FINANCIAL INTERMEDIARIES ASSOCIATION OF SOUTHERN AFRICA (NPC)
(Registration number 1999/002724/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Representative organisation of insurance intermediaries
Directors	RN King PR Olyott WD Axford BS Taylor T McDonald L Swart B Tladi P Padayachee-Naidoo A Swanepoel GB Setzkorn M van der Walt D Pillay R Geldenhuys PJ Britz G Dell PC Faure N Iozzo
Business address	Corporate Corner Unit 9 Cnr John Vorster and Marco Polo Drive Highveld Park Ext 12 Centurion 0046
Postal address	PO Box 11901 Centurion 0016
Bankers	First National Bank
Auditors	Mazars Chartered Accountants (SA) Registered Auditor
Company registration number	1999/002724/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: AF Naberman CA (SA)
Issued	25 August 2022

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Directors responsibilities and approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act 71, of 2008 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 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 directors have reviewed the company’s cash flow forecast for the year to 28 February 2023 and, in light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 7

The annual financial statements set out on page 8 to 31, which have been prepared on the going concern basis, were approved by the directors on 25 August 2022 and were signed on their behalf by:

Approval of financial statements

DocuSigned by: Butsi Tladi 77D8D37A9CBE4A0...	DocuSigned by: Theo-Mel McDonald 812C8B7196A14BA...
Director	**Director**

Building relationships

Creating value

VIRTUAL CFO

Practitioner's Compilation Report

To The Financial Intermediaries Association of Southern Africa (NPC)

I have compiled the annual financial statements of The Financial Intermediaries Association of Southern Africa (NPC), as set out on pages 10 - 30, based on information you have provided. These financial statements comprise the statement of financial position of The Financial Intermediaries Association of Southern Africa as at 28 February 2022, the statement of surplus or deficit and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with International Financial Reporting Standards.

Virtual CFO
AF Naberman
25 August 2022
Pretoria

mazars

Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441
PO Box 134, Century City 7446
Docex 9 Century City

Tel: +27 21 818 5000
Fax: +27 21 818 5001
Email: cpt@mazars.co.za
www.mazars.co.za

Independent Auditor's Report

28 February 2022

To the Members of the Financial Intermediaries Association of Southern Africa NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Financial Intermediaries Association of Southern Africa NPC set out on pages 10 to 30, which comprise the statement of financial position as at 28 February 2022, and the statement of surplus or deficit 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 Financial Intermediaries Association of Southern Africa NPC as at 28 February 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Financial Intermediaries Association of Southern Africa NPC Annual Financial Statements for the year ended 28 February 2022", which includes the Directors' Report as required by the Companies Act of South Africa and the Detailed Income Statement. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mazars

Mazars
Partner: Riana Groenewald
Registered Auditor
25 August 2022
Cape Town

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the Financial Intermediaries Association of Southern Africa (NPC) for the year ended 28 February 2022.

1. Nature of business

The Financial Intermediaries Association of Southern Africa (NPC) was incorporated in South Africa and the main business of the company is to protect, promote and advance the common interests of professional financial service advisers.

There have been no material change to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

3. Directorate

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

Directors	Changes
RN King	
PR Olyott	
WD Axford	
HAB van der Linde	Resigned 12 August 2021
BS Taylor	
NL Morwe	Resigned 09 June 2021
T McDonald	
L Swart	Appointed 26 August 2021
B Tladi	
P Padayachee-Naidoo	
A Swanepoel	
GB Setzkorn	
M van der Walt	
D Pillay	
R Geldenhuys	
PJ Britz	
G Dell	
PC Faure	Appointed 15 April 2021
N Iozzo	Appointed 12 August 2021
R MacLachlan	Resigned 12 August 2021

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 28 February 2022 the company's investment in property, plant and equipment amounted to R5,088,509 (2021: R 5,573,216), of which R280,315 (2021: R 1,615,137) was added in the current year through additions.

