FINANCIAL INTERMEDIARIES ASSOCIATION OF SOUTHERN AFRICA (NPC)
(Registration number 1999/002724/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

These annual financial statements were prepared by:
J Fleischmann
Bcom Management

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Issued 18 May 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Serves as a trade organisation and representative organisation of insurance intermediaries
Directors	S van Rhyn Casserly J Ramsunder GB Setzkorn BE van Flymen PR Olyott DJ Sargent WD Axford JJ Erwee LG Came HAB van der Linde BS Taylor GA Fraser JL van der Walt T McDonald MA Morris
Registered office	Erasmusforum A 434 Rigel Avenue South Erasmusrand Pretoria 0181
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 0046
Bankers	First National Bank
Auditors	Mazars Gauteng 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 internally compiled by: J Fleischmann Bcom Management

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The reports and statements set out below comprise the annual financial statements presented to the members:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 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 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 Companies Act of South Africa and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with Companies Act of South Africa and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee 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 board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 4 to 5.

The annual financial statements set out on pages 6 to 25, which have been prepared on the going concern basis, were approved by the board on 18 May 2017 and were signed on their behalf by:

Director **Director**

Independent Auditor's Report

To the members of Financial Intermediaries Association of Southern Africa (NPC)

Opinion

We have audited the annual financial statements of Financial Intermediaries Association of Southern Africa (NPC) set out on pages 8 to 25, which comprise the statement of financial position as at 28 February 2017, 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 annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Financial Intermediaries Association of Southern Africa (NPC) as at 28 February 2017, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual 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), together with the ethical requirements that are relevant to our audit of the financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IRBA Code. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Directors' Report as required by the Companies Act of South Africa. Other information does not include the annual financial statements and our auditor's report thereon.

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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 Gauteng
Partner: AF Naberman
Registered Auditor
18 May 2017
Pretoria

The directors have pleasure in submitting their report on the annual financial statements of Financial Intermediaries Association of Southern Africa (NPC) for the year ended 28 February 2017.

1. Nature of business

Financial Intermediaries Association of Southern Africa (NPC) was incorporated in South Africa with interests in the Insurance industry. The company operates principally in South Africa.

The main business of the company is to protect, promote and advance the image, standing in common interests of professional financial service advisers.

There have been no material changes 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 International Financial Reporting Standards and the requirements of the Companies Act of South Africa and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. 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
S van Rhyn Casserly	
J Ramsunder	
GB Setzkorn	
BE van Flymen	
PR Olyott	
DJ Sargent	
WD Axford	
JJ Erwee	
LG Came	
HAB van der Linde	
BS Taylor	
JM Grefen	Resigned 16 November 2016
GA Fraser	
JL van der Walt	
T McDonald	
MA Morris	Appointed 10 November 2016

4. Directors' interests in contracts

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

5. Property, plant and equipment

At 28 February 2017 the company's investment in property, plant and equipment amounted to R9,088,150 (2016: R 9,330,633), of which R53,395 (2016: R 421,918) was added in the current year through additions.

6. 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.

7. 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 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.

8. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 18 May 2017. No authority was given to anyone to amend the annual financial statements after the date of issue.

9. Other

The company does not have an Audit Committee. The board has established a Financial Accounting and Risk Committee ("FAR") to assume responsibility to the board on the audit, financial and risk matters.

Director

18 May 2017

Statement of Financial Position as at 28 February 2017

Figures in Rand	Notes	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	3	9,088,150	9,330,633
Current Assets			
Trade and other receivables	4	2,324,782	2,525,893
Cash and cash equivalents	5	8,342,775	7,361,864
		10,667,557	**9,887,757**
Total Assets		**19,755,707**	**19,218,390**
Equity and Liabilities			
Equity			
Reserves		6,684,724	6,834,648
Retained income		11,624,286	10,195,741
		18,309,010	**17,030,389**
Liabilities			
Current Liabilities			
Trade and other payables	7	1,446,697	2,188,001
Total Equity and Liabilities		**19,755,707**	**19,218,390**

Financial Intermediaries Association of Southern Africa (NPC)
(Registration number 1999/002724/08)
Annual Financial Statements for the year ended 28 February 2017

