Chartered Governance Institute of Southern Africa NPC

Trading as

Chartered Governance Institute of Southern Africa NPC

(Registration Number 1972/000007/08)

Annual Financial Statements

for the year ended 31 December 2021

Audited Financial Statements

in compliance with the Companies Act 71 of 2008 of South Africa

Prepared by: Jennifer Maybery

Professional designation: ACG (Acc)

Title: Financial manager

Date published: 23 May 2022

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	1972/000007/08
Nature of Business and Principal Activities	The company is a non-profit company incorporated in South Africa.
Directors	Lynelle Bagwandeen - President Sonia Giuricich - Senior Vice President Sandile Mbhamali - Deputy Vice President Karen Robinson - Past President Ann Fiona Maskell Diolinda Maria da Silva Lindelwa Penelope Mngomezulu Ophelia Akosah-Bempah Simon Miteyo Akala Sharon Clarke Stephen Sadie CEO - Executive Director
Registered Office	Block C, Riviera Park 6-10 Riviera Road Killarney 2193
Business Address	Block C, Riviera Park 6-10 Riviera Road Killarney 2193
Bankers	The Standard Bank of South Africa Limited and Nedbank Group Limited.
Auditors	Mazars Registered Auditors
Company Secretary	Sandra Saunders P O Box 1071 Cresta 2118
Preparer	Jennifer Maybery ACG (Acc) Financial Manager
Issued	23/05/2022

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements 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 financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have 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 annual financial statements have been audited by the independent auditing firm, Mazars, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the directors and committees of the directors. The directors believe 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 10 to 13.

The annual financial statements set out on pages 15 to 35 which have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 of South Africa and on the going concern basis, were approved by the directors and were signed on 23 May 2022 on their behalf by:

Lynelle Bagwandeen - President

Sonia Giuricich - Senior Vice President

Stephen Sadie CEO - Executive Director

Certificate by the Company Secretary

I hereby confirm, in my capacity as company secretary of Chartered Governance Institute of Southern Africa NPC, that for the financial year ended 31 December 2021, the company has filed all required returns and notices in terms of the Companies Act 71 of 2008 of South Africa, with the Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

Sandra Saunders
Company Secretary
23 May 2022

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 December 2021.

The finance and risk committee is an independent statutory committee appointed by the members. Further duties are delegated to the finance and risk committee by the directors of the company. This report includes both these sets of duties and responsibilities.

1. Finance and risk committee terms of reference

The finance and risk committee has adopted formal terms of reference that has been approved by the directors. The committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. The terms of reference are available on request.

2. Finance and Risk Committee Members and Attendance

The finance and risk committee is independent and consists of three independent, nonexecutive directors. It meets four times a year as per its terms of reference.

The chairman of the board, chief executive officer, finance manager, external auditor and other assurance providers (legal and technical adviser) attend meetings by invitation only.

During the year under review four meetings were held. The attendance of the committee is reflected on page 39 of the integrated report.

The effectiveness of the finance and risk committee and its individual members are assessed on an annual basis.

1. Role and responsibilities

1.1 Statutory duties

The finance and risk committee's role and responsibilities include statutory duties per the Companies Act, 2008, and further responsibilities assigned to it by the board. The committee executed its duties in terms of the requirements of King IV and instances where the King IV requirements have not been applied have been explained in the corporate governance statement, included elsewhere in the Integrated Report.

External auditor appointment and independence

The finance and risk committee has satisfied itself that the external auditor was independent of the company, as set out in section 94(8) of the Companies Act 71 of 2008 of South Africa, which includes consideration of previous appointments of the auditor, the extent of other work undertaken by the auditor for the company and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee ensured that the appointment of the auditor complied with the Companies Act 71 of 2008 of South Africa, and any other legislation relating to the appointment of auditors.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2021 year.

Report of the Audit Committee

There is a formal procedure that governs the process whereby the auditor is considered for non-audit services. The committee approved the terms of a master service agreement for the provision of non-audit services by the external auditor, and approved the nature and extent of non-audit services that the external auditor may provide in terms of the agreed pre-approval policy.

Financial statements and accounting practices

The finance and risk committee has reviewed the accounting policies and the financial statements of the company and is satisfied that they are appropriate and comply with the International Financial Reporting Standard for Small and Medium-sized Entities.

A finance and risk committee process has been established to receive and deal appropriately with any concerns and complaints relating to the reporting practices of the company. No matters of significance have been raised in the past financial year.

Sonia Giuricich
Chairperson of the Finance and Risk Committee
23 May 2022

Directors' Report

The directors present their report for the year ended 31 December 2021.

1. Review of activities

Main business and operations

CGISA operates as a Non-Profit Company in terms of the Companies Act 71 of 2008 of South Africa (Co. Act).

Being a professional examining body, it continues to provide an examination that satisfies the demands for competence on the part of trained and qualified company secretaries and governance professionals in the private and public sectors. CGISA serves qualified professionals and provides a wide range of services to its members, such as technical information and seminars. A further purpose is ensuring the name and reputation of CGISA, and thereby its members, remain uppermost in the mind of decision makers and employers. In addition, it provides administrative services to associated Institutes.

