



THE INSTITUTE OF RISK MANAGEMENT SOUTH AFRICA
(Registration number 036-539-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

These annual financial statements were prepared by:
A Fell CA (SA)
Chartered Accountant (S.A.)

ITAC Auditors and Accountants Incorporated
Chartered Accountants (S.A.)
Registered Auditors
Issued 11 June 2018

These annual financial statements have been audited in compliance with the applicable requirements of the Non-profit Organisations Act No 71 of 1997.

The Institute of Risk Management South Africa

(Registration number 036-539-NPO)

Annual Financial Statements for the year ended 28 February 2018

General Information

Executive Committee

S Morland
M Robins
A Mothibi
C Brits
B Gutshwa
M Kuipers
F Tshikhudo
B Spencer
B Francis
M Makgalemela
T Nyaba

Business address

1st Floor, Block A
Grayston Ridge Office Park
144 Katherine Street
Sandton
2196

Postal address

Postnet Suite 616
Private Bag X 43
Sunninghill
Johannesburg
2157

Bankers

First National Bank

Auditors

ITAC Auditors and Accountants Incorporated
Chartered Accountants (S.A.)
Registered Auditors

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Non-profit Organisations Act No 71 of 1997.

Preparer

The annual financial statements were independently compiled by:
A Fell CA (SA)
Chartered Accountant (S.A.)

The Institute of Risk Management South Africa

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The Institute of Risk Management South Africa

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Executive Committee's Responsibilities and Approval

The members of the Executive Committee are required by the Non-profit Organisations Act No 71 of 1997, 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 Institute as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

The members of the Executive Committee 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 mis-statement or loss.

The members of the Executive Committee have reviewed the Institute's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, they are satisfied that the Institute has or 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 Institute's annual financial statements. The annual financial statements have been examined by the Institute's external auditors and their report is presented on pages 4 - 6.

The annual financial statements set out on pages 7 to 19, were approved by all members of the Executive Committee on 11 June 2018 and have been signed by:

Executive Committee member

Executive Committee member

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Practice number 903805
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Independent Auditors' Report

To the members of The Institute of Risk Management South Africa

Opinion

We have audited the Annual Financial Statements of The Institute of Risk Management South Africa set out on pages 9 to 19, which comprise the Statement of Financial Position as at 28 February 2018, and the Statement of 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 The Institute of Risk Management South Africa as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-profit Organisations Act No 71 of 1997.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Institute 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 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.

Independent Auditors' Report

Other information

The members of the Executive Committee are responsible for the other information. The other information comprises the Report of the Executive Committee as required by the Non-profit Organisations Act No 71 of 1997, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditors' 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.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual 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 Executive Committee members for the Annual Financial Statements

The Executive Committee members are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-profit Organisations Act No 71 of 1997, and for such internal control as the Executive Committee members 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 Executive Committee members are responsible for assessing the Institute'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 Executive Committee members either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

Auditors' 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 auditors' 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the executive committee members' 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 Institute'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 Institute 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 members of the Executive Committee 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.



ITAC Auditors and Accountants Incorporated
Chartered Accountants (S.A.)

Roeleen van den Heever
Registered Auditor

11 June 2018
Johannesburg

The Institute of Risk Management South Africa

(Registration number 036-539-NPO)

Annual Financial Statements for the year ended 28 February 2018

Report of the Executive Committee

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-profit Organisations Act No 71 of 1997. 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 Institute are set out in these annual financial statements.

2. Historical Background

The Institute of Risk Management South Africa was formed as an Association of Persons following the amalgamation of two predecessor associations in September 2003.

The Institute is registered as a Non-Profit Organisation with full time staff operating from permanent offices in Sandton, Johannesburg. It is the authoritative professional body, registered with the South African Qualifications Authority (SAQA), representing individuals and companies committed to the enhancement of Risk Management.

The Institute offers a range of services including the professional accreditation of members, interaction and discussion on current risk issues, research and project development, skills development and opportunities for networking and professional development.

3. Committee members and secretary

The committee members of the Institute during the year and to the date of this report are as follows:

Committee members	Designation	
B Francis	President	
S Morland	Past President	
B Gutshwa	1st Vice President	
C Brits	2nd Vice President	
F Tshikhudo	Honorary Secretary	
M Robins	Honorary Treasurer	
A Mothibi	Exco Member	
M Kuipers	Exco Member	
M Makgalemela	Exco Member	
T Nyaba	Exco Member	Appointed 26 July 2017
B Spencer	Co-Optee	Appointed 26 July 2017
M Butler	Acting Honorary Secretary	Resigned 26 July 2017

4. Events after the reporting period

The members of the Executive Committee are not aware of any material event which occurred after the reporting date and up to the date of this report that could have a material effect on the annual financial statements.

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Annual Financial Statements for the year ended 28 February 2018

Report of the Executive Committee

5. Going concern

The members of the Executive Committee believe that the Institute 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 members of the Executive Committee have satisfied themselves that the Institute is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members of the Executive Committee are not aware of any new material changes that may adversely impact the Institute. The members of the Executive Committee 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 Institute.

6. Auditors

ITAC Auditors and Accountants Incorporated has continued in office for the Institute for 2018.

At the AGM, the members will be requested to reappoint ITAC Auditors and Accountants Incorporated as the independent external auditors of the Institute and to confirm Mrs R van den Heever as the designated lead audit partner for the 2019 financial year.

7. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the Executive Committee on 11 June 2018. No authority was given to anyone to amend the financial statements after the date of issue.