5. Events after the reporting period

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

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Auditors

Mazars continued in office as auditors for the company for 2022.

8. Other

The Finance, Audit and Risk Committee ("FAR") assumes responsibility to the board for all audit, financial and risk matters.

9. Impact of COVID-19 pandemic during the reporting period

Refer to note 15 in the Annual Financial Statements for management's assessment of the impact of the COVID-19 pandemic on the company.

Financial Intermediaries Association of Southern Africa (NPC)
(Registration number 1999/002724/08)
Annual Financial Statements for the year ended 28 February 2022
Statement of Financial Position as at 28 February 2022

Figures in Rand	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	5,088,509	5,573,216
Current Assets			
Trade and other receivables	4	1,834,029	1,792,865
Cash and cash equivalents	5	18,720,731	16,524,584
		20,554,760	**18,317,449**
Total Assets		**25,643,269**	**23,890,665**
Equity and Liabilities			
Equity			
Reserves		2,458,320	2,536,382
Accumulated surplus		18,102,850	17,409,616
		20,561,170	**19,945,998**
Liabilities			
Current Liabilities			
Trade and other payables	7	4,590,552	3,701,797
Deferred income		491,547	242,870
		5,082,099	**3,944,667**
Total Equity and Liabilities		**25,643,269**	**23,890,665**

Statement of Surplus or Deficit and Other Comprehensive Income

Figures in Rand	Notes	2022	2021
Revenue	8	16,140,048	15,988,629
Other operating income	9	4,475,116	3,619,104
Other operating surpluses/(deficits)	10	121,743	(7,448)
Operating expenses	11	(20,884,723)	(19,959,147)
Operating deficit	11	**(147,816)**	**(358,862)**
Investment income	12	762,988	870,150
Surplus for the year		**615,172**	**511,288**
Other comprehensive surplus/(deficit):			
Items that may be reclassified to surplus or deficit			
Revaluation of building		-	(727,210)
Other comprehensive surplus/(deficit) the year		**-**	**(727,210)**
Total comprehensive surplus/ (deficit) for the year		**615,172**	**(215,922)**

Statement of Changes in Equity

Figures in Rand	Revaluation reserve	Accumulated surplus	Total equity
Balance at 01 March 2020	**3,366,374**	**16,795,546**	**20,161,920**
Surplus for the year	-	511,288	511,288
Revaluation of building	(727,210)	-	(727,210)
Total comprehensive surplus for the year	**(727,210)**	**511,288**	**(215,922)**
Revaluation of reserves	(102,782)	102,782	-
Total contributions	**(102,782)**	**102,782**	**-**
Balance at 01 March 2021	**2,536,382**	**17,409,616**	**19,945,998**
Surplus for the year	-	615,172	615,172
Total comprehensive surplus for the year	**-**	**615,172**	**615,172**
Transfer between reserves	(78,062)	78,062	-
Total contributions	**(78,062)**	**78,062**	**-**
Balance at 28 February 2022	**2,458,320**	**18,102,850**	**20,561,170**
Note	6		

Statement of Cash Flows

Figures in Rand	Notes	2022	2021
Cash flows from operating activities			
Cash generated from operations	13	1,416,644	3,281,430
Interest income		762,988	870,150
Net cash from operating activities		**2,179,632**	**4,151,580**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(280,315)	(1,615,137)
Proceeds from disposal of property, plant and equipment	3	296,830	14,350
Net cash from investing activities		**16,515**	**(1,600,787)**
Total cash movement for the year		**2,196,147**	**2,550,793**
Cash at the beginning of the year		16,524,584	13,973,791
Total cash at end of the year	5	**18,720,731**	**16,524,584**

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS").

