership fees or fails to adhere to the payment arrangements made, the membership is suspended and will be re-activated upon receipt of payment. Membership fees for which the members' profile has been suspended are impaired accordingly.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

The company has two billing runs:
1 - July billing runs: members registered during the period May – October will be categorised as a July billing run.
2 - January billing run: members registered during the period November - April will be categorised as a January billing run.

CPD, License and Upskilling Fees

The company offers CPD, Licenses and Upskilling via its online platform, The CIBA Academy.

Members are required to obtain CPD in the areas that they provide services to clients. The company is required in terms of the Companies Regulations, 2010 and the National Qualifications Framework Act, 67 of 2008 to require members to do CPD, monitor their CPD points, and report findings to authorities. The company's CPD program has been developed in line with the International Education Standard 7 issued by the IAESB and IFAC. Revenue is recognised upon receipt of payment or a formal/informal payment arrangement.

License fees are generated in the instance where a member wishes to practice as a specialist in a specific field and the CIBA license is a prerequisite. Revenue is recognised upon receipt of payment or a formal/informal payment arrangement.

Upskilling fees are generated in the instance where a member possesses the required experience necessary for a BAP(SA) designation but lacks certain core academic subject required to obtain said designation. Revenue is recognised upon receipt of payment or a formal/informal payment arrangement.

Grant and Tender Income

Revenue from the FASSET grant is recognised when the performance obligation is rendered in terms of the service level agreement.

2.6 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 paid vacation leave and sick leave, bonuses, and non-monetary benefits such as life and funeral cover), are recognised in the period which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

2.7 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Basis of preparation and summary of significant accounting policies continued...

2.8 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical accounting estimates and judgements

The preparation of the annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and assumptions

Management did not make critical judgements in the application of accounting policies, apart from those involving estimates, which could significantly affect the financial statements.

4. Changes in accounting policies and disclosures

Standard	Standard effective date	Adopted in the current year (Y/N)	Future adopted (Y/N)
Annual Improvements to IFRS Standards 2018–2020	01 January 2022	N	
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	01 January 2024		Y
Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)	01 January 2024		Y
Amendments to IFRS 17	01 January 2023	N	
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	01 January 2023	Y	
Definition of Accounting Estimates (Amendments to IAS 8)	01 January 2023	N	

4.1 Standards and Interpretations effective and adopted in the current period

In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Application of the above standards did not impact these financial statements.

4.2 New standards and interpretations not yet adopted

The company has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the financial period beginning 1 July 2022 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the company). The board of directors anticipates that the new standards, amendments and interpretations will be adopted in the company's financial statements when they become effective. The company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Accounting Policies

Changes in accounting policies and disclosures continued...

Amendments to IFRS 17

Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination
- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level
- Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements
- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives
- Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts
- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

5. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated Depreciation	Carrying Value	Carrying Value	Accumulated Depreciation	Carrying Value
IT Equipment	492,953	(225,126)	267,827	319,322	(184,236)	135,086
Total	**492,953**	**(225,126)**	**267,827**	**319,322**	**(184,236)**	**135,086**

Reconciliation of property, plant and equipment - 30 September 2023

	Opening Balance	Additions	Disposals	Revaluation of Assets	Depreciation	Closing Balance
IT Equipment	135,086	197,163	(3)	59,247	(123,666)	267,827
Total	**135,086**	**197,163**	**(3)**	**59,247**	**(123,666)**	**267,827**

Reconciliation of property, plant and equipment - 30 June 2023

	Opening Balance	Additions	Disposals	Revaluation of Assets	Depreciation	Closing Balance
IT Equipment	135,086	163,914	(3)	-	(93,899)	205,098
Total	**135,086**	**163,914**	**(3)**	**-**	**(93,899)**	**205,098**

Reconciliation of property, plant and equipment - 30 June 2022

	Opening Balance	Additions	Disposals	Revaluation of Assets	Depreciation	Closing Balance
IT Equipment	112,479	107,604	(17,814)	-	(67,183)	135,086
Total	**112,479**	**107,604**	**(17,814)**	**-**	**(67,183)**	**135,086**

Expected useful lives and estimated residual values

The expected useful lives and residual values of the assets have been reviewed at year end. Assets that are no longer in use or have reached the end of their useful lives have been disposed of. Assets which are still in use have been assessed for residual value in cases where the asset has been completely written off, several assets assessed and an adjustment was made to extend their useful lives.