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2017	2016
Revenue	9	13,796,118	13,485,316
Other operating income		6,413,061	5,012,383
Other operating gains		-	57,991
Operating expenses		(19,535,994)	(17,700,577)
Operating profit	10	**673,185**	**855,113**
Investment revenue		605,436	437,588
Profit for the year		**1,278,621**	**1,292,701**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Losses on property revaluation	11	(149,924)	(149,924)
Other comprehensive income for the year net of taxation	12	**(149,924)**	**(149,924)**
Total comprehensive income for the year		**1,128,697**	**1,142,777**

Statement of Changes in Equity

Figures in Rand	Revaluation reserve	Retained income	Total equity
Balance at 01 March 2015	**6,984,572**	**8,753,116**	**15,737,688**
Profit for the year	-	1,292,701	1,292,701
Other comprehensive income	(149,924)	-	(149,924)
Total comprehensive income for the year	**(149,924)**	**1,292,701**	**1,142,777**
Transfer between reserves	-	149,924	149,924
Total contributions	**-**	**149,924**	**149,924**
Balance at 01 March 2016	**6,834,648**	**10,195,741**	**17,030,389**
Profit for the year	-	1,278,621	1,278,621
Other comprehensive income	(149,924)	-	(149,924)
Total comprehensive income for the year	**(149,924)**	**1,278,621**	**1,128,697**
Transfer between reserves	-	149,924	149,924
Total contributions	**-**	**149,924**	**149,924**
Balance at 28 February 2017	**6,684,724**	**11,624,286**	**18,309,010**
Notes	11&12	12	

Statement of Cash Flows

Figures in Rand	Notes	2017	2016
Cash flows from operating activities			
Cash receipts from customers		13,997,229	13,227,982
Cash paid to suppliers and employees		(13,568,359)	(11,962,485)
Cash generated from operations	13	428,870	1,265,497
Net cash from operating activities		**428,870**	**1,265,497**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(53,395)	(421,918)
Proceeds from disposal of property, plant and equipment	3	-	71,500
Interest Income		605,436	437,588
Net cash from investing activities		**552,041**	**87,170**
Total cash movement for the year		**980,911**	**1,352,667**
Cash at the beginning of the year		7,361,864	6,009,197
Total cash at end of the year	5	**8,342,775**	**7,361,864**

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 wit the International Financial Reporting Standards and SAICA's Financial Reporting Guides as issued by the Accounting Practices Committee and the Companies Act 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 as set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period, except for the new or revised standards as detailed in note 2.

1.2 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 judgment 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 judgments include:

Key sources of estimation uncertainty

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

The fair value measurement of certain financial assets and liabilities of the company's financial statements utilises market obeservable inputs and data as far as possible. Inputs used in determining fair value measurements are in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for incidental items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable Inputs (i.e not derived from market date).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of an item. Transfers of items between levels are recognised in the period they occur.

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 computer equipment are determined based on company replacement policies for the various assets. 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.

1.3 Financial instruments

Classification

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

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

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

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest 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 in discharged, cancelled or expires.

1.3 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade and other receivables are classified as loans and receivables. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other payables

Trade payables are classified as financial liabilties at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as loans and receivables.

Bank overdraft and borrowings

Bank overdrafts and borrowings are classified as financial liabilities at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.4 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, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. 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
Buildings	Straight line	50 years
Land		Indefinite
Furniture and fixtures	Straight line	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

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 profit or loss unless it is included in the carrying amount of another asset.

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 profit or loss when the item is derecognised.

The revaluation reserve in equity related to a specific item of property, plant and equipment is transferred directly to retained income as the asset is used. The amount transferred is equal to the depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of 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 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 to the extent that it does not exceed the revaluation portion.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the service is rendered, such as 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.

Defined contribution plans

Payments to defined contribution retirment benefit plans are governed by the Pension Fund Act and are charged as an expense as they fall due.

1.8 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

Figures in Rand	2017	2016

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 the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 March 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IAS 7: Disclosure initiative	01 January 2017	Not expected to impact results but may result in additional disclosure