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

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

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

Key sources of estimation uncertainty

Fair value estimation

Land and buildings are carried at revalued amounts. Valuations are performed every 6 years and in intervening years if the carrying amount of land and buildings differs materially from their fair value. No valuation was performed in the current financial year.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and fittings, office and IT equipment and computer software are determined based on company replacement policies. Individual assets within these classes, which have a significant carrying amount, are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.3 Property, plant and equipment

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

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 company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Any increase in an asset’s carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to accumulated surplus as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Building	Straight line	50 years
Building renovations	Straight line	10 years
Land		Indefinite
Solar Panels	Straight line	30 years
Furniture and fixtures	Straight line	5 - 6,67 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6,67 years
IT equipment	Straight line	5 years
Computer software	Straight line	2 years

1.3 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in surplus or deficit.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.4 Financial instruments

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

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

Financial assets which are debt instruments:
- Amortised cost.

Financial liabilities:
- Amortised cost

Note 14 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 4).

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

1.4 Financial instruments (continued)

Trade and other receivables

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Impairment

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

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

Credit risk

Trade and other receivables expose the company to credit risk. Refer to note 14 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 7), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 14 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, 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 and subsequently recorded at fair value.

1.5 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the entity should assess whether:
- The contract involves the use of an identified asset;
- The right to obtain all the economic benefits from the use of the asset throughout the period of use and
- The entity has the right to direct the use of the asset. The entity has the right when it has the decision-making that are most relevant to changing how and for what purpose the asset is used.

The company is the lessee on short-term leases of 12 months or less and leases of low value assets. The company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.6 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 Revenue

The company recognises revenue from the following major sources:
- Membership fees
- Referral fees

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and value-added tax.

Membership fees
The company charges FSPs (Financial Service Providers) membership fees on an annual or monthly basis - depending on the preference of the FSP. The membership fee charged to the FSP is based on the number of key individuals and representatives on the FSCA license. Membership fees are recognised as revenue at the start of each month. Any membership fees received in advance are classified as deferred income. Deferred income is realised to revenue on a monthly basis over the membership period.

Referral fees
The company earns referral fees from group member schemes. Referral fees are negotiated with each of these schemes and are recognised in the month in which the referral took place.

1.9 Other operating income

Other operating income consists of all income received that are not directly related to the company's primary operations. Other income is measured at the fair value of the consideration received or receivable, net of trade discounts and value-added tax.

Other operating income consists of the following:

Advertisement fees
The company charges fees for advertisements placed on the company's website, magazines and at events. Income from advertisements is recognised on the date at which the advertisement takes place.

Functions and events
The company hosts various events throughout the year. The company sells tickets to members which entitles them to attend these events. Income is recognised on the date that the event is held.

Interest is recognised in surplus and deficit, using the effective interest method.

1.8 Other operating income (continued)

Golf day fees
The company hosts various golf days. The company earns income from entry fees charged to participate in these golf days. Income in respect of golf days is recognised on the date that the golf day is held.

Sponsorship income
The company hosts various events during the year. Participants in the industry are afforded the opportunity to sponsor the event or parts thereof. Formal sponsorships agreements are entered into stipulating the price to be charged as well as the exposure to be provided. Income is recognised on the date that the event is held.

Any amounts received prior to the recognition criteria being met, is classified as deferred income.

1.10 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.

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

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as the related service is rendered.

Figures in Rand	2022	2021

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted no new standards and interpretations that were effective for the current financial year and that are relevant to its operations.

2.2 Standards and interpretations not yet effective

There are no new or revised standards that are not yet effective that will have a significant impact on the company's accounting policies.

