THE INSTITUTE OF INTERNAL AUDITORS SOUTH AFRICA AND SUBSIDIARY

(Registration Number 1985/003686/08)

Consolidated and Separate Annual Financial Statements

for the year ended 31 May 2021

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	The Group and Institute provides training certification and promotion for Internal Auditors and is affiliated to the Institute of Internal Auditors Global based in the United States.
Director	JJ Gourrah (Chairman) TM Mofokeng (Vice - Chairman) J Majapelo (CEO) VJ Chauke HH Nkanyane AR Nemaangani MD Mogano MW Khosa AG Mdletshe LK Ncoliwe GM Spelman MKE Nong TD Sihlangu
Registered Office	Unit 2 Bedfordview Office Park 3 Riley Rd Bedfordview 2008
Postal address	PO Box 2290 Bedfordview Gauteng 2008
Bankers	Nedbank, Investec
Compiler of the Annual Financial Statements	The financial statements were internally compiled by: Kholofelo M. Mbowane CTA/ B.Com (Honours)
Company registration number	1985/003686/08
Company Secretary	Nyasha Charlotte Matsa (Acting)
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Auditor's	Nexia SAB&T Registered Auditors

Index

Director's 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 consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group 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 consolidated financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of material misstatement 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 group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The external auditors are responsible for independently reviewing and reporting on the group annual consolidated financial statements. The annual consolidated financial statements have been examined by the Institute's external auditors and their report is presented on page 4 to 6.

The annual consolidated financial statements set out on pages 9 to 25, which have been prepared on the going concern basis, were approved by the board of directors on 11 November 2021 and were signed on its behalf by:

DocuSigned by:
Julius Mojapelo
DB0DA580647245C...

Julius Mojapelo - CEO

DocuSigned by:
E2E10667725E47D...

James J Gourrah - Chairman

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
P O Box 10512
Centurion
0046
T: +27 (0) 12 682 8800
F: +27 (0) 12 682 8801
www.nexia-sabt.co.za

INDEPENDENT AUDITOR'S REPORT

To the members of The Institute of Internal Auditors South Africa

Opinion

We have audited the consolidated and separate financial statements of The Institute of Internal Auditors South Africa and Subsidiary set out on pages 9 to 25, which comprise the consolidated and separate statement of financial position as at 31 May 2021, the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of The Institute of Internal Auditors South Africa and subsidiary (the Group and Company) as at 31 May 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and 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 "The Institute of Internal Auditors South Africa and subsidiary Consolidated and Separate Annual Financial Statements for the year ended 31 May 2021", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 Group and 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 Group and 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 consolidated and separate 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 Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
C. Chigora
Director
Registered Auditor
11 November 2021

Director's Report

The directors have pleasure in submitting their report on the financial statements of The Institute of Internal Auditors South Africa and its subsiadiary for the year ended 31 May 2021.

1. Review of financial results and activities

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the previous year.

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

2. Events after the reporting period

The directors are not aware of any new material changes that may adversely impact the group. 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 group.

There were no major event post reporting date that could have an impact on the consolidated annual financial statements.

3. Going concern

The World Health Organisation declared a global pandemic, with the spread of the Corona Virus (COVID-19). As a result,the SA Government has declared a National State of Disaster followed by a lockdown that enforced various measures which led to reduced business activities of the Institute thus possibly impacting on the future viability of the entity.

As a result of these measures the operations of the organisation were immediately reviewed in order to continue serving our members. The traditional face to face event organising was offered by alternative on-line facilities, still generating revenue but on a smaller scale. In the interest of the safety of its staff and ensuring continued service to members and stakeholders, the Leadership Academy for Guardians of Governance took steps to make it possible for staff to work remotely.

Activities within the institute have continued albeit on-line. The use of technology has made the institute available to service its members and stakeholders which has reduced the severity of the COVID-19 interruptions on the cash flow projections for the coming year.

The directors believe that the institute has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the institute is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

4. Auditors

Nexia SAB&T continued in office in accordance with section 90 of the Companies Act 71 of 2008.

