

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC
(Registration No. 1981/011981/08)

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2015



LEVENDAL & ASSOCIATES INCORPORATED

REGISTERED CHARTERED ACCOUNTANTS & AUDITORS

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

(Registration No. 1981/011981/08)

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2015

These annual financial statements include statements which have been audited in compliance with the Companies Act and are presented as follows:

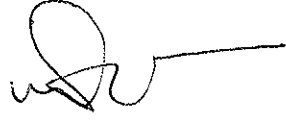
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Approval

The annual financial statements set out on pages 7 to 17 are the responsibility of the directors and have been approved for publication and are signed on their behalf by:



Director



Director

27 May 2016.
Date

27 MAY 2016
Date

27 May 2016

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

GENERAL INFORMATION

Company name	The Institute of Accounting and Commerce NPC
Registration number	1981/011981/08
Country of incorporation and domicile	Republic of South Africa
Nature of business and principle activities	A professional body engaged in certifying accounting officers, tax practitioners and independent reviewers.
Directors	Derek Micheal Johnstone Andrew Wayne Bezuidenhout Michael Alois Rudolf Biermann Tabile Mzwakali Mogamat Shafiek Tassiem Johanna Magrieta Jacoba Lubbe
Registered office	252 Rosmead Avenue, Wynberg, Cape Town, 7780
Business address	252 Rosmead Avenue, Wynberg, Cape Town, 7780
Postal address	P.O. Box 36477, Glosderry, 7702
Auditors	Levendal and Associates Incorporated



LEVENDAL & ASSOCIATES INCORPORATED

REGISTERED CHARTERED ACCOUNTANTS & AUDITORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

We have audited the annual financial statements of The Institute of Accounting and Commerce NPC which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 17.

Director's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

Director J.G. Levendal B.Com. CA(SA), RA(SA)

Assisted by Cedric Jansen B.Proc. Mawande Mavedwa B.Com. PA(SA), Steven Chirairo B.Comot. IAC. PA(SA),
Malvin Kusangaya ACMA, CGMA; Mbrts Hluthini B.Acc

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2015, we have read the Director's Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Director's Report is the responsibility of the director. Based on reading the Director's Report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Director's Report and accordingly do not express an opinion thereon.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedule set out on page 18 and 19 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.



.....
J.G Levendal (Director)
Levendal and Associates Incorporated
Chartered accountants (SA)
Registered Auditors and Accountants

30 May 2016
Bellville, 7530

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors have pleasure in submitting their report together with the audited annual financial statements for the year ended 31 December 2015.

General review

The Institute of Accounting and Commerce NPC is an association incorporated in the Republic of South Africa. The principal activities of the association are certifying accounting officers, reviewers and tax practitioners

No matter which is material to the financial affairs of the association has occurred between 31 December 2015 and the date of approval of the financial statements.

Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act, 2008.

The directors are also responsible for the organisation's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the organisations annual general meeting for approval. It is possible that amendments may be required prior to shareholder approval being given.

Financial results

The results of the organisation for the year under review are fully set out in the attached financial statements and require no further comment.

Events after the end of the reporting period

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of this report.

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Directors and secretary

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

Derek Michael Johnstone

Andrew Wayne Bezuidenhout

Micheal Alois Rudolf Biermann

Mahomed Aneez Tayob

Resigned 24 August 2015

Bjorn Mathew Manuel

Resigned 27 August 2015

Tabile Mzwakali

Mogamat Shafiek Tassiem

Johanna Magrieta Jacoba Lubbe

Appointed 23 October 2015

Company Secretary (Acting)

E. Nagia

P. O Box 36477, Glosderry, Cape Town

Auditors

Levendal and Associates Incorporated will continue in office in accordance with the Companies Act, 2008.