Figures in Rand	2022	2021

3. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	360,000	-	360,000	360,000	-	360,000
Building and renovations	4,021,336	(189,912)	3,831,424	4,104,488	(164,488)	3,940,000
Solar panels	35,900	(100)	35,800	-	-	-
Furniture and fixtures	850,568	(390,400)	460,168	849,063	(222,834)	626,229
Motor vehicles	-	-	-	293,853	(205,697)	88,156
Office equipment	34,457	(27,881)	6,576	31,715	(22,535)	9,180
IT equipment	452,873	(194,778)	258,095	448,617	(183,327)	265,290
Computer software	303,330	(166,884)	136,446	303,330	(18,969)	284,361
Total	**6,058,464**	**(969,955)**	**5,088,509**	**6,391,066**	**(817,850)**	**5,573,216**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	360,000	-	-	-	360,000
Building and renovations	3,940,000	81,336	-	(189,912)	3,831,424
Solar panels	-	35,900	-	(100)	35,800
Furniture and fixtures	626,229	-	(318)	(165,743)	460,168
Motor vehicles	88,156	-	(88,156)	-	-
Office equipment	9,180	-	-	(2,604)	6,576
IT equipment	265,290	163,079	(86,614)	(83,660)	258,095
Computer software	284,361	-	-	(147,915)	136,446
	5,573,216	**280,315**	**(175,088)**	**(589,934)**	**5,088,509**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Land	360,000	-	-	-	-	360,000
Building and renovations	4,453,951	377,747	-	(727,210)	(164,488)	3,940,000
Furniture and fixtures	52,938	732,186	-	-	(158,895)	626,229
Motor vehicles	99,867	-	-	-	(11,711)	88,156
Office equipment	6,557	5,226	-	-	(2,603)	9,180
IT equipment	164,040	196,648	(21,797)	-	(73,601)	265,290
Computer software	-	303,330	-	-	(18,969)	284,361
	5,137,353	**1,615,137**	**(21,797)**	**(727,210)**	**(430,267)**	**5,573,216**

Figures in Rand	2022	2021

3. Property, plant and equipment (continued)

Revaluations

The company's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 6 years and in intervening years if the carrying amount of land and buildings differs materially from their fair value.

The effective date of the revaluation was 1 May 2021. The valuation was performed by an independent valuer Mr GR Miller of Messrs Professional Valuation Services. Professional Valuation Services is not connected to the company.

The revaluation of the building was performed by using the income capitalisation method and the following assumptions were applied:
Market related rental - R138 per m2
Property expenses as a percentage of income - 25.84%
Vacancy rate - 5%
Capitalisation rate - 9.75%

The carrying value of the revalued asset under the cost model have been:

	2022	2021
Land	119,918	119,918
Buildings	1,541,295	1,541,295
	1,661,213	**1,661,213**

Details of property

Unit 9, Stand 2298, Highveld Ext 12, Reg Div JR, Gauteng

	2022	2021
- Purchase price: 2000	1,332,418	1,332,418
- Additions since purchase	1,000,259	918,923
- Revaluations	1,858,747	2,048,659
	4,191,424	**4,300,000**

4. Trade and other receivables

	2022	2021
Financial instruments:		
Trade receivables	1,754,148	1,712,984
Deposits	17,334	17,334
Non-financial instruments:		
Prepayments	62,547	62,547
Total trade and other receivables	**1,834,029**	**1,792,865**

Figures in Rand	2022	2021

4. Trade and other receivables (continued)

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	1,771,482	1,730,318
Non-financial instruments	62,547	62,547
	1,834,029	**1,792,865**

Exposure to credit risk

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

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

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company applies financial vetting processes prior to allowing memberships to FSP's. The company has only written off R26,320 as bad debts over the past 5 years. Accordingly no provision for expected credit losses were recognised. There is no forward looking information available that indicates that this will change going forward.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	1,293
Bank balances	18,720,731	16,523,291
	18,720,731	**16,524,584**

6. Revaluation reserve

Opening balance	2,536,382	3,366,374
Realisation of revaluation reserve	(78,062)	(102,782)
Revaluation of building	-	(727,210)
	2,458,320	**2,536,382**

Figures in Rand	2022	2021

7. Trade and other payables

	2022	2021
Financial instruments:		
Trade payables	1,584,434	700,609
Project payables	1,162,423	939,702
Non-financial instruments:		
Accrued bonus	1,540,000	1,596,602
Accrued leave pay	204,655	233,203
VAT	99,040	231,681
	4,590,552	**3,701,797**