5. Secretary

The company secretary is Nyasha Charlotte Matsa in an acting capacity

Director's Report

6. Directorate

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

Board Member	Designation	Changes
JJ Gourrah	(Chairman)	
TM Mofokeng	(Vice Chairman)	
J Majapelo	(CEO)	Appointed, 01/06/2020
VJ Chauke		
HH Nkanyane		
AR Nemaangani		
MD Mogano		
MW Khosa		
AG Mdletshe		Appointed, 06/11/2020
LK Ncoliwe		Appointed, 19/11/2020
GM Spelman		Appointed, 19/11/2020
MKE Nong		Appointed, 19/11/2020
TD Sihlangu		Appointed, 19/11/2020
ST Nyangintsimbi		Resigned, 19/03/2021
AN Smuts		Resigned, 19/03/2021
GL Mahlangu		Resigned, 19/03/2021
N Ndwandwe		Resigned, 19/03/2021
A Moodley		Resigned, 19/03/2021
J Poggiolini		Resigned, 08/07/2021
C Nel		Resigned, 12/07/2021

Statements of Financial Position

Figures in R	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Assets					
Non-Current Assets					
Property, plant and equipment	3	8,838,197	10,572,128	8,254,396	9,690,495
Intangible assets	4	1	1	1	1
Loan to group companies	5	-	-	11,916,803	9,480,029
		8,838,198	**10,572,129**	**20,171,200**	**19,170,525**
Current Assets					
Inventories	6	473,259	1,292,302	473,259	1,292,302
Trade and other receivables	7	3,944,277	7,262,220	1,286,272	5,099,948
Cash and cash equivalents	8	12,061,809	11,155,981	11,152,108	10,722,062
		16,479,345	**19,710,503**	**12,911,639**	**17,114,312**
Total Assets		**25,317,543**	**30,282,632**	**33,082,839**	**36,284,837**
Equity and Liabilities					
Equity					
Reserves		14,468,182	15,700,814	14,468,182	15,700,814
(Accumulated loss) / retained earnings		(1,663,916)	2,616,678	10,632,237	11,622,142
		12,804,266	**18,317,492**	**25,100,419**	**27,322,956**
Current Liabilities					
Provisions	10	149,810	117,708	83,410	72,557
Trade and other payables	11	7,611,014	5,105,382	5,286,078	3,760,739
Deferred Income	9	4,752,453	6,742,050	2,612,932	5,128,585
		12,513,277	**11,965,140**	**7,982,420**	**8,961,881**
Total Equity and Liabilities		**25,317,543**	**30,282,632**	**33,082,839**	**36,284,837**

Statements of Comprehensive Income

Figures in R	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Revenue	12	38,541,592	55,715,527	26,523,135	34,938,287
Cost of sales	13	(13,280,803)	(27,549,243)	(6,609,431)	(15,768,015)
Gross profit		25,260,789	28,166,284	19,913,704	19,170,272
Other income	14	-	-	2,427,748	3,662,486
Operating costs		(29,861,530)	(33,375,986)	(23,644,354)	(27,095,932)
Operating loss		**(4,600,741)**	**(5,209,702)**	**(1,302,902)**	**(4,263,174)**
Finance income	15	320,147	790,097	312,997	776,896
Loss for the year		**(4,280,594)**	**(4,419,605)**	**(989,905)**	**(3,486,278)**

Statements of Changes in Equity

Figures in R	Revaluation Reserve	Special Reserve	Accumulated loss	Total
Group				
Balance at 1 June 2019	6,387,362	9,313,452	7,036,283	22,737,097
Total comprehensive income for the year				
Loss for the year			(4,419,605)	(4,419,605)
Total comprehensive income for the year	-	-	(4,419,605)	(4,419,605)
Balance at 31 May 2020	**6,387,362**	**9,313,452**	**2,616,678**	**18,317,492**
Balance at 1 June 2020	6,387,362	9,313,452	2,616,678	18,317,492
Total comprehensive income for the year				
Loss for the year			(4,280,594)	(4,280,594)
Total comprehensive income for the year	-	-	(4,280,594)	(4,280,594)
Reversal of Revaluation Reserve	(1,232,632)			(1,232,632)
Balance at 31 May 2021	**5,154,730**	**9,313,452**	**(1,663,916)**	**12,804,266**