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

6. Intangible assets

	2023			2022		
	Cost or Valuation	Accumulated amortisation	Carrying Value	Cost or Valuation	Accumulated amortisation	Carrying Value
Membership System	250,000	-	250,000	250,000	-	250,000
CFO Talks	20,213	-	20,213	20,213	-	20,213
Accounting Weekly	22,344	-	22,344	22,344	-	22,344
The SAIBA Academy	157,999	-	157,999	157,999	-	157,999
Total	**450,556**	**-**	**450,556**	**450,556**	**-**	**450,556**

Reconciliation of intangible assets - 30 September 2023

	Opening Balance	Additions	Impairment Loss	Closing Balance
Membership System	250,000	47,912	(47,912)	250,000
CFO Talks	20,213	-	-	20,213
Accounting Weekly	22,344	-	-	22,344
The SAIBA Academy	157,999	-	-	157,999
Total	**450,556**	**47,912**	**(47,912)**	**450,556**

Reconciliation of intangible assets - 30 June 2023

	Opening Balance	Additions	Impairment Loss	Closing Balance
Membership System	250,000	-	-	250,000
CFO Talks	20,213	-	-	20,213
Accounting Weekly	22,344	-	-	22,344
The SAIBA Academy	157,999	-	-	157,999
Total	**450,556**	**-**	**-**	**450,556**

Reconciliation of intangible assets - 30 June 2022

	Opening Balance	Additions	Impairment Loss	Closing Balance
Membership System	250,000	16,705	(16,705)	250,000
CFO Talks	20,213	-	-	20,213
Accounting Weekly	22,344	-	-	22,344
The SAIBA Academy	157,999	-	-	157,999
Total	**450,556**	**16,705**	**(16,705)**	**450,556**

Other Information

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

Intangible assets continued...

The Membership System ("the system") is used as a membership management system, member portal and member account management platform. The system is recognised at cost less impairment losses. The useful life of the system is deemed indefinite, as management believes that the system will be used by the company indefinitely, due to the system being heavily customised for the company's unique needs and the probability of another system being able to fulfil these needs is highly unlikely. CIBA was approached by a professional body in 2018 to purchase the system for R250 000 as it is specifically designed to cater for the professional body environment. The professional body was subsequently unable to acquire the system due to lack of funds. The fair value is taken as R250 000 as management believes that due to the effectiveness of the system, the current annual economic benefits exceed the costs if the company had to hire a similar system and/or employ more employees.

CFO Talks and Accounting Weekly are registered trademarks of the company undergoing continuous development and expansion to increase the company's exposure and visibility to the wider public and stakeholders in the accounting profession. The useful lives of the CFO Talks and Accounting Weekly trademarks are indefinite as management will continue to further develop the intangible assets to attract new members and generate new sponsorship and advertising revenue. During the current financial year a defensive name was registered for CFO Club Africa.

The CIBA Academy platform ("the platform") was launched in the 2021 period to provide members with access to various educational resources. The platform has been deemed to have an indefinite useful life as the company intends to further develop its capabilities to deliver quality educational resources to members. During the current reporting period no additional functionality was added to the platform beyond optimising the current tools available on the platform. This was deemed to be more in line with maintenance as the functionality was already available thus no further development costs were capitalised.

The Membership System was developed over the course of several previous financial years. The CIBA Academy platform has been developed mainly in the previous financial year and is still undergoing development, impairment will be considered in future financial years.

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

7. Trade and other receivables

Trade and other receivables comprise:

	30 September 2023	30 June 2023	30 June 2022
Trade receivables	15,447,225		13,330,811
Trade receivables loss allowance	(6,941,247)		(4,836,668)
Trade receivables - net	8,505,978		8,494,143
Deposits	67,204		13,447
Total trade and other receivables	**8,573,182**		**8,507,590**

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if members fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery.

The company's historical credit loss experience does not show significantly different loss patterns for different member segments. The expected credit losses are based on the loss allowance matrix which differentiates between formal payment arrangements, i.e. debit orders, and no payment arrangements, these include informal arrangements and promises to pay, with members which have outstanding balances due. The loss allowance provision is determined as follows:

	2023			2022		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
Membership Fees Receivable: current year - formal payment arrangements	8,010,183	(2,724,287)	5,285,896	5,553,170	(1,856,527)	3,696,643
Membership Fees Receivable: current year - informal payment arrangements	2,486,984	(1,631,309)	855,675	2,280,184	(1,073,643)	1,206,541
Membership Fees Receivable: prior years - formal payment arrangements	1,184,475	(779,873)	404,602	839,200	(649,495)	189,705
Membership Fees Receivable: prior years - informal payment arrangements	3,643,330	(1,805,778)	1,837,552	3,120,352	(1,257,003)	1,863,349
Other Receivables - formal payment arrangements	122,253	-	122,253	1,537,905	-	1,537,905
Total	**15,447,225**	**(6,941,247)**	**8,505,978**	**13,330,811**	**(4,836,668)**	**8,494,143**

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

8. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash			
Balances with banks	327,201	902,019	2,015,226
Cash equivalents			
Short term deposits	75,610	75,996	75,617
	402,811	**978,015**	**2,090,843**

The fair value of cash and cash equivalents approximates their carrying values.

The company has ceded R50 000 of the investment account balance in favour of ABSA Bank Limited as security for the company's debit order facility.

Credit quality of the cash at bank and short term deposits, excluding cash on hand

The credit risk of funds invested in current/short term deposits is limited because the counter party is a bank with a stable credit rating assigned by international credit-rating agencies and is regulated by the South African Reserve Bank which monitors the financial performance, capital ratios and conduct amongst banks. Accordingly, there is no material expected credit loss from a Probability of Default, Loss Given Default or any material Exposure to Default.

9. Reserves

9.1 Classification of reserves

	30 September 2023	30 June 2023	30 June 2022
Total non distributable reserves	59,247	-	-

9.2 Detailed analysis of other comprehensive income movements

	Revaluation surplus
Other comprehensive income for the period ended 30 September 2023 accumulated as follows:	
Revaluation of FIxed Assets	59,247

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

10. Trade and other payables

Trade and other payables comprise:

Trade payables	1,068,558	1,530,437	1,307,633
Deferred revenue	787,257	4,104,832	4,034,836
Accrued employee leave	1,009,571	457,260	489,926
Accrued employee performance incentives	532,669	-	753,411
PAYE, UIF and SDL	442,901	326,286	188,127
Value added tax	3,991,017	3,623,039	2,616,126
Total trade and other payables	**7,831,973**	**10,041,854**	**9,390,059**

Fair value of trade and other payables

The fair value of trade and other payables approximated their carrying amounts.

The deferred revenue of R 787 257, related to the membership fees received in advance for which the company is obligated to provide membership support services, CPD updates and incurring costs related to sustain professional designations.

Accrued employee leave

The accrued employee consists of the monetary value of the employees' accrued annual leave days as at the reporting date.

The amount is only payable to an employee upon termination of their employment, whether this termination is voluntary or otherwise.

Accrued employee performance incentives

The accrued employee performance bonuses/incentives consist of the annual performance bonuses/incentives due to the employees based on their individual performance against pre-determined targets for the 2022 financial year. The accrued annual performance incentives due to employees based on their individual performance against the predetermined targets for the 2021 financial year were paid in the current (2023) financial year.

Executive Management performance incentives

The company entrenches a culture of performance driven remuneration through the implementation of a performance incentive system. The Social and Ethics, Remuneration, and Nomination Committee ("The Committee") is responsible for establishing the criteria used to evaluate the performance of Executive Management. Performance incentive amounts are pre-determined in accordance with the guidance provided by an external remuneration specialist. Upon finalising the annual audited financial statements, the Committee evaluates Executive Management against these established criteria, concluding with recommendations to the Board on the achievement of targets and the corresponding performance incentives due, in line with the financial conditions of the company.

It should be noted that performance incentives are not part of the executive management's cost-to-company packages. Therefore, these incentives are not guaranteed and can be modified or withdrawn at the Committee's discretion.

Non-Executive Management performance incentives

Management is responsible for establishing the criteria used to evaluate the performance of the non-executive staff. Performance bonus amounts are pre-determined in accordance with the guidance provided by an external remuneration specialist. Upon finalising the annual audited financial statements, Management evaluates the non-executive staff against these established criteria, concluding with recommendations to the Social and Ethics, Remuneration and Nominations Committee on the achievement of targets and the corresponding performance bonuses due in line with the financial conditions of the company.

It should be noted that performance bonuses are not a right and are at the sole discretion of the Company.

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

Trade and other payables continued...

Value added tax accrual

The company is on a payment basis for VAT, meaning payment of VAT is only due upon payment of an invoice regardless of when it was issued. Thus the balance of the VAT account consists of the VAT payable to SARS as well as the VAT due in future based upon the VAT of outstanding debtors less the VAT on the oustanding creditors. These balances are consolidated for disclosure purposes.