8. Revenue

	2022	2021
Revenue from contracts with customers		
Membership fees	15,596,794	15,424,062
Referral fees	543,254	564,567
	16,140,048	**15,988,629**

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Timing of revenue recognition

	2022	2021
At a point in time		
Referral fees	543,254	564,567
Over time		
Membership fees	15,596,794	15,424,062
Total revenue from contracts with customers	**16,140,048**	**15,988,629**

9. Other operating income

	2022	2021
Functions and events	452,801	321,565
Advertisement fee	2,960,024	2,145,023
Recoveries	17,101	45,755
Sponsorship income	1,010,475	1,001,825
Sundry income	34,715	104,936
	4,475,116	**3,619,104**

Figures in Rand		2022	2021

10. Other operating surpluses / (deficits)

Gains (losses) on disposals			
Property, plant and equipment	3	121,743	(7,448)

11. Operating expenses

Expenses by nature

	2022	2021
Employee costs	14,073,357	14,385,035
Depreciation	589,934	430,267
Other expenses	291,180	380,917
Advertising	59,834	56,775
Functions and events	1,090,609	444,639
Computer expenses	987,288	547,492
Audit fees	208,610	178,500
Consulting and professional fees	1,573,041	1,487,321
Insurance	118,534	115,484
Meeting expenses	284,354	311,057
Municipal expenses	129,506	191,541
Office expenses	250,363	266,461
Operating lease charges	199,390	326,981
Subscriptions	835,998	754,439
Travel - local	192,725	74,268
Travel - overseas	-	7,970
	20,884,723	**19,959,147**

12. Investment income

Interest income

	2022	2021
Bank	762,988	870,150

13. Cash generated from operations

	2022	2021
Surplus	615,172	511,288
Adjustments for:		
Depreciation	589,934	430,267
(Gain) loss on disposal of property, plant and equipment	(121,743)	7,448
Interest income	(762,988)	(870,150)
Changes in working capital:		
Trade and other receivables	(41,164)	741,194
Trade and other payables	888,756	2,261,935
Deferred income	248,677	199,448
	1,416,644	**3,281,430**

14. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Notes	Amortised cost	Total
Trade and other receivables	4	1,771,482	1,771,482
Cash and cash equivalents	5	18,720,731	18,720,731
		20,492,213	**20,492,213**

2021

	Notes	Amortised cost	Total
Trade and other receivables	4	1,730,318	1,730,318
Cash and cash equivalents	5	16,524,584	16,524,584
		18,254,902	**18,254,902**

Categories of financial liabilities

2022

	Notes	Amortised cost	Total
Trade and other payables	7	2,746,857	2,746,857

2021

	Notes	Amortised cost	Total
Trade and other payables	7	1,640,311	1,640,311

14. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk and
- Liquidity risk

The directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

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

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed through implementation of a financial vetting process which is followed before membership is offered.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Refer to note 4 for details on how the company manges credit risk on trade and other receivables.

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

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	4	1,771,482	-	1,771,482	1,730,318	-	1,730,318
Cash and cash equivalents	5	18,720,731	-	18,720,731	16,524,584	-	16,524,584
		20,492,213	**-**	**20,492,213**	**18,254,902**	**-**	**18,254,902**

14. Financial instruments and risk management (continued)

Liquidity risk

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

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through cash generated from operations.

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

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2022

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables		2,746,857	2,746,857	2,566,857

2021

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	7	1,640,311	1,640,311	1,640,311

15. Impact of COVID-19 pademic

The Financial Services sector plays a catalytic role across the entire economy. A major role is enabling participation in the formal economy through access to financial services, mostly provided by members of the Financial Intermediaries Association of Southern Africa (FIA).