There has been no material change in its activities during the year under review, however, the increase of webinars has improved the bottom line. The operating results and the financial position of the company are fully set out in the attached financial statements and do not, in our opinion, require any further comment.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 of South Africa.

2. Going concern

The 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, including specific consideration of the risk associated with COVID-19.

We have considered and will continue to closely monitor the potential impact of COVID-19 on our company.

The directors are focused and committed to the restructuring initiatives and debt reduction of company. The directors are also of the view that there are no material uncertainties that cast doubt on the company's ability to operate. The directors are also satisfied that the company has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that he company will not be a going concern for the foreseeable future.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

4. Property, plant and equipment

There has been no changes in property, plant and equipment of the company or the policy regarding their use in the current period. At 31 December 2021 the company's investment in property , plant and equipment amounted to R77,805 (2020:R159,773) , of which R4,729 was added in the current year.

5. Litigation statement

The company was involved in a labour court case, which was concluded in February 2022 and a settlement of R275,000 less PAYE as per directive obtained from SARS, was paid on the 11th March 2022. This settlement has been accrued into the 2021 annual financial statements in legal expenses and salary control account .

Directors' Report

6. Directors' interest in contracts

Examination, moderation and marking fees were paid to a number of Directors or other Related Parties in the year as follows:

- L Bagwandeen (Moderation Fees) - R16 459 (2020: R12 948)
- L Mngomezulu (Webinar presenter fees) - R6 800 (2020: R0)

Executive Director Remuneration - S Sadie
- Salary - R1 145 970 (2020: R1 210 230)
- Thirteenth cheque - R107 100 (2020: R0)
- Pension contribution - R114 597 (2020: R121 023)
- Group risk benefits - R47 004 (2020: R43 528)
- Medical aid contribution - R91 807 (2020: R138 276)

Total = R1 506 478 (2020: R1 513 057)

Directors' Report

Membership and webinar income etc were received from a number of Directors or other Related Parties in the year as follows:

- A Maskell (FCG membership) – R4 469.57 (2020: R0)
- C Wilson (FCG membership) – R4 469.57 (2020: R4 339)
- C Wilson (PPG membership) – R852.17 (2020: R826)
- D da Silva (FCG membership) – R4 469.57 (2020: R0)
- D da Silva (Donation income) – R260 (2020: R0)
- K Robinson (FCG membership) – R4 469.57 (2020: R4 339)
- K Robinson (Webinar income) – R0 (2020: R391)
- K Southgate (FCG membership) – R4 469.57 (2020: R4 339)
- K Southgate (PPG membership) – R852.17 (2020: R826)
- K Southgate (Webinar income) – R817.40 (2020: R782)
- K Southgate (Discount allowed) – R212.87 (2020: R0)
- L Bagwandeen (Discount allowed) – R0 (2020: R17)
- L Bagwandeen (FCG membership) - R4 469.57 (2020: R4 339)
- L Bagwandeen (Webinar income) - R347.83 (2020: R0)
- L Mngomezulu (FCG membership) - R4 469.57 (2020: R0)
- L Mngomezulu (Courier income) - R165.22 (2020: R0)
- O Akosah-Bempah (Discount allowed) – R212.87 (2020: R166)
- O Akosah-Bempah (FCG membership) – R4 469.57 (2020: R4 339)
- O Akosah-Bempah (PPG membership) – R852.17 (2020: R826)
- O Akosah-Bempah (Webinar income) – R0 (2020: R1 173)
- R Likhang (FCG membership) – R4 469.57 (2020: R4 339)
- R Likhang (PPG membership) – R852.17 (2020: R386)
- R Likhang (Webinar income) – R1 040 (2020: R0)
- S Akala (PPG membership) – R852.17 (2020: R0)
- S Akala (FCG membership) – R4 469.57 (2020: R0)
- S Akala (Webinar income) – R3 613.05 (2020: R0)
- S Akala (Discount allowed) – R182.61 (2020: R0)
- S Clarke (FCG membership) – R4 469.57 (2020: R2 086)
- S Clarke (Webinar income) – R0 (2020: R391)
- S Giuricich (FCG membership) – R4 469.57 (2020: R4 339)
- S Giuricich (PPG membership) – R852.17 (2020: R826)
- S Giuricich (Webinar income) – R0 (2020: R391)
- S Kajee (FCG membership) – R4 469.67 (2020: R4 339)
- S Kajee (PPG membership) – R852.17 (2020: R826)
- S Mbhamali (FCG membership) – R4 469.57 (2020: R4 339)
- S Mbhamali (PPG membership) – R852.17 (2020: R826)

7. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008 of South Africa, and have concluded the company is liquid and solvent.