11. Revenue

Revenue comprises:

	30 September 2023	30 June 2023	30 June 2022
Membership fees	27,796,140	21,403,096	20,478,410
CPD, Licenses and Upskilling	13,169,789	9,911,937	10,846,367
Tender and grant income	1,406,595	1,406,595	1,908,436
Initiative revenue	1,424,821	1,159,904	1,016,111
Total revenue	**43,797,345**	**33,881,532**	**34,249,324**

Membership fees

The company increased its fees in the previous financial year and included Core CPD as part of the member value proposition. Membership fees are higher in the current year due to the reporting period being 15 months and encompasses three billing runs versus the two billing runs in the previous financial year.

CPD, Licenses and Upskilling

The company provides in-house CPD content hosted on the CIBA Academy platform to provide members with the easiest possible access to free and subscription based CPD, in order to comply with their designation's CPD compliance.

Specialist licenses are offered to members to enable them to provide specialised services to their clients. These licenses are recognised by the company and provide the training for members to gain the necessary skills and information for their specialisation.

Upskilling courses are made available to members in order to bridge any admission criteria which are required for designation applications and approval. They also act as refresher courses for members to brush up on any changes in legislation and standards.

Tender and grant income

The tender and grant income in the current reporting period consists of monies received from FASSET for a project launched by the company to improve the workplace readiness skills of young aspiring professionals. The project was completed in the current financial year and resulted in 64 students obtaining a BA(SA) designation.

Initiative revenue

The company sent delegations to the ANDAF congress hosted in Capri, Italy and the CFO Alliance Launch in Tunisia. Although a delegation was initially intended for the 21st World Congress of Accountants in India, due to less interest than anticipated, the CEO and one of our Board members attended as CIBA's representatives instead of sending a full delegation.

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

12. Other income

Other income comprises:

Sponsorships and advertising income	2,111,030	1,646,530	1,284,874

Sponsorship and advertising income

Sponsorship income received consisted primarily of monies received from CIBA approved software solutions:
1. Sage South Africa (Pty) Ltd
2. Data Prime Solutions (Pty) Ltd
3. Intuit UK

13. Administrative expenses

Administrative expenses comprise:

Accounting fees	37,625	4,200	9,763
Auditors remuneration - Fees	97,200	97,200	89,750
Bank charges	599,519	461,464	442,831
Computer expenses	2,100,492	1,592,004	1,162,360
Debtor listing subscriptions	4,392	3,482	3,290
Secretarial, disciplinary and legal fees	328,731	182,596	137,285
Telephone and internet	509,602	397,955	287,759
Total administrative expenses	**3,677,561**	**2,738,900**	**2,133,038**

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

14. Other expenses

Other expenses comprise:

Accreditation costs	365,710	352,310	393,292
Advertising, marketing and branding	425,268	298,538	2,514,872
Bad debts	2,978,875	1,411,231	3,542,803
Consulting and education fees	4,373,112	3,634,422	3,583,018
Courier and postage	8,515	4,761	21,080
Depreciation	123,666	93,899	67,183
Employee costs	21,625,063	16,038,110	11,852,061
Entertainment	267,417	204,094	175,353
Event costs	3,016,323	2,061,264	1,710,347
Honorariums and board expenses	265,537	181,485	185,560
Impairment and reversals - intangible assets	47,912	-	16,705
Insurance	93,582	67,530	64,886
Membership rewards program	1,132,784	1,106,697	380,527
Membership service improvements	1,037,159	863,622	1,099,883
PR, design and podcast costs	376,534	310,989	244,519
Rental paid	207,454	151,265	272,130
RPL assessement costs	40,100	32,500	90,500
Social responsibility	-	-	62,717
Staff welfare and training	134,287	122,376	72,219
Technical support and upskilling	5,215,055	4,700,949	6,600,981
Travel - Local	488,595	353,067	365,338
Total other expenses	**42,222,948**	**31,989,109**	**33,315,974**

15. Other gains and (losses)

Other gains and (losses) comprise:

Gain or (loss) on disposal of assets	11,196	11,196	(17,814)
Gain or (loss) on foreign exchange differences	(37,849)	(30,562)	(23,060)
Total other gains and (losses)	**(26,653)**	**(19,366)**	**(40,874)**

16. (Deficit) / surplus from operating activities

16.1 (Deficit) / surplus from operating activities includes the following separately disclosable items

Other operating expenses			
Property plant and equipment			
- depreciation	123,666	93,899	67,183
Intangible assets			
- impairment loss	47,912	-	16,705
Audit fees			
Auditors remuneration - Fees	97,200	97,200	89,750

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

(Deficit) / surplus from operating activities continued...