Statements of Changes in Equity

Figures in R	Revaluation Reserve	Special Reserve	Accumulated loss	Total
Company				
Balance at 1 June 2019	6,387,362	9,313,452	15,108,420	30,809,234
Total comprehensive income for the year				
Loss for the year			(3,486,278)	(3,486,278)
Total comprehensive income for the year	-	-	(3,486,278)	(3,486,278)
Balance at 31 May 2020	**6,387,362**	**9,313,452**	**11,622,142**	**27,322,956**
Balance at 1 June 2020	6,387,362	9,313,452	11,622,142	27,322,956
Total comprehensive income for the year				
Loss for the year			(989,905)	(989,905)
Total comprehensive income for the year	-	-	(989,905)	(989,905)
Reversal of Revaluation Reserve	(1,232,632)			(1,232,632)
Balance at 31 May 2021	**5,154,730**	**9,313,452**	**10,632,237**	**25,100,419**

Statements of Cash Flows

Figures in R	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Cash flows from / (used in) operating activities					
Loss for the year		(4,280,594)	(4,419,605)	(989,905)	(3,486,278)
Adjustments for:					
Depreciation of property, plant and equipment		669,114	731,015	302,788	378,247
Impairment of		12,788	-	12,788	-
Investment income		(320,147)	(790,097)	(312,997)	(776,896)
Movement in provisions		32,102	(146,073)	10,853	(196,133)
Operating cash flow before working capital changes		(3,886,737)	(4,624,760)	(976,473)	(4,081,060)
Working capital changes:					
Decrease / (increase) in inventories		819,043	(28,568)	819,043	(28,564)
Decrease in trade and other receivables		3,317,942	941,113	3,813,676	820,482
Deferred Income		(1,989,597)	601,753	(2,515,653)	147,030
Increase / (decrease) in trade and other payables		2,505,631	(606,146)	1,525,328	363,276
Net cash flows from / (used in) operations		766,282	(3,716,608)	2,665,921	(2,778,836)
Investment income		320,148	790,096	312,997	776,896
Net cash flows from / (used in) operating activities		**1,086,430**	**(2,926,512)**	**2,978,918**	**(2,001,940)**
Cash flows from investing activities					
Property, plant and equipment acquired	3	(180,602)	(318,624)	(112,108)	(211,185)
Loan advanced to group companies		-	-	(2,436,764)	(619,579)
Net cash flows used in investing activities		**(180,602)**	**(318,624)**	**(2,548,872)**	**(830,764)**
Total cash movement for the 12 months		**905,828**	**(3,245,136)**	**430,046**	**(2,832,704)**
Cash and cash equivalents at beginning of the year		11,155,981	14,401,117	10,722,062	13,554,766
Cash and cash equivalents at end of the year	8	**12,061,809**	**11,155,981**	**11,152,108**	**10,722,062**

Accounting Policies

1. Presentation of financial statements

The consolidated 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 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.

2. Summary of significant accounting policies

These consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These consolidated financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

2.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the Institute; and
- the cost of the item can be measured reliably.

Office furniture equipment, IT equipment and computer software are carried at cost less accumulated depreciation and accumulated impairment losses.

Building is measured at fair value less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Summary of significant accounting policies continued...

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

Item	Depreciation Method	Average useful life
Buildings	Straight	50 Years
Office furniture &	Straight	5 Years
IT Equipment	Straight	3 Years
Computer Software	Straight	3 Years
Leasehold	Straight	5 Years

Land is not depreciated

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Land and building are independently revalued every three years.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in surplus and deficit in the period.

2.3 Intangible assets

An intangible asset is

- 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.

Intangible assets are initially recognised at cost.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred. Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	
Software	3 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

Summary of significant accounting policies continued...

2.4 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 surplus or deficit unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

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 surplus and deficit.

Trade and other receivables

Receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. 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. These are initially measured at fair value and subsequently recorded at amortised cost.

2.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior 12 months. A reversal of impairment is recognised immediately in profit or loss.

Summary of significant accounting policies continued...