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Notes	2015 R	2014 R
Assets			
Non-current assets		522 584	593 281
Property, plant and equipment	3	15 146	24 570
Investments	4	507 438	568 711
Current assets		9 589 524	8 750 117
Inventories	5	10 116	11 406
Trade receivables	6	13 776	38 228
Other receivables and prepayments	7	1 291	12 785
Bank and cash balances	8	9 564 341	8 687 698
Total assets		<u>10 112 108</u>	<u>9 343 398</u>
Equity and liabilities			
Equity		7 968 587	8 002 338
Accumulated surplus		7 968 587	8 002 338
Non-current liabilities		313 186	298 273
Long-term provisions	9	313 186	298 273
Current liabilities		1 830 335	1 042 787
Trade and other payables	10	1 830 335	1 042 787
Total equity and liabilities		<u>10 112 108</u>	<u>9 343 398</u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 R	2014 R
Income			
Revenue		2 476 342	2 745 026
Other income		613 400	438 355
Total income		<u>3 089 742</u>	<u>3 183 381</u>
Expenses			
Operating expenses		(3 429 419)	(3 086 178)
Fair value adjustments		(61 272)	138 855
Administration expenses		(129 772)	(108 571)
Finance expenses	11	496 970	465 505
(Deficit) / surplus before tax	12	<u>(33 751)</u>	<u>592 992</u>
Taxation	13	-	-
(Deficit) / surplus for the year		<u><u>(33 751)</u></u>	<u><u>592 992</u></u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Accumulated surplus R	Total R
Balance at 31 December 2013	7 409 346	7 409 346
Surplus for the period	592 992	592 992
Balance at 31 December 2014	8 002 338	8 002 338
Deficit for the period	(33 751)	(33 751)
Balance at 31 December 2015	<u>7 968 587</u>	<u>7 968 587</u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 R	2014 R
Net cash retained in operating activities		866 806	466 565
Cash receipts from members		2 500 794	2 717 140
Cash paid to suppliers and employees		(2 763 451)	(3 171 426)
Cash generated from operating activities	14.1	(262 657)	(454 286)
Interest received		511 884	480 185
Interest paid		(14 914)	(14 680)
Dividends received		19 093	16 991
Sundry income		613 400	438 355
Cash flows from investing activities		(5 077)	(42 350)
Purchase of property, plant and equipment	14.2	(5 077)	(42 350)
To increase operating capacity		(5 077)	(42 350)
Cash flows from financing activities		14 913	4 680
Proceeds from long-term borrowings		14 913	4 680
Net increase in cash and cash equivalents		876 643	428 896
Cash and cash equivalents at beginning of period		8 687 698	8 258 802
Cash and cash equivalents at end of period	14.3	9 564 341	8 687 698

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. General information

The Institute of Accounting and Commerce NPC is a non-profit company, incorporated in South Africa. Its principle business activity is a professional body, engaged in certifying accounting officers and tax practitioners and operates principally in South Africa.

2. Basis of preparation and accounting policies

The basis of preparation and principle accounting policies of the company, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. They are presented in South African Rands.

Property, plant and equipment

Property, plant and equipment are tangible assets that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item is its cash price equivalent at the recognition date.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits. The carrying amount of the replaced part is also derecognised. All other repairs and maintenance and servicing costs are charged to surplus or deficit as incurred.

Depreciation on other assets is charged to surplus or deficit 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:

	Useful life
Computer equipment	3
Office equipment	6

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Inventories

Inventories are initially measured at cost and subsequently stated at the lower of estimated selling price less costs to complete and sell. Cost is calculated using the first-in-first-out method and comprises direct materials, packaging, labour costs and overheads. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell and the impairment loss is recognised immediately in surplus or deficit.

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.

Bank overdrafts are shown separately in current liabilities.

Revenue

Revenue, which excludes Value Added Tax, comprises of the sale of goods, rendering of services and interest received.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company.

Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

3 Property, plant and equipment

	2015			2014		
	Cost	Accum. deprec / impair.	Carrying value	Cost	Accum. deprec / impair.	Carrying value
	R	R	R	R	R	R
Computer equipment	83 735	(83 735)	-	80 675	(80 675)	-
Furniture and fittings	197 803	(182 657)	15 146	195 786	(171 216)	24 570
	<u>281 538</u>	<u>(266 392)</u>	<u>15 146</u>	<u>276 461</u>	<u>(251 891)</u>	<u>24 570</u>