Figures in Rand	2017	2016

3. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	933,000	-	933,000	933,000	-	933,000
Buildings	9,242,405	(1,480,172)	7,762,233	9,242,407	(1,331,476)	7,910,931
Furniture and fixtures	208,399	(151,757)	56,642	459,342	(382,849)	76,493
Motor vehicles	293,853	(63,668)	230,185	293,656	(802)	292,854
Office equipment	38,109	(23,919)	14,190	417,475	(410,572)	6,903
IT equipment	368,519	(305,202)	63,317	1,147,074	(1,096,593)	50,481
Computer software	62,363	(33,780)	28,583	271,030	(211,059)	59,971
Total	**11,146,648**	**(2,058,498)**	**9,088,150**	**12,763,984**	**(3,433,351)**	**9,330,633**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Impairment reversal / loss	Total
Land	933,000	-	-	-	933,000
Buildings	7,910,931	-	(184,848)	36,150	7,762,233
Furniture and fixtures	76,493	9,499	(18,846)	(10,504)	56,642
Motor vehicles	292,854	-	(58,771)	(3,898)	230,185
Office equipment	6,903	-	(2,256)	9,543	14,190
IT equipment	50,481	43,896	(29,203)	(1,857)	63,317
Computer software	59,971	-	(31,182)	(206)	28,583
	9,330,633	**53,395**	**(325,106)**	**29,228**	**9,088,150**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Land	933,000	-	-	-	933,000
Buildings	8,095,779	-	-	(184,848)	7,910,931
Furniture and fixtures	43,190	51,650	-	(18,347)	76,493
Motor vehicles	51,835	293,657	(13,509)	(39,128)	292,855
Office equipment	10,476	-	-	(3,574)	6,902
IT equipment	67,908	14,247	-	(31,674)	50,481
Computer software	-	62,364	-	(2,393)	59,971
	9,202,188	**421,918**	**(13,509)**	**(279,964)**	**9,330,633**

Figures in Rand	2017	2016

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 the land and buildings differs materially from their fair value.

The effective dates of the revaluations was 01 August 2011. Revaluations were performed by an independent valuer, Mr GR Miller (SACPVP) (SACV) of Messrs Professional Valuation Services. Professional Valuation Services are not connected to the company.

The valuation was performed using the income capitalisation method.

Capitalisation rate - Highveld - 10%

Capitalisation rate - Parktown - 9.50%

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

	2017	2016
Land	224,898	224,898
Buildings	-	1,880,150
	224,898	**2,105,048**

Details of properties

Unit 9 stand 2298 Highveld extension 12 with offices

Terms and conditions	2017	2016
- Purchase price: 2000	1,326,453	1,326,453
- Additions at cost: 2001	5,965	5,965
- Revaluation: 2005	2,667,582	2,667,582
- Revaluation: 2012	(300,000)	(300,000)
	3,700,000	**3,700,000**

Erf 755 Parktown Extension 51, Empire Road, Johannesburg

Terms and conditions	2017	2016
- Purchase price: 2009	1,049,801	1,049,801
- Revaluation: 2012	4,950,199	4,950,199
	6,000,000	**6,000,000**

4. Trade and other receivables

	2017	2016
Trade receivables	1,457,104	1,476,065
Employee costs in advance	-	7,000
Prepayments	819,048	993,200
Deposits	48,630	49,628
	2,324,782	**2,525,893**

Figures in Rand	2017	2016

4. Trade and other receivables (continued)

Fair value of trade and other receivables

Trade and other receivables	2,324,782	2,525,893

The directors consider the carrying amount of trade and other receivables to approximate their fair value.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 28 February 2017, R 21,170 (2016: R 8,550) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2 months past due	21,375	-
3 months past due	335	8,550

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4,957	2,200
Bank balances	8,337,818	7,359,664
	8,342,775	**7,361,864**

Due to the short-term nature of cash and cash equivalents, the carrying amount is deemed to approximate their fair value.

6. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Loans and receivables	Total
Trade and other receivables	1,457,104	1,457,104
Cash and cash equivalents	8,342,775	8,342,775
	9,799,879	**9,799,879**

2016

	Loans and receivables	Total
Trade and other receivables	1,476,065	1,476,065
Cash and cash equivalents	7,361,864	7,361,864
	8,837,929	**8,837,929**

Figures in Rand	2017	2016

7. Trade and other payables

Trade payables	43,121	165,849
Amounts received in advance	1,003,096	1,617,226
Value Added Tax	226,501	250,187
Accrued leave pay	173,979	154,739
	1,446,697	**2,188,001**

Fair value of trade and other payables

Trade payables	1,446,696	2,188,001

The directors consider the carrying amount of trade and other payables to approximate their fair value.

8. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Financial liabilities at amortised cost	Total
Trade and other payables	1,220,196	1,220,196

2016

	Financial liabilities at amortised cost	Total
Trade and other payables	1,937,814	1,937,814

9. Revenue

Membership fees	13,066,402	12,783,849
Administration fees	729,716	701,467
	13,796,118	**13,485,316**

10. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Expenses by nature

Employee costs	10,021,499	9,699,202
Operating lease charges	57,925	34,142
Depreciation	325,106	279,964
Other expenses	9,131,464	7,687,269
	19,535,994	**17,700,577**

Figures in Rand	2017	2016

11. Revaluation reserve

	2017	2016
Opening balance	6,834,648	6,984,572
Realisation of revaluation reserve	(149,924)	(149,924)
	6,684,724	**6,834,648**

12. Other comprehensive income

Components of other comprehensive income - 2017

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Movements on revaluation			
Realisation of revaluation reserve	(149,924)	-	(149,924)

Components of other comprehensive income - 2016

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Movements on revaluation			
Realisation of revaluation reserve	(149,924)	-	(149,924)

13. Cash generated from operations

	2017	2016
Profit before taxation	1,278,621	1,292,701
Adjustments for:		
Depreciation	325,106	279,964
Gains on disposals of property, plant and equipment	-	(57,991)
Interest received - investment	(605,436)	(437,588)
Impairment reversals on property, plant and equipment	(29,226)	-
Changes in working capital:		
Trade and other receivables	201,111	(257,334)
Trade and other payables	(741,306)	445,745
	428,870	**1,265,497**

14. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2016: Rnil).

15. Employee costs

Employee costs		
Basic	8,472,159	8,305,869
Commissions	598,086	383,582
Bonus	449,579	450,673
UIF	74,276	75,199
SDL	85,696	86,077
Benefits	341,703	397,802
	10,021,499	**9,699,202**

16. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

	Notes		
Assets			
Loans and receivables measured at amortised cost	4		
Trade and other receivables		2,324,782	2,525,893
Liabilities			
Financial liabilities measured at amortised cost	7		
Trade and other payables		1,446,696	2,188,001
Total		**878,086**	**337,894**

The carrying amount of short-term (less than 12 months) trade receivables and payables approximates their fair values.

17. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of equity as disclosed in the Statement of Financial Position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

There have been no changes to the company's overall risks or financial risk management objectives, policies and processes from the previous period.

Liquidity risk

The company's risk to liquidity is a result of the obligations associated with financial liabilities and funds available to cover those obligations. The company manages liquidity risk through an ongoing review of future commitments.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 28 February 2017	Less than 1 year
Trade and other payables	1,220,196

At 29 February 2016	Less than 1 year
Trade and other payables	1,937,814

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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

Financial instrument	2017	2016
Trade and other receivables	1,457,104	1,476,065
Cash and cash equivalents	8,342,775	7,361,864

Detailed Income Statement

Figures in Rand	Notes	2017	2016
Revenue			
Membership fees		13,066,402	12,783,849
Administration fees		729,716	701,467
	9	**13,796,118**	**13,485,316**
Other operating income			
Debit order penalties		3,510	3,158
FIA awards - reservations		1,038,616	492,502
Media and communication centre		988,522	1,222,876
Other income		12,701	661
Other recoveries		1,666	-
Rental income		107,675	44,525
Reservation fees		552,761	585,026
Reversal of impairment losses		29,228	-
Sponsorship fees		3,603,382	2,458,635
Survey income		75,000	105,000
Training committee sponsor		-	100,000
		6,413,061	**5,012,383**
Other operating gains			
Gains on disposal of assets		-	57,991
Expenses (Refer to page 27)		**(19,535,994)**	**(17,700,577)**
Operating profit	10	**673,185**	**855,113**
Interest received - Investment		605,436	437,588
Profit for the year		**1,278,621**	**1,292,701**

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

Figures in Rand	Notes	2017	2016
Other operating expenses			
Advertising		77,430	109,823
Auditors remuneration		130,000	137,300
Bank charges		43,960	69,990
Computer expenses		395,837	342,979
Consulting and professional fees		1,045,609	1,135,609
Depreciation		325,106	279,964
Donations		121,500	100,964
Employee costs		10,021,499	9,699,202
Functions and events		3,362,634	2,227,723
Insurance		89,779	75,687
Lease rentals on operating lease		57,925	34,142
Legal fees		62,602	19,333
Meeting expenses		455,614	461,665
Municipal expenses		322,319	330,036
Office expenses		736,645	761,050
Other rent		172,608	153,851
Repairs and maintenance		23,224	18,922
Roadshows		355,907	315,639
Subscriptions		484,074	229,163
Telephone and fax		183,597	186,923
Training		91,946	41,140
Travel - local		900,792	948,129
Travel - overseas		75,387	21,343
		19,535,994	**17,700,577**