2.6 Employee benefits

Short-term employee

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

2.7 Provisions and contingencies

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event; it is probable that the group will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

2.8 Revenue

Revenue is recognised to the extent that the group 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 hat economic benefits associated with the transaction will flow to the Institute. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

Revenue comprises of subscription income, book sales, conference fees, educational course fees, certification fees and other ancillary income.

Membership income is accounted for on the accrual basis.

Notes to the Financial Statements

Figures in R	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020

3. Property, plant and equipment

Group	Cost	Accumulated depreciation and impairment	2021 Carrying Value	Cost	Accumulated depreciation and impairment	2020 Carrying Value
Owned assets						
Building	8,332,140	(2,032,140)	6,300,000	10,032,140	(619,582)	9,412,558
Land	1,700,000	-	1,700,000	-	-	-
Leasehold Improvements	743,093	(589,461)	153,632	743,093	(440,842)	302,251
Office equipment	1,859,590	(1,505,452)	354,138	1,859,590	(1,303,546)	556,044
IT equipment	1,555,911	(1,225,484)	330,427	1,375,309	(1,074,033)	301,276
	14,190,734	(5,352,537)	8,838,197	14,010,132	(3,438,003)	10,572,129

Reconcilation of property, plant and equipment - Group 2021

	Opening balance	Additions	Transfer	Depreciation	Impairment	Total
Owned assets						
Buildings	9,412,558	-	(1,700,000)	(179,926)	(1,232,632)	6,300,000
Land	-	-	1,700,000	-	-	1,700,000
Leasehold Improvements	302,252	-	-	(148,619)	-	153,633
Office equipment	556,045	-	-	(201,906)	-	354,139
IT equipment	301,274	180,602	-	(138,663)	(12,788)	330,425
	10,572,129	180,602	-	(669,114)	(1,245,420)	8,838,197

Reconcilation of property, plant and equipment - Group 2020

	Opening balance	Additions	Transfer	Depreciation	Impairment	Total
Owned assets						
Land and buildings	9,614,387	-	-	(201,829)	-	9,412,558
Leasehold Improvements	450,870			(148,618)	-	302,252
Office equipment	768,889	12,467	-	(225,311)	-	556,045
IT equipment	150,374	252,162	-	(152,257)	-	250,279
Computer software	-	53,995	-	(3,000)	-	50,995
	10,984,520	318,624	-	(731,015)	-	10,572,129

Company	Cost	Accumulated depreciation and impairment	20201 Carrying Value	Cost	Accumulated depreciation and impairment	2020 Carrying Value
Owned assets						
Building	8,332,140	(2,032,140)	6,300,000	10,032,140	(619,582)	9,412,558
Land	1,700,000	-	1,700,000	-	-	-
Office equipment	918,680	(874,708)	43,972	918,680	(840,607)	78,073
IT equipment	1,327,734	(1,117,310)	210,424	948,765	(799,895)	148,870
Computer software		-	-	266,861	(215,866)	50,995
	12,278,554	(4,024,158)	8,254,396	12,166,446	(2,475,950)	9,690,496

Notes to the Financial Statements

Figures in R	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020

Reconcilation of property, plant and equipment - Institute 2021

	Opening balance	Additions	Transfer	Depreciation and impairment	Impairment	Total
Owned assets						
Building	9,412,558	-	(1,700,000)	(179,926)	(1,232,632)	6,300,000
Land	-	-	1,700,000	-	-	1,700,000
Office equipment	78,073	-	-	(34,101)		43,972
IT equipment	199,865	112,108	-	(88,761)	(12,788)	210,424
	9,690,496	112,108	-	(302,788)	(1,245,420)	8,254,396

Reconcilation of property, plant and equipment - Institute 2020

	Opening balance	Additions	Transfer	Depreciation and impairment	Impairment	Total
Owned assets						
Land and buildings	9,614,387	-	-	(201,829)	-	9,412,558
Office equipment	123,495	12,467	-	(57,889)	-	78,073
IT equipment	119,675	144,723	-	(115,528)	-	148,870
Computer software	-	53,995	-	(3,000)	-	50,995
	9,857,557	211,185	-	(378,246)	-	9,690,496