The carrying amounts for 2015 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposal s	Other	Deprec. / impairment	Carrying value at end of year
	R	R	R	R	R	R
Computer equipment	-	3 060			(3 060)	-
Furniture and fittings	24 570	2 017			(11 441)	15 146
	<u>24 570</u>	<u>5 077</u>	<u>-</u>	<u>-</u>	<u>(14 501)</u>	<u>15 146</u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

				2015 R	2014 R
4 Investments					
		No. of shares	Class of		
		2015	2014		
			shares		
	Listed investments at market value				
	Sanlam Limited	7 456	7 456	Ordinary	447 658
	Old Mutual Plc	1 400	1 400	Ordinary	59 780
				<u>507 438</u>	<u>568 711</u>
	Fair value of the shares is determined annually at the balance sheet date.				
5. Inventories					
	Inventories comprise:				
	Finished goods			10 116	11 406
	The above amounts are held at the lower of cost and net realisable value.				
				<u>10 116</u>	<u>11 406</u>
6. Trade receivables					
	Trade debtors			8 385	34 144
	Sars - VAT			5 391	3 647
	Debtor WCA			-	437
				<u>13 776</u>	<u>38 228</u>
7. Other receivables and prepayments					
	These include: Staff loans				
	Mr D Johnstone			-	10 525
	S Busch			-	2 260
	IAC Zimbabwe			1 291	-
				<u>1 291</u>	<u>12 785</u>

	2015 R	2014 R
8, Bank and cash balances		
Bank and cash balances at year end comprise:		
FNB Current Acc 62190124645	167 943	547 460
FNB Money Market	247 045	502 787
Money Market Bursary	181 052	174 514
RMB Investment Acc	13 622	13 512
Standard bank Current Acc	96 827	12 760
FNB 7 Day Interest plus Acc	614 198	7 432 563
Petty Cash	3 445	3 733
Cash Clearing Committee	(50)	(20)
Cash on Hand : Foreign Currency	2 330	389
Nedbank 1 Month Call	2 588 577	-
Nedbank 7 Day Call	511 318	-
Nedbank Daily Call	590 597	-
STD 1 Month Fixed deposit	2 584 742	-
STD 7 Day Investment	1 546 664	-
Nedbank Current a/c 1103711784	416 031	-
	<u>9 564 341</u>	<u>8 687 698</u>
9, Long-term provisions		
IAC Educational Bursary fund		
Opening carrying amount	298 273	293 593
Movement	14 913	4 680
	<u>313 186</u>	<u>298 273</u>
10, Trade and other payables		
Trade creditors	17 678	695
Other payables	1 812 657	1 042 092
	<u>1 830 335</u>	<u>1 042 787</u>
11, Finance expenses - Net		
Interest expense	14 914	14 680
Interest income	(511 884)	(480 185)
	<u>(496 970)</u>	<u>(465 505)</u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 R	2014 R
12. (Deficit) / surplus before tax		
(Deficit) / surplus from operations is arrived at after taking into account the following:		
Income		
Revenue from:		
Membership fees	2 476 342	2 745 026
Penalties and interest	487 500	415 989
Dividends	19 093	16 991
Fair value adjustments of investments held	(61 272)	138 855
Expenses		
Auditors remuneration		
Audit fees	44 000	38 500
Depreciation		
Computer equipment	3 060	11 543
Furniture and fittings	11 441	12 173
Foreign exchange losses	-	688
Employee costs	1 934 268	1 708 792
Directors emolments - meeting attendance fees	148 100	173 900
Salaries	1 786 168	1 534 892
Income from unlisted investments	530 977	497 176
Dividend income	19 093	16 991
Interest income	511 884	480 185