Directors' Report

8. Directors

The directors of the company during the year and up to the date of this report are as follows:
Lynelle Bagwandeen - President
Sonia Giuricich - Senior Vice President
Sandile Mbhamali - Deputy Vice President
Karen Robinson - Past President
Ann Fiona Maskell (Appointed 9 June 2021)
Christopher Wilson (Resigned 9 June 2021)
Diolinda Maria da Silva (Appointed 9 June 2021)
Karen Southgate (Resigned 9 June 2021)
Lindelwa Penelope Mngomezulu (Appointed 9 June 2021)
Michelle Rissik-Nunes (Resigned 30 November 2021)
Ophelia Akosah-Bempah
Robert Likhang (Resigned 9 June 2021)
Sharon Clarke
Sikander Kajee (Resigned 9 June 2021)
Simon Miteyo Akala (Appointed 9 June 2021)
Stephen Sadie CEO - Executive Director

9. Social and ethics committee

In line with the requirements of the Companies Act 71 of 2008 of South Africa, Chartered Governance Institute of Southern Africa NPC has appointed a social and ethics committee. The members of the committee are:

Name	Appointment date	Resignation date
Sandile Mbhamali - Chairman	10 July 2020	
Fiona Maskell	10 July 2020	
Ophelia Akosah-Bempah	20 August 2020	
Sabrina Paxton	10 July 2020	31/10/2021
Stephen Sadie	10 July 2020	

10. Secretary

The company's designated secretary is Sandra Saunders, appointed in terms of s86 of the Companies Act 71 of 2008 of South Africa.
P O Box 1071
Cresta
2118

11. Independent Auditors

Mazars were the independent auditors for the year under review.

mazars

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The Chartered Governance Institute of Southern Africa

Independent Auditor's Report

To the Directors of the Chartered Governance Institute of Southern Africa

Opinion

We have audited the financial statements of The Chartered Governance Institute of Southern Africa set out on pages 14 to 34, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 financial statements present fairly, in all material respects, the financial position of The Chartered Governance Institute of Southern Africa as at 31 December 2021, and its financial performance and 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 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 "The Chartered Governance Institute of Southern Africa Annual Financial Statements for the year ended 31 December 2021", 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 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 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.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report.

Mazars
Partner: Miles Fisher
Registered Auditor
23 May 2022
Johannesburg

Auditor's Responsibilities for the Audit of the 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.

Statement of Financial Position

Figures in R	Notes	2021	2020
Assets			
Non-current assets			
Property, plant & equipment	3	77,805	159,773
Intangible assets other than goodwill	4	41,112	255,566
Total non-current assets		**118,917**	**415,339**
Current assets			
Inventories	5	45,561	39,606
Trade and other receivables	6	98,526	260,520
Loans receivable	7	11,975	32,704
Cash and cash equivalents	8	8,484,692	5,618,586
Total current assets		**8,640,754**	**5,951,416**
Total assets		**8,759,671**	**6,366,755**
Equity and liabilities			
Equity			
Retained surplus		6,101,600	1,541,967
Other non-distributable reserves		-	302,000
Total equity		**6,101,600**	**1,843,967**
Liabilities			
Non-current liabilities			
Post-retirement medical aid liability	9	-	450,012
Current liabilities			
Trade and other payables	10	2,594,376	3,972,887
Operating lease liabilities	11	63,695	26,289
Post-retirement medical aid liability	9	-	73,600
Total current liabilities		**2,658,071**	**4,072,776**
Total liabilities		**2,658,071**	**4,522,788**
Total equity and liabilities		**8,759,671**	**6,366,755**

Statement of Comprehensive Income

Figures in R	Notes	2021	2020
Revenue	12	18,176,189	15,373,672
Other income	13	791,976	82,829
Administrative expenses		(1,235,962)	(1,193,713)
Other expenses		(13,779,407)	(15,467,163)
Other gains and (losses)	14	10,107	(33,332)
Surplus / (deficit) from operating activities	15	**3,962,903**	**(1,237,707)**
Finance income	16	353,222	381,741
Finance costs	17	(58,492)	(112,371)
Surplus / (deficit) for the year		**4,257,633**	**(968,337)**
Other comprehensive income net of tax			
Revaluation - Post-retirement medical aid liability		-	(19,000)
Total comprehensive income		**4,257,633**	**(987,337)**

Statement of Changes in Equity

Figures in R	Post-retirement medical aid reserve	Retained Surplus	Total
Balance at 1 January 2020	321,000	2,510,304	2,831,304
Changes in equity			
Deficit for the year	-	(968,337)	(968,337)
Other comprehensive income	(19,000)	-	(19,000)
Total comprehensive income for the year	(19,000)	(968,337)	(987,337)
Balance at 31 December 2020	**302,000**	**1,541,967**	**1,843,967**
Balance at 1 January 2021	302,000	1,541,967	1,843,967
Changes in equity			
Surplus for the year	-	4,257,633	4,257,633
Total comprehensive income for the year	-	4,257,633	4,257,633
Transfer to Retained Surplus	(302,000)	302,000	-
Balance at 31 December 2021	**-**	**6,101,600**	**6,101,600**