16.2 Other material items requiring separate disclosure

Employee costs	21,625,063	16,038,110	11,799,691

The company appointed 14 new employees in the current financial year.

17. Finance income

Finance income comprises:

Interest received	27,927	23,871	17,530

18. Income tax expense

No provision has been made for 2023 tax as the company is exempt from paying taxes in terms of section 10(1)(d)(iv)(bb) of the Income Tax Act 58 of 1962.

19. Other comprehensive income

Disclosure of gross, tax and net other comprehensive income

	Gross other comprehen-sive income	Tax effect	Net other comprehen-sive income
period ended 30 September 2023			
Gains (losses) on revaluation of Fixed Assets	(59,247)	-	(59,247)

30 June 2022

Figures in R

20. Related parties

Directors' emoluments

Directors' emoluments -

Name	Honorarium	Emoluments	Performance Incentives	Subsistence and Reimbursements	Other pension scheme contributions	Total remuneration
NF van Wyk	-	4,015,276	538,693	122,886	75,000	4,751,855
C Booyens	-	1,604,833	142,256	37,290	-	1,784,379
PC de Jager	99,600	-	-	-	-	99,600
L Germanos	14,400	-	-	-	-	14,400
N Dick	14,400	-	-	-	-	14,400
PM Majozi	14,400	-	-	-	-	14,400
R Ngobeni	14,400	-	-	-	-	14,400
Total	**157,200**	**5,620,109**	**680,949**	**160,176**	**75,000**	**6,693,434**

Directors' emoluments -

Name	Honorarium	Emoluments	Performance Incentives	Subsistence and Reimbursements	Other pension scheme contributions	Total remuneration
NF van Wyk	-	2,421,537	720,000	12,380	-	3,153,917
C Booyens	-	1,016,517	-	17,708	-	1,034,225
PC de Jager	72,000	-	-	-	-	72,000
L Germanos	12,000	-	-	-	-	12,000
N Dick	12,000	-	-	-	-	12,000
PM Majozi	12,000	-	-	-	-	12,000
R Ngobeni	12,000	-	-	-	-	12,000
Total	**120,000**	**3,438,054**	**720,000**	**30,088**	**-**	**4,308,142**

A benchmarking exercise was conducted to establish what fair compensation to Non-executive directors ("NED's") would be, considering the time and effort NED's allocate to the business of the company. It was found that it is uncommon for Professional Bodies to remunerate NED's for their services and that NED's volunteer their services free of charge. The risk, however, is not being able to attract and retain high caliber candidates to one's Board.

In light of this a R7200 emolument for NED's for each of the following functions was proposed and approved by the members:

- Annual General Meeting
- Strategy and budget meeting

The chairperson of the board is provided with a monthly honorarium of R7200 for the execution of their duties.

During the current period under review the performance incentives/bonuses in respect of the 2021 financial year's performance results were paid to executive management and non-executive staff. The 2022 performance incentives/bonuses will be paid over the course of the next year subject to the availability of cash flow.

During the current period under review, the emoluments paid to directors encompass 15 months, whereas in 2022, the directors' emoluments covered a period of 12 months.

Notes to the Financial Statements

30 June 2022

Figures in R

21. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22. Financial risk management

This note explains the company's exposure to financial risks and how these risks could affect the company's future financial performance. Current period surplus and deficit information has been included where relevant to add further context.

22.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

Trade receivables comprise a widespread member base. Management evaluated credit risk relating to members on an ongoing basis. If members are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the member, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits regularly monitored.

The cash and cash equivalents comprise the cheque accounts, credit cards, investment account, and the online payment accounts. The credit risk regarding these instruments was deemed to be low enough that no credit loss allowance needed to be provided for at this time. The cash reserves are monitored on a regular basis to ensure that all short term and longterm obligations can be met.

The maximum exposure to credit risk is presented in the table below:

	2023			2022		
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	15,447,225	(6,941,247)	(6,941,247)	13,344,258	(4,836,668)	8,507,590
Cash and cash equivalents	402,811	-	-	2,090,843	-	2,090,843

22.2 Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

23. Comparative information not presented

Comparative information for Trade & Other Receivables for the 12-month period ending 30 June 2023 is not presented. This is due to the company conducting a comprehensive review of its trade and receivables at each year-end to assess credit losses and incorporate these findings. Since this detailed year-end reconciliation and review process, which includes a thorough examination of open proforma invoices and invoices converted during the period under review, was not performed at the end of the comparative period, the data may not be directly comparable for readers. This approach aligns with the company's commitment to providing accurate and reliable financial information in our audited annual financial statements.