Property,plant and equipment details of the property
Unit 2, Bedfordview Office Park, Ext 928 & 328

	GROUP 2021	GROUP 2020
Building		
- Purchase price : 20 October 2001	4,018,500	4,018,500
- Additions since purchase or revaluations	6,403,230	6,403,230
- Building accumulated depreciation	(1,189,098)	(1,009,172)
- Separate valuation of Land	(1,700,000)	-
- Reversal of prior revaluations	(1,232,632)	-
	6,300,000	9,412,558
Land		
- Separate revaluation of Land	1,700,000	-
	8,000,000	9,412,558

The effective date of the revaluation was 18 August 2021. Revaluations were performed by independent valuer, Mr A. Steyn, from Inani Valuers.

Mr. A. Steyn is not a connnected to the institute.

Income Capitalisation Approach method of valuation has been used indetermination of market value of the property.

Notes to the Financial Statements

Figures in R	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020

4. Intangible assets

GROUP	2021 Cost	2021 Accumulated depreciation	2021 Accumulated Carrying value	2020 Cost	2020 Accumulated depreciation	2020 Accumulated carrying value
Software	45,345	(45,344)	1	45,345	(45,344)	1

Reconciliation of intangible assets - GROUP - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Software	1	0	0	0	1

Reconciliation of intangible assets - GROUP - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Software	1	0	0	0	1

COMPANY	Cost	Accumulated depreciation	Accumulated Carrying value	Cost	Accumulated depreciation	Accumulated carrying value
Software	42,072	(42,071)	1	42 072	(42,071)	1

Reconciliation of intangible assets - INSTITUTE - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Software	1	0	0	-	1

Reconciliation of intangible assets - INSTITUTE - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Software	1	0	0	-	1

5. Loan to subsidiary

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
The Leadership Academy for Guardian and Governance (Pty) Ltd	-	-	11,916,803	9,480,029

The IIA has signed sub-ordination agreement with the Academy and the agreement will be in place for 24 months post year end.

Notes to the Financial Statements

Figures in R	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020

6. Inventories

Inventories comprise:				
Books	473,259	1,292,302	473,259	1,292,302
	473,259	1,292,302	473,259	1,292,302

7. Trade and other receivables

Trade debtors	4,771,068	6,591,281	2,113,063	4,429,009
Prepayments	15,716	951,568	15,716	951,568
Provision for Impairement of receivables	(848,646)	(600,000)	(848,646)	(600,000)
Sundry debtors	200	(14,823)	200	(14,823)
Interest received in advance	5,939	334,194	5,939	334,194
	3,944,277	7,262,220	1,286,272	5,099,948

8. Cash and cash equivalents

Favourable cash balances				
Cash on hand	7,310	9,479	5,310	7,479
Bank balances	12,054,499	11,146,502	11,146,798	10,714,583
	12,061,809	11,155,981	11,152,108	10,722,062

9. Deferred Income

Fees in advance: Learner-ships	1,707,381	1,613,465	-	-
Fees in advance: Assessment	615,001	230,063	301,945	230,063
Fees in advance: Continued Professional Development	119,084	-	-	-
Fees in advance: Membership	2,310,987	4,898,522	2,310,987	4,898,522
	4,752,453	6,742,050	2,612,932	5,128,585

10. Provisions

Reconciliation of provisions - GROUP - 2021

GROUP	**Opening balance**	**Utilised during the year**	**Reversed during the year**	**Total**
Provision for audit fees	117,708	489,633	(457,531)	149,810

Reconciliation of provisions - GROUP - 2020

GROUP	**Opening balance**	**Utilised during the year**	**Reversed during the year**	**Total**

Notes to the Financial Statements

Figures in R		GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Provision for audit fees	133,914	99,788	(115,994)	117,708	

Reconciliation of provisions - COMPANY - 2021

COMPANY	Opening balance	Utilised during the year	Reversed during the year	Total
Provision for audit fees	72,557	100,666	(89,813)	83,410

Reconciliation of provisions - COMPANY - 2020

COMPANY	Opening balance	Utilised during the year	Reversed during the year	Total
Provision for audit fees	76,453	65,908	(69,804)	72,557