Statement of Cash Flows

Figures in R	Notes	2021	2020
Net cash flows from operations	21	**2,555,376**	**194,142**
Interest paid		(58,492)	(38,012)
Interest received		353,222	381,741
Net cash flows from operating activities		**2,850,106**	**537,871**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(4,729)	(93,043)
Purchase of intangible assets		-	(31,300)
Cash flows used in investing activities		**(4,729)**	**(124,343)**
Cash flows from / (used in) financing activities			
Loan (repaid)/raised		20,729	(541,052)
Prior period correction		-	(235,681)
Cash flows from / (used in) financing activities		**20,729**	**(776,733)**
Net increase / (decrease) in cash and cash equivalents		**2,866,106**	**(363,205)**
Cash and cash equivalents at beginning of the year		5,618,586	5,981,792
Cash and cash equivalents at end of the year	**8**	**8,484,692**	**5,618,586**

Accounting Policies

1. General information

Chartered Governance Institute of Southern Africa NPC ('the company') is a non-profit company incorporated in South Africa.

2. Summary of significant accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 of South Africa. The annual financial statements have been prepared on the historical cost basis, except as indicated below, 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 except where specifically stated. No provision has been made for 2021 taxation as CGISA is exempt from income tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act No 58 of 1962.

2.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Depreciation and useful lives of property, plant and equipment

Depreciation on assets is calculated using the straight-line method to allocate their cost to residual values over the period management expects to use the asset. The actual lives of the assets and residual values are assessed depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining lives of the assets and projected disposable values.

Going concern

Management expects that there will be adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing its annual financial statements.

Provision for post-retirement medical aid contributions

Post-retirement healthcare benefits were provided to certain retired employees. Actuarial valuations were performed to measure the expected liability. Assumptions used include the discount rate, healthcare cost inflation, mortality rates, withdrawal rates and membership. By obtaining an external valuation by accredited valuators, management was of the opinion that the risk relating to estimation uncertainty was mitigated. Details can be found in note 9. The retired employee passed away in July 2019 and the liability removed.

Impairment of financials instruments

Loans and receivables

On loans receivable an impairment loss is recognised in the statement of comprehensive income when there is objective evidence that the loan receivable is impaired. Significant financial difficulties, probability that the company will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as objective evidence of impairment.

Accounting Policies

Summary of significant accounting policies continued...

2.2 Property, plant and equipment

Items of property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire 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.

An item of property, plant and equipment is derecognised upon disposal or where 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 profit and loss and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of derecognition.

During the year, there were no significant changes in the pattern by which the company expects to consume the future economic benefits of property, plant and equipment.

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

Category:	**Average Useful lives:**
Motor vehicles	10 Years
Furniture & Fittings	10 Years
Office equipment	5 Years
Computer equipment	3 Years

2.3 Intangible assets

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

The cost of an intangible asset includes its purchase price.

Amortisation is provided for all intangible assets on a straight-line basis so as to write down the cost of the intangible assets, on the straight-line basis over their useful lives.

The amortisation charge is recognised through profit and loss as it is incurred. The amortisation period and amortisation method applied to an intangible asset with a useful life is reviewed, and adjusted if necessary, on an annual basis. These changes are accounted for as a change in estimate.

Category:	**Average Useful lives:**
Trademarks	10 Years
Computer Software	3 Years

2.4 Impairment of non-financial assets

The entity determined that there were no indicators of impairment in the years presented.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Accounting Policies

Summary of significant accounting policies continued...

2.5 Inventories

Inventories are stated at the lower of cost and selling price less costs to sell. Cost is calculated using the first-in, first-out (FIFO) method. Inventories consists of textbooks for resale.

The cost of inventories comprise all costs of purchases, and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the relative revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.6 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial asset at amortised cost
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments. Financial instruments are measured initially at the transaction price.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses. Financial liabilities, classified as financial liabilities measured at amortised cost, are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Trade Receivables

Trade receivables are classified as financial assets at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade Payables

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

Loans Receivable

Loans receivable, classified as financial assets at amortised cost, comprise loans to associated institutes. These are recorded at amortised cost using the effective interest rate method.

Accounting Policies

Summary of significant accounting policies continued...

Loans Payable

Loans payable, classified as financial liabilities measured at amortised cost, comprise loans from associated institutes. These are recorded at amortised cost using the effective interest rate method.

Cash and cash equivalents

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

Equity

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.7 Related parties

A related party is related to a company if any of the following situations apply to it:

- Individual control/significant influence: The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the company.
- Key Management: The party is a member of the company's key management personnel.

2.8 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities.

Revenue is shown net of value-added tax and returns.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the company; and specific criteria have been met for each of the company's activities, as described below:

Student Fees

Examination fees and registration fees are recognised when no significant uncertainty as to its collectability exists.

Member Subscriptions

Subscriptions are recognised when no significant uncertainty as to its collectability exists.

Services Revenue

The service rendered is recognised as revenue by reference to the stage of completion of the transaction at the reporting date.

Events Revenue

Revenue from events are recognised when confirmation of attendance and registration is received.

Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest Income

Interest income is recognised using the effective interest method.

Accounting Policies

Summary of significant accounting policies continued...