The FIA was concerned about the different premium relief initiatives that were offered to customers directly by intermediated product providers. These discounts and premium holidays would have costed million of Rands in commission which would have placed some intermediaries at significant financial risk. The FIA negotiated with the FSCA for commission exemption for both life and non-life industry and the Council for Medical Schemes (CMS) indicated that each registered medical scheme can apply and the application would be assessed on its own merits.

The FIA had to cancel many of our member meetings where CPD training was to be offered face to face. In light of the discussions with the FSCA, extensions were granted in respect of various regulatory requirements including CPD – key individuals and representatives were granted an additional 3 months to meet their CPD requirements. As a result of COVID-19, the FIA partnered with AC Develop to provide an online platform for free CPD content for members. This offering continues to evolve.

The FIA created a COVID-19 Business Update which was sent to all members once a week. The business update covered all relevant COVID-19 information and guidance notes from various sources including Government and Business Unity South Africa.

All member meetings, including FIA events, were converted to online meetings. As a result, we have seen an increase in member participation rates as well as an increase in member engagement on our social media platforms. This also resulted in a significant reduction in meeting and travel expenses.

Aligning with government regulations and international best practice, management have taken a number of measures to monitor and mitigate the effects of COVID-19 in the workplace. The FIA implemented the required health and safety requirements when reopening the national office as well as implementing a hybrid working model to introduce flexibility into the workplace to manage the transmission risk between staff and operational departments.

The overall impact on the business has been mostly positive.

Taking the above factors into account, management have assessed the company’s ability to continue as a going concern, with consideration given to the current economic uncertainty and market volatility caused by the COVID-19 outbreak and taking into consideration all available information about the future (at least, but not limited to 12 months from the reporting date), possible outcomes of events and changes in conditions, the realistically possible responses to such events and conditions that are available and forecast cash flows. Management believe that the organization will have sufficient liquidity to continue to meet its obligations as they fall due and therefore continue as a going concern.

The directors will continue to remain alert to the situation, implement all required safety measures and monitor the performance of the company.

Financial Intermediaries Association of Southern Africa (NPC)
(Registration number 1999/002724/08)
Annual Financial Statements for the year ended 28 February 2022
Detailed Income Statement

Figures in Rand	Notes	2022	2021
Revenue	8	**16,140,048**	**15,988,629**
Other operating income			
Advertisement fee		2,960,024	2,145,023
Functions and events		452,801	321,565
Sundry income		34,715	104,936
Recoveries		17,101	45,755
Sponsorship income		1,010,475	1,001,825
	9	**4,475,116**	**3,619,104**
Other operating surpluses/(deficit)			
Gains (loss) on disposal of assets		121,743	(7,448)
Other operating expenses			
Advertising		(59,834)	(56,775)
Audit fees	11	(208,610)	(178,500)
Bad debts		(26,320)	-
Bank charges		(42,643)	(44,102)
Computer expenses		(987,288)	(547,492)
Consulting and professional fees		(1,573,041)	(1,487,321)
Depreciation		(589,934)	(430,267)
Donations		-	(2,400)
Employee costs		(14,073,357)	(14,385,035)
Functions and events		(1,090,609)	(444,639)
Insurance		(118,534)	(115,484)
Lease rentals on operating lease		(199,390)	(326,981)
Legal fees		(17,725)	(66,038)
Meeting expenses		(284,354)	(311,057)
Municipal expenses		(129,506)	(191,541)
Office expenses		(250,363)	(266,461)
Promotional expenses		(6,413)	-
Repairs and maintenance		(51,394)	(73,975)
Subscriptions		(835,598)	(754,439)
Telecommunications		(77,129)	(78,280)
Training		(69,956)	(116,122)
Travel - local		(192,725)	(74,268)
Travel - overseas		-	(7,970)
	11	**(20,884,723)**	**(19,959,147)**
Operating deficit		**(147,816)**	**(358,862)**
Investment income	12	762,988	870,150
Surplus for the year		**615,172**	**511,288**

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