11. Trade and other payables

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Accruals	2,264,164	2,121,249	948,996	1,260,773
Debtors with credit balances	1,407,931	334,194	1,407,931	334,194
Leave Pay	1,665,822	850,673	1,347,812	704,094
IA Inc. QAR Royalty	244,179	244,179	244,179	244,179
VAT	752,659	532,237	752,659	539,900
Trade payable	1,276,259	1,022,850	584,501	677,599
	7,611,014	**5,105,382**	**5,286,078**	**3,760,739**

12. Revenue

An analysis of revenue is as follows:

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Bookstore/ Publications	1,185,522	1,736,052	1,185,522	1,736,052
Learnerships	6,220,951	8,360,599	-	-
CPD Training	4,250,870	8,733,307	-	-
Quality Assurance Reviews	1,546,634	3,683,265	-	-
Professional Pathways Development	1,211,091	1,248,240	1,211,091	1,248,240
Membership	19,428,905	16,639,158	19,428,905	16,639,158
Certifications	2,341,660	780,579	2,341,660	780,579
Events & Conferences	2,355,959	14,534,327	2,355,957	14,534,258
	38,541,592	55,715,527	26,523,135	34,938,287

Notes to the Financial Statements

Figures in R	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020

13. Cost of Sales

Bookstore	2,160,791	2,053,480	1,301,770	2,053,480
Professional Development Pathway	1,648,534	1,626,439	711,844	867,669
Events & Conferences	7,196,891	21,976,860	2,321,230	10,954,402
Membership	2,274,587	1,892,464	2,274,587	1,892,464
	13,280,803	27,549,243	6,609,431	15,768,015

14. Other Income

Administration fees	-	-	2,427,748	3,662,486

15. Finance income

Interest received	320,147	790,097	312,997	776,896

16. Operating (deficit)

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

Depreciation	669,114	731,014	302,788	378,245
Employee	22,743,131	25,109,206	18,753,738	21,265,468
	23,412,245	25,840,220	19,056,526	21,643,713

17. Related parties

` `

Relationships

Members of key management: Charles Nel (Acting CEO Academy) (July 2020 to June 2021)
Julius Mojapelo

Related party balances and transactions with other related parties

Related party balances

Loan accounts - Owing (to) by related parties

Leadership Academy for Guardians of Governance	11,916,803	9,480,029		

The IIA has signed sub-ordination agreement with the Academy and the agreement will be in place for 24 months post year end.

Notes to the Financial Statements

Figures in R	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Related party transactions				
Administration fees paid to (received from) related parties				
Learnership Academy for Guardians of Governance	2,427,748	3,662,486		

18. Directors' remuneration

Executive

2021

	Emoluments	**Other benefits***	Bonus	**Total**
Charles Nel	1,563,461	-	-	1,584,369
Julius Mojapelo	1,700,000	-	-	1,700,000

2020

	Emoluments	**Other benefits***	Bonus	**Total**
Charles Nel	1,563,461		20,908	1,584,369
Claudelle Von Eck *	3,422,130	35,946	-	3,458,076

* Resigned 26 July 2019

19. Financial Instruments

Categories of financial instruments - Group 2021

Financial assets	**At amortised cost**	**Total**
Trade and other receivables	3,944,277	3,944,277
Cash & cash equivalents	12,061,809	12,204,811
	16,006,086	**16,149,088**

Financial liabilities	**At amortised cost**	**Total**
Trade & other payables	7,611,014	7,611,014

Categories of financial instruments - Group 2020

Financial assets	**At amortised cost**	**Total**
Trade and other receivables	7,262,220	7,262,220
Cash & cash equivalents	11,155,981	11,155,981
	18,418,201	**18,418,201**

Financial liabilities	**At amortised cost**	**Total**
Trade & other payables	5,105,382	5,105,382

Figures in R	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020

Financial Instruments

Categories of financial instruments - Institute

2021

Financial assets	**At amortised cost**	**Total**
Trade and other receivables	1,286,272	1,286,272
Cash & cash equivalents	11,152,108	11,152,108
	12,438,380	**12,438,380**
Financial liabilities	**At amortised cost**	**Total**
Trade & other payables	5,286,078	5,286,078

Categories of financial instruments - Institute

2020

Financial assets	**At amortised cost**	**Total**
Trade and other receivables	5,099,948	5,099,948
Cash & cash equivalents	10,722,062	10,722,062
	15,822,010	**15,822,010**
Financial liabilities	**At amortised cost**	**Total**
Trade & other payables	3,760,739	3,760,739

20. Going Concern

The consolidated annual 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.