Sponsorship Income

Sponsorship income is recognised on the accrual basis in accordance with the substance of the relevant agreements.

2.9 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 medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

The policy of CGISA, subject to the rules of the Pension Fund, is to provide retirement benefits for its employees. Current contributions to the defined contribution retirement benefit pension fund are based on a percentage of salaries cost and are charged as an expense in the period in which they are incurred.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Post-retirement medical aid liability

The company has both defined benefit and defined contribution plans for medical aid benefits. A defined contribution plan is a medical plan under which the company pays fixed contributions into a separate entity for employees while employed by the company and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The defined benefit plan in this particular case is a medical plan that the company contributes towards one ex-employee who retired.

The liability recognised in the statement of financial position in respect of defined benefit medical plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.10 Leases

Definition

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

Operating leases as lessee

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of the benefit obtained.

Accounting Policies

Summary of significant accounting policies continued...

2.11 Foreign Currencies

In preparing the financial statements, transactions in currencies other than the Institute's functional currency are recorded at the dates of the transactions. At the balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognised in profit and loss in the period in which they arise. CGI and CSIA annual fees are based in British Pound and United States Dollar respectively. The company's financial currency is the South African Rand (ZAR).

Notes to the Annual Financial Statements

Figures in R	2021	2020

3. Property, plant and equipment

Balances at year end and movements for the year

	Motor vehicles	Furniture & Fittings	Office equipment	Computer equipment	Total
Reconciliation for the year ended 31 December 2021					
Balance at 1 January 2021					
At cost	144,925	41,014	115,076	445,119	**746,134**
Accumulated depreciation	(142,169)	(41,014)	(64,462)	(338,716)	**(586,361)**
Carrying amount	**2,756**	**-**	**50,614**	**106,403**	**159,773**
Movements for the year ended 31 December 2021					
Additions from acquisitions	-	-	-	4,729	**4,729**
Depreciation	(2,756)	-	(14,263)	(69,678)	**(86,697)**
Property, plant and equipment at the end of the year	**-**	**-**	**36,351**	**41,454**	**77,805**
Closing balance at 31 December 2021					
At cost	144,925	41,014	115,076	449,848	**750,863**
Accumulated depreciation	(144,925)	(41,014)	(78,725)	(408,394)	**(673,058)**
Carrying amount	**-**	**-**	**36,351**	**41,454**	**77,805**
Reconciliation for the year ended 31 December 2020					
Balance at 1 January 2020					
At cost	144,925	41,014	61,956	405,196	**653,091**
Accumulated depreciation	(139,164)	(40,395)	(49,792)	(267,296)	**(496,647)**
Carrying amount	**5,761**	**619**	**12,164**	**137,900**	**156,444**
Movements for the year ended 31 December 2020					
Additions from acquisitions	-	-	53,120	39,923	**93,043**
Depreciation	(3,005)	(619)	(14,670)	(71,420)	**(89,714)**
Property, plant and equipment at the end of the year	**2,756**	**-**	**50,614**	**106,403**	**159,773**
Closing balance at 31 December 2020					
At cost	144,925	41,014	115,076	445,119	**746,134**
Accumulated depreciation	(142,169)	(41,014)	(64,462)	(338,716)	**(586,361)**
Carrying amount	**2,756**	**-**	**50,614**	**106,403**	**159,773**

Notes to the Annual Financial Statements

Figures in R	2021	2020

4. Intangible assets

Reconciliation of changes in intangible assets

	Trade Marks	Computer Software	Total
Reconciliation for the year ended 31 December 2021			
Balance at 1 January 2021			
At cost	15,000	2,511,102	**2,526,102**
Accumulated amortisation	(10,500)	(2,260,036)	**(2,270,536)**
Carrying amount	**4,500**	**251,066**	**255,566**
Movements for the year ended 31 December 2021			
Amortisation	(1,500)	(212,954)	**(214,454)**
Intangible assets at the end of the year	**3,000**	**38,112**	**41,112**
Closing balance at 31 December 2021			
At cost	15,000	2,511,102	**2,526,102**
Accumulated amortisation	(12,000)	(2,472,990)	**(2,484,990)**
Carrying amount	**3,000**	**38,112**	**41,112**
Reconciliation for the year ended 31 December 2020			
Balance at 1 January 2020			
At cost	15,000	2,479,802	**2,494,802**
Accumulated amortisation	(9,000)	(1,994,252)	**(2,003,252)**
Carrying amount	**6,000**	**485,550**	**491,550**
Movements for the year ended 31 December 2020			
Acquisitions through internal development	-	31,300	**31,300**
Amortisation	(1,500)	(265,784)	**(267,284)**
Intangible assets at the end of the year	**4,500**	**251,066**	**255,566**
Closing balance at 31 December 2020			
At cost	15,000	2,511,102	**2,526,102**
Accumulated amortisation	(10,500)	(2,260,036)	**(2,270,536)**
Carrying amount	**4,500**	**251,066**	**255,566**

5. Inventories

Inventories comprise:

	2021	2020
Merchandise for resale - Textbooks	45,561	39,606

Notes to the Annual Financial Statements

Figures in R	2021	2020

6. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	1,569,161	1,748,110
Provision for bad debts	(1,545,120)	(1,535,401)
Trade receivables - net	24,041	212,709
Prepaid expenses	74,485	47,811
	98,526	260,520

7. Other loans and receivables

Other loans and receivables comprise the following balances

The Chartered Institute of Business Management NPC	124	29,480
The Business Administrators Educational Foundation Trust - Mentor	11,851	3,224
	11,975	32,704

The above loans are unsecured, interest is charged at 5.15% (2020: 5.15%) per annum on month end balance and there are no fixed terms of repayment.