13. Taxation

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

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 R	2014 R
14 Notes to the cash flow statement		
14.1 Reconciliation of net profit before taxation to cashflows from operations		
Net profit before taxation	(33 751)	592 992
Adjustments for :		
Depreciation	14 501	23 715
Impairment of investment	194 674	-
Sundry income	(613 400)	(438 355)
Dividends received	(19 093)	(16 991)
Interest received	(511 884)	(480 185)
Finance expenses - net	14 914	14 680
Fair value adjustments	61 272	(138 855)
Operating profit before working capital changes	<u>(892 767)</u>	<u>(442 999)</u>
Working capital changes		
Decrease in inventories	1 290	1 735
Decrease in trade receivables	24 452	(27 886)
Decrease in prepayments and other receivables	11 494	(12 785)
Increase in trade and other payables	592 874	27 649
Cash generated from operations	<u>(262 657)</u>	<u>(454 286)</u>
14.2 Property, plant and equipment		
During the period, the company acquired property, plant and equipment with a cost of R 5077, of which none was acquired by means of finance leases. Cash payments of R 5077 were made to purchase property, plant and equipment.		
	<u>5 077</u>	<u>42 350</u>
14.3 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market		
Bank and cash balances	<u>9 564 341</u>	<u>8 687 698</u>
	<u>9 564 341</u>	<u>8 687 698</u>

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015 R	2014 R
15. Related party disclosures			
15.1 Directors remuneration			
The following material related parties have been identified:			
Members of key management	Relationship	Meeting attendance fees	Meeting attendance fees
J. M. J. Lubbe	Director	1 200	17 800
formerly Badenhorst			
A. W. Bezuidenhout	Director	27 500	51 000
D. M. Johnstone	Director	51 600	60 300
M. Biermann	Director	42 300	18 500
M. A. Tayob	Director	-	12 100
B. Manuel	Director	4 600	8 700
MS Tassiem	Director	11 500	2 300
T Mzwakali	Director	9 400	3 200
		<u>148 100</u>	<u>173 900</u>

15.2 Lease payments (premises)

There were related party transactions with E Nagla, who is the CEO of the institution and transaction included the following:

Lease payments (premises)	<u>198 685</u>	<u>182 280</u>
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16. Events after the end of the reporting period

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of approval of these financial statements.

17. Going concern

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

THE INSTITUTE OF ACCOUNTING AND COMMERCE NPC

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 R	2014 R
Revenue	2 476 342	2 745 026
Membership fees	2 476 342	2 745 026
Other income	613 400	577 210
CPD penalty interest	487 500	415 989
Dividend received	19 093	16 991
Fair value adjustments	-	138 855
Late payment penalties	106 807	5 375
Total Income	3 089 742	3 322 236
Operating expenses	(3 490 691)	(3 086 178)
Assessor's fees	35 134	68 337
Bad debts	102 192	31 654
Bank charges	25 849	42 683
Burglar alarm/monitoring	6 026	8 050
Company annual duties	450	450
Computer expenses	1 491	6 265
Depreciation	14 501	23 715
Directors remuneration - meeting attendance fees	148 100	173 900
Discounts allowed (on pensioners subs)	6 813	4 125
Entertainment - CEO's account	1 469	2 236
Entertainment - President's account	-	489
Fair value adjustments	61 272	-
Flowers, gifts and awards	2 551	5 563
Forex exchange loss	-	688
IAC regalia expense	1 290	1 734
Impairment of investment	194 674	-
Insurance - Business(content)	9 964	9 499
Insurance - Directors Indemnity	8 960	8 960
Insurance - Excesses	-	1 000
Insurance - Members indemnity	334 834	319 734
Licence and registration fees	1 286	1 169
Municipal services	28 651	29 169
Postage	12 619	11 247
Printing and stationery	20 780	16 998
Repairs and maintenance	4 403	4 221
Rental	198 685	182 280
Rental - storage	-	430
Salaries and related costs	1 786 168	1 534 892
Services to member - benefits	35 200	33 600

Staff welfare		29 976	22 011
Subscriptions		2 887	3 026
Telephone and fax		43 375	39 277
Travel - local		163 355	195 634
Travel - overseas		195 651	284 032
Venue cost		12 085	19 110
Administration expenses		(129 772)	(108 571)
Advertising and marketing		60 434	59 529
Auditor's remuneration		44 000	38 500
Internet and website expenses		4 758	8 792
Legal fees		20 580	1 750
Finance expenses	11	496 970	465 505
Interest received		(511 884)	(480 185)
Interest paid		14 914	14 680
(Deficit) / surplus before taxation	12	(33 751)	592 992
Taxation	13	-	-
(Deficit) / surplus for the period		(33 751)	592 992