Notes to the Financial Statements

Figures in R	30 September 2023	30 June 2023	30 June 2022

24. Cash flows from operating activities

Surplus for the period	**9,140**	**804,557**	**61,842**
Adjustments for:			
Finance income	(27,927)	(23,871)	(17,530)
Depreciation and amortisation expense	123,666	93,899	67,183
Impairment losses and reversal of impairment losses recognised in surplus or deficit	3,026,787	1,411,231	3,559,509
Gains and losses on foreign exchange realised in surplus or deficit	37,849	30,562	23,060
Gains and losses on disposal of non-current assets	(11,196)	(11,196)	17,814
Change in operating assets and liabilities:			
Adjustments for increase in trade accounts receivable	(2,990,710)	(3,909,427)	(5,234,347)
Adjustments for (increase) / decrease in other operating receivables	(53,757)	(887)	6,642
Adjustments for (decrease) / increase in trade accounts payable	(239,075)	222,802	457,269
Adjustments for (decrease) / increase in other operating payables	(1,319,011)	428,911	1,110,514
Adjustments for provisions	(37,849)	(30,562)	(231,710)
Net cash flows from operations	**(1,482,083)**	**(983,981)**	**(179,754)**

Detailed Income Statement

Figures in R	Notes	15 month period ended 30 September 2023	12 month period ended 30 June 2023	12 month period ended 30 June 2022
Revenue	11			
CPD, Licences & Upskilling		13,169,789	9,911,937	10,846,367
Initiative revenue		1,424,821	1,159,904	1,016,111
Membership fees		27,796,140	21,403,096	20,478,410
Tender and grant revenue		1,406,595	1,406,595	1,908,436
		43,797,345	**33,881,532**	**34,249,324**
Other income	12			
Sundry income		2,111,030	1,646,530	1,284,874
Administrative expenses	13			
Accounting fees		37,625	4,200	9,763
Auditors remuneration - Fees		97,200	97,200	89,750
Bank charges		599,519	461,464	442,831
Computer expenses		2,100,492	1,592,004	1,162,360
Debtor listing subscriptions		4,392	3,482	3,290
Secretarial, disciplinary and legal fees		328,731	182,596	137,285
Telephone and internet		509,602	397,955	287,759
		3,677,561	**2,738,900**	**2,133,038**
Other expenses	14			
Accreditation costs		365,710	352,310	393,292
Advertising, marketing and branding		425,268	298,538	2,514,872
Bad debts		2,978,875	1,411,231	3,542,803
Consulting and education fees		4,373,112	3,634,422	3,583,018
Courier and postage		8,515	4,761	21,080
Depreciation		123,666	93,899	67,183
Employee costs		21,625,063	16,038,110	11,852,061
Entertainment		267,417	204,094	175,353
Event costs		3,016,323	2,061,264	1,710,347
Honorariums and board expenses		265,537	181,485	185,560
Impairments and reversals - intangible assets		47,912	-	16,705
Insurance		93,582	67,530	64,886
Membership rewards program		1,132,784	1,106,697	380,527
Membership service improvements		1,037,159	863,622	1,099,883
PR, design and podcast costs		376,534	310,989	244,519
Rent paid		207,454	151,265	272,130
RPL assessment costs		40,100	32,500	90,500
Social responsibility		-	-	62,717
Staff welfare and training		134,287	122,376	72,219
Technical support and upskilling		5,215,055	4,700,949	6,600,981
Travel - Local		488,595	353,067	365,338
		42,222,948	**31,989,109**	**33,315,974**
Other gains and losses	15			
Forex gain or loss - financial liabilities		(37,849)	(30,562)	(23,060)
Gain or loss on sale - non-cash assets		11,196	11,196	(17,814)
		(26,653)	**(19,366)**	**(40,874)**

Detailed Income Statement

Figures in R	Notes	15 month period ended 30 September 2023	12 month period ended 30 June 2023	12 month period ended 30 June 2022
(Deficit) / surplus from operating activities	16	**(18,787)**	**780,687**	**44,312**
Finance income	17			
Interest received		27,927	23,871	17,530
Surplus for the period		**9,140**	**804,557**	**61,842**