8. Cash and cash equivalents

8.1 Cash and cash equivalents included in current assets:

Cash		
Cash on hand	2,351	198
Current Accounts	1,258,993	1,028,499
Call and short term investments	7,223,348	4,589,889
	8,484,692	**5,618,586**

For purposes of the statement of cash flow, cash and cash equivalents comprise the balances disclosed above.
A guarantee of R 222,348, is held by Standard Bank that relates to CGISA lease of property, from Growthpoint Limited.

8.2 Net cash and cash equivalents

Current assets	8,484,692	5,618,586

Notes to the Annual Financial Statements

Figures in R	2021	2020

9. Post-retirement medical aid liability

The post-retirement medical aid liability relates to the coverage of medical aid for a retired employee who passed away in July 2019, so is no longer applicable.

Valuation was performed as at 31 December 2020

	2021	2020
Non-current liability	-	(450,012)
Current liability	-	(73,600)
	-	(523,612)

Net Statement of financial position

Healthcare liability at 31 December 2020	**(523,612)**
(Cost) / income recognised in P&L	523,612
Healthcare liability at 31 December 2021	**-**

R0 (2020: R73 600) of the total liability of R0 relates to short-term liabilities which are payments expected to be made within the next year.

Current and previous statement of Net Healthcare Liability

Liability at 31 December 2020	(523,612)
Net asset / (liability) at 31 December 2020	**(523,612)**
Liability at 31 December 2021	-
Net asset / (liability) at 31 December 2021	**-**

Change in liability over current year
Over the financial year the benefit obligation changed as follows:

Healthcare liability at 31 December 2020	**(523,612)**
Actuarial (gain) / loss - financial assumptions	523,612
Healthcare liability at 31 December 2021	**-**

Financial Assumptions

Discount rate

A rate of 0% per annum has been assumed (8.35% used at 31 December 2020). This is set having regard to the market yield on long term government bonds at the valuation date. The term of the liabilities is approximately 7.0 years, and the discount rate has been set in line with this.

Long term price inflation

A long-term future inflation rate of 0% per annum has been assumed (4.50% was used at 31 December 2020). This is set having regard to the relationship between yields on suitable long term fixed and inflation linked government bonds.

Notes to the Annual Financial Statements

Figures in R	2021	2020

10. Trade and other payables

Trade and other payables comprise:

Trade creditors	56,157	72,246
Income received in advance	1,338,444	1,456,270
Payroll accruals	760,141	953,520
Sundry creditors	-	965,095
Unallocated deposits	335,739	224,054
Value added tax	103,895	301,703
Total trade and other payables	**2,594,376**	**3,972,887**

11. Operating lease liabilities

Operating lease liabilities comprise:

Operating lease payable	63,695	26,289

Growthpoint Property Lease - expired 31st July 2020 and the new lease expires 31st July 2023.

The Institute rents offices under an operating lease. The lease is for an average period of three years, with fixed rentals over the same period.

Minimum lease payments under operating leases are recognised as an expense during the year.	943,912	1,125,732

At year-end, the company has outstanding commitments under non-cancellable operating leases that fall due as follows:

Within one year	969,962	906,477
Later than one year but within five years	588,260	1,558,171
	1,558,222	**2,464,648**

Notes to the Annual Financial Statements

Figures in R		2021	2020

12. Revenue

Revenue comprises:

		2021	2020
Sales - Physical Stock		259,842	222,131
Admin and management fees received		182,805	198,962
Integrated Reporting Awards	*	314,946	338,496
Member Income		5,951,094	5,806,917
Professional Practice Group Income		416,128	437,699
Royalties		33,452	30,316
Seminar, Workshop & Webinar Income	*	1,155,289	997,234
Advertising Income		48,685	91,191
Consulting Income		77,696	-
Placements Income		22,487	-
Student Income		9,675,262	7,237,900
Technical Support Package		38,503	12,826
Total revenue		**18,176,189**	**15,373,672**

*** - Sponsorship Income is included in revenue above as follows:**

	2021	2020
Integrated Reporting Awards	186,250	244,700
Seminar, Workshop & Webinar Income	148,000	96,004
	334,250	340,704

13. Other income

Other income comprises:

	2021	2020
Other income	790,221	75,743
Donation received	1,755	7,086
Total other income	**791,976**	**82,829**

Other income includes the reversal of the Post-retirement medical liability

14. Other gains and (losses)

Other gains and (losses) comprise:

	2021	2020
Gain or (loss) on foreign exchange differences on liabilities	10,107	(33,332)

Notes to the Annual Financial Statements

Figures in R	2021	2020

15. Surplus / (deficit) from operating activities

Surplus / (deficit) from operating activities includes the following separately disclosable items

Other operating expenses		
Property plant and equipment		
- depreciation	86,697	89,713
Intangible assets		
- amortisation	214,454	267,284
Employee costs	7,224,381	8,823,860
Audit fees		
Auditors remuneration - Fees	372,086	286,400

16. Interest Income

Interest income comprises:

Interest received on call accounts	351,624	379,219
Interest received - The Chartered Institute of Business Management NPC	1,547	2,508
Interest received - The Business Administration Educational Foundation Trust - Mentor	51	14
Total finance income	**353,222**	**381,741**

17. Finance costs

Finance costs included in profit or loss:

Alexander Forbes interest paid	-	265
SARS - Penalties and interest	22,134	30,826
Interest paid - The Chartered Institute of Business Management NPC	464	94
Interest paid - The Business Administration Educational Foundation Trust - Mentor	35,894	37,185
Interest paid - Post-retirement medical aid liability	-	44,000
Total finance costs	**58,492**	**112,371**

Notes to the Annual Financial Statements

Figures in R	2021	2020

18. Related parties

Membership and webinar income etc were received from a number of Directors as follows:

- A Maskell (FCG membership) – R4 469.57 (2020: R0)
- C Wilson (FCG membership) – R4 469.57 (2020: R4 339)
- C Wilson (PPG membership) – R852.17 (2020: R826)
- D da Silva (FCG membership) – R4 469.57 (2020: R0)
- D da Silva (Donation income) – R260 (2020: R0)
- K Robinson (FCG membership) – R4 469.57 (2020: R4 339)
- K Robinson (Webinar income) – R0 (2020: R391)
- K Southgate (FCG membership) – R4 469.57 (2020: R4 339)
- K Southgate (PPG membership) – R852.17 (2020: R826)
- K Southgate (Webinar income) – R817.40 (2020: R782)
- K Southgate (Discount allowed) – R212.87 (2020: R0)
- L Bagwandeen (Discount allowed) – R0 (2020: R17)
- L Bagwandeen (FCG membership) - R4 469.57 (2020: R4 339)
- L Bagwandeen (Webinar income) - R347.83 (2020: R0)
- L Mngomezulu (FCG membership) - R4 469.57 (2020: R0)
- L Mngomezulu (Courier income) - R165.22 (2020: R0)
- O Akosah-Bempah (Discount allowed) – R212.87 (2020: R166)
- O Akosah-Bempah (FCG membership) – R4 469.57 (2020: R4 339)
- O Akosah-Bempah (PPG membership) – R852.17 (2020: R826)
- O Akosah-Bempah (Webinar income) – R0 (2020: R1 173)
- R Likhang (FCG membership) – R4 469.57 (2020: R4 339)
- R Likhang (PPG membership) – R852.17 (2020: R386)
- R Likhang (Webinar income) – R1 040 (2020: R0)
- S Akala (PPG membership) – R852.17 (2020: R0)
- S Akala (FCG membership) – R4 469.57 (2020: R0)
- S Akala (Webinar income) – R3 613.05 (2020: R0)
- S Akala (Discount allowed) – R182.61 (2020: R0)
- S Clarke (FCG membership) – R4 469.57 (2020: R2 086)
- S Clarke (Webinar income) – R0 (2020: R391)
- S Giuricich (FCG membership) – R4 469.57 (2020: R4 339)
- S Giuricich (PPG membership) – R852.17 (2020: R826)
- S Giuricich (Webinar income) – R0 (2020: R391)
- S Kajee (FCG membership) – R4 469.67 (2020: R4 339)
- S Kajee (PPG membership) – R852.17 (2020: R826)
- S Mbhamali (FCG membership) – R4 469.57 (2020: R4 339)
- S Mbhamali (PPG membership) – R852.17 (2020: R826)

Notes to the Annual Financial Statements

Figures in R

Related parties continued...

18.1 Compensation paid to directors and prescribed officers

Name	Moderator & Presenter Fees paid	Salaries, bonuses and performance related payments	Pensions paid or receivable	Other pension scheme contributions	Medical aid contribution	Total remuneration
Lindelwa Penelope Mngomezulu	6,800	-	-	-	-	6,800
Lynelle Bagwandeen - President	16,459	-	-	-	-	16,459
Stephen Sadie CEO - Executive Director	-	1,253,070	114,597	47,004	91,807	1,506,478
Total compensation paid to directors and prescribed officers	**23,259**	**1,253,070**	**114,597**	**47,004**	**91,807**	**1,529,737**

Notes to the Annual Financial Statements

Figures in R	2021	2020

Related parties continued...