21. Events after the reporting period

The directors are not aware of any material events which occured after the reporting date and up to date of this report that could have an effect on the group financial statements.

Detailed Income Statements

Figures in R	Group 2021	Group 2020	Company 2021	Company 2020
Gross Revenue				
Bookstore/ Publications	1,185,522	1,736,052	1,185,522	1,736,052
Certifications	2,341,660	780,579	2,341,660	780,579
CPD Training	4,250,870	8,733,307	-	-
Events & Conferences	2,355,959	14,534,327	2,355,957	14,534,258
Learnerships	6,220,951	8,360,599	-	-
Membership	19,428,905	16,639,158	19,428,905	16,639,158
Professional Pathways Development	1,211,091	1,248,240	1,211,091	1,248,240
Quality Assurance Review	1,546,634	3,683,265	-	-
	38,541,592	55,715,527	26,523,135	34,938,287
Cost of Sales				
Bookstore/Publications	2,160,791	2,053,480	1,301,770	2,053,480
Events & Conferences	7,196,891	21,976,860	2,321,230	10,954,402
Membership	2,274,587	1,892,464	2,274,587	1,892,464
Professional	1,648,534	1,626,439	711,844	867,669
	13,280,803	27,549,243	6,609,431	15,768,015
Gross profit	**25,260,789**	**28,166,284**	**19,913,704**	**19,170,272**
Other Income				
Aministration fees	-	-	2,427,748	3,662,486
Interest income	320,147	790,097	312,997	776,896
	320,147	790,097	2,740,745	4,439,382
	25,580,936	**28,956,381**	**22,654,449**	**23,609,654**

Detailed Income Statements

Figures in R	Group 2021	Group 2020	Company 2021	Company 2020
Expenditure				
Admin Expenses	213,973	127,003	213,973	96,133
AGM Expenses	-	17,027	-	11,672
Auditors	266,481	115,994	89,813	69,804
Bad debts	23,860	(7,054)	-	-
Bank charges	187,331	169,652	176,684	157,388
Consulting fees	541,173	124,800	541,173	120,021
Debtors	270,717	(35,514)	270,717	(35,514)
Depreciation -	669,114	731,015	302,788	378,247
Electricity and	1,547,593	1,609,980	471,364	551,069
Entertainment	-	25,199	-	25,199
Exchange rate	144,387	(48,062)	144,387	(48,062)
Fines and	106,264	-	86,512	-
Impairment -	12,788	-	12,788	-
Insurance	112,696	113,468	80,215	81,671
Legal expense	26,153	758,456	207	718,863
Marketing	593,604	620,086	593,254	519,371
Office expenses	232,083	322,509	169,181	142,881
Postage	-	886	-	886
Printing and	21,169	65,500	18,119	48,776
Prizes	7,400	7,929	7,400	7,929
Public relations	146,504	896,562	146,504	896,562
Recruitment	99,103	1,001,190	99,103	988,095
Repairs and	222,764	173,198	160,910	112,877
Salaries	22,743,131	25,109,206	18,753,738	21,265,467
Telephone and	1,620,936	904,584	1,253,218	530,884
Training	49,353	216,752	49,353	159,687
Travel - local	2,953	152,482	2,953	92,888
Travel – local:	-	69,504	-	69,504
Travel - overseas	-	(47,078)	-	(47,078)
Travel - Overseas:	-	97,153	-	97,153
Travel - Overseas: Committee members	-	83,559	-	83,559
	29,861,530	33,375,986	23,644,354	27,095,932
Loss for the year	**(4,280,594)**	**(4,419,605)**	**(989,905)**	**(3,486,278)**