18.2 Related party transactions and balances

	The Chartered Institute of Business Management NPC	The Business Administrators Educational Foundation Trust - Mentor	Total
Year ended 31 December 2021			
Related party transactions			
Administration fee income, interest received and paid	(183,889)	35,844	**(148,045)**
Outstanding balances for related party transactions			
Amounts receivable	124	11,851	**11,975**
Year ended 31 December 2020			
Related party transactions			
Administration fee income, interest received and audit fees	201,376	37,172	**238,548**
Outstanding balances for related party transactions			
Amounts receivable	29,480	3,224	**32,704**

19. Taxation

No provision has been made for 2021 taxation as CGISA is exempt from income tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act No 58 of 1962.

20. Going concern

The 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.

Notes to the Annual Financial Statements

Figures in R | **2021** | **2020**

21. Cash flows from operating activities

	2021	2020
Surplus / (deficit) for the year	**4,257,633**	**(987,337)**
Adjustments for:		
Finance income	(353,222)	(381,741)
Finance costs	58,492	38,012
Depreciation and amortisation expense	301,151	356,997
Decrease in post-retirement medical aid liability	(523,612)	(8,448)
Change in operating assets and liabilities:		
Adjustments for (increase) / decrease in inventories	(5,955)	18,029
Adjustments for decrease in trade accounts receivable	161,994	709,086
Adjustments for (decrease) / increase in trade accounts payable	(1,341,105)	449,544
Net cash flows from operations	**2,555,376**	**194,142**

22. Financial instruments

The company has classified its financial assets in the following categories:

	Financial asset at amortised cost	Total
2021		
Loans receivable	11,975	11,975
Trade and other receivables	24,041	24,041
Cash and cash equivalents	8,484,692	8,484,692
2020		
Loans receivable	32,704	32,704
Trade and other receivables	212,709	212,709
Cash and cash equivalents	5,618,586	5,618,586

The company has classified its financial liabilities in the following categories:

	Financial liabilities at amortised cost	Total
2021		
Trade and other payables	56,157	56,157
2020		
Trade and other payables	72,246	72,246

23. Approval of annual financial statements

These financial statements were approved by the board of directors and authorised for issue on 23 May 2022.

Detailed Income Statement

Figures in R	Notes	2021	2020
Revenue	12		
Admin and management fees		182,805	198,962
Consulting income		77,696	-
Membership income		17,135,094	14,393,375
Placement income		487,300	528,890
Royalties		33,452	30,316
Sales - Physical stock		259,842	222,131
		18,176,189	**15,373,674**
Other income	13		
Other income		791,976	82,829
Administrative expenses			
Auditors remuneration - Fees		(372,086)	(286,400)
Bank charges		(153,411)	(111,188)
Computer expenses		(443,835)	(467,858)
Subscriptions		(73,961)	(81,929)
Telecommunication		(192,669)	(246,338)
		(1,235,962)	**(1,193,713)**

Detailed Income Statement

Figures in R	Notes	2021	2020
Other expenses			
Advertising		(714,929)	(755,159)
Amortisation - intangible assets		(214,454)	(267,284)
Boardroom Magazine		(288,000)	(312,147)
Cleaning		(29,088)	(39,954)
Consulting fees		(289,839)	(271,174)
COS Physical Stock		(43,452)	(40,665)
Depreciation - property, plant and equipment		(86,697)	(89,713)
Discount allowed		(45,878)	(68,954)
Employee costs - salaries		(7,224,381)	(8,823,860)
Event expenses		(325,049)	(377,964)
Gifts		(17,765)	(8,462)
Hire - Equipment		(33,996)	(107,976)
Insurance		(105,991)	(84,600)
International Capitation Fees		(341,212)	(400,882)
International Council Fees		-	(4,806)
International Initiatives		(102,429)	(108,668)
Legal expense		(396,903)	(699,803)
Meeting expenses		(8,101)	(5,148)
Motor vehicle expense		(8,231)	(6,757)
Municipal charges		(321,701)	(358,214)
Operating lease expense		(614,621)	(896,012)
Other expenses		(20,034)	-
Postage		(50,794)	(57,749)
Printing and stationery		(64,870)	(59,826)
Prior year expenses		-	3,336
Recruitment fees		(118,348)	-
Repairs and maintenance		(324,965)	(288,541)
Security		(7,066)	(7,914)
Small assets - below R5000		(14,209)	(19,757)
Staff catering expenses		(13,235)	(11,542)
Student expenses		(1,421,187)	(783,511)
Training		(40,419)	(26,417)
Travel - Local		(5,528)	(16,642)
Travel - Overseas		-	(17,431)
Webinar_Seminar_Workshop expenses		(486,035)	(452,967)
		(13,779,407)	**(15,467,163)**
Other gains and losses	14		
Forex gain or loss - trade and other payables		10,107	(33,332)
Surplus / (deficit) from operating activities	15	**3,962,903**	**(1,237,705)**

Detailed Income Statement

Figures in R	Notes	2021	2020
Finance income	16		
Interest received		353,222	381,741
Finance costs	17		
Interest paid		(58,492)	(112,371)
Surplus / (Deficit) for the year		**4,257,633**	**(968,335)**