The Institute of Risk Management South Africa

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Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	265 144	216 529
Intangible assets	3	730 891	770 051
		<u>996 035</u>	<u>986 580</u>
Current Assets			
Trade and other receivables	4	1 869 346	955 929
Cash and cash equivalents	5	6 763 063	8 692 937
		<u>8 632 409</u>	<u>9 648 866</u>
Total Assets		<u>9 628 444</u>	<u>10 635 446</u>
Equity and Liabilities			
Equity			
Retained surplus		<u>6 492 152</u>	<u>7 713 236</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	1 799 290	1 597 200
Income received in advance	6	1 337 002	1 325 010
		<u>3 136 292</u>	<u>2 922 210</u>
Total Equity and Liabilities		<u>9 628 444</u>	<u>10 635 446</u>

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Annual Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue			
Annual Subscriptions		5 305 011	4 556 070
Board Examination		326 214	317 426
Breakfast income		350 353	429 902
Conference income		2 595 844	3 253 861
Dinner income		663 954	489 505
Education and development		180 288	15 000
Endorsements		34 434	27 932
Events and Training - Africa		245 981	-
Other event income		651 800	1 167 550
Sale of books, booklets and Risk Reports Income		188 093	88 750
Technical Support Income		106 633	-
Training income		3 824 321	3 608 455
Website related income		32 200	123 500
		14 505 126	14 077 951
Direct Expenses			
Board Examination		(295 157)	(224 177)
Breakfast Expenses		(493 840)	(469 571)
Conference Expenses		(1 436 675)	(1 134 989)
Dinner Expenses		(736 154)	(617 377)
Events and Training - Africa		(204 835)	(47 579)
Other event Expenses		(528 148)	(671 333)
Risk reports Cost		(100 297)	(238 005)
Training Expenses		(1 105 584)	(1 294 253)
		(4 900 690)	(4 697 284)
Surplus - Member Activities		9 604 436	9 380 667
Other income			
Discount received		8	-
Interest received	9	427 792	487 262
SARS Employment Tax Incentive received		-	5 533
		427 800	492 795
Expenses (Refer to page 11)		(11 247 697)	(8 302 063)
Operating (deficit) surplus	8	(1 215 461)	1 571 399
Finance costs	10	(5 623)	(509)
(Deficit) surplus for the year		(1 221 084)	1 570 890

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Operating expenses			
Accounting fees		112 513	224 800
Advertising and media		277 504	227 133
Auditors' remuneration	12	72 505	53 500
Bad debts		-	62 575
Bank charges		80 448	76 240
Computer expenses		188 472	119 650
Depreciation, amortisation and impairments		307 236	257 733
Education and technical development		34 225	54 163
Employee costs		8 162 690	5 763 582
General expenses		43 067	31 469
Insurance		21 026	14 661
Internet costs		209 642	196 839
Labour related expenses		13 554	-
Lease rentals on operating lease and utilities		817 891	718 507
Members' meeting costs		84 043	43 332
Membership Committee Project		80 000	-
Printing and stationery		73 619	55 673
Project Evolution		210 375	-
Repairs and maintenance		10 340	16 381
Security		8 824	8 068
Staff recruitment costs		-	934
Subscriptions		4 230	9 058
Technical		73 580	34 011
Telephone and fax		82 745	78 655
Theft		3 000	-
Training		34 351	35 922
Travel - local and international		241 817	219 177
		11 247 697	8 302 063

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Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 March 2016	6 142 346	6 142 346
Surplus for the year	1 570 890	1 570 890
Balance at 01 March 2017	7 713 236	7 713 236
Deficit for the year	(1 221 084)	(1 221 084)
Balance at 28 February 2018	6 492 152	6 492 152

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Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash (used in) generated from operations	13	(2 047 344)	2 795 914
Interest income		427 792	487 262
Finance costs		(5 623)	(509)
Net cash from operating activities		(1 625 175)	3 282 667
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(151 692)	(137 700)
Purchase of other intangible assets	3	(164 999)	(457 169)
Net cash from investing activities		(316 691)	(594 869)
Cash flows from financing activities			
Movement in income received in advance		11 992	(516 701)
Total cash movement for the year		(1 929 874)	2 171 097
Cash at the beginning of the year		8 692 937	6 521 840
Total cash at end of the year	5	6 763 063	8 692 937

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Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
IT Equipment	Straight line	3 years

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

Gains and losses on disposals are recognised in surplus or deficit.

1.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

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

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Board examination - Concept	5 years
Guideline to Risk Management	5 years
Computer software	2 years
Board Examination - Item Bank	5 years

If the Institute is unable to make a reliable estimate of the useful life of an intangible asset, the life is presumed to be 10 years.

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

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Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.5 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 leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Revenue

Revenue is recognised to the extent that the Institute has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Institute. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

The Institute of Risk Management South Africa

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Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand

2018

2017

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	233 639	(137 175)	96 464	229 227	(101 059)	128 168
IT equipment	494 499	(325 819)	168 680	347 219	(258 858)	88 361
Total	728 138	(462 994)	265 144	576 446	(359 917)	216 529

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	128 168	4 412	(36 116)	96 464
IT equipment	88 361	147 280	(66 961)	168 680
	216 529	151 692	(103 077)	265 144

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	106 985	54 373	(33 190)	128 168
IT equipment	60 567	83 327	(55 533)	88 361
	167 552	137 700	(88 723)	216 529

3. Intangible assets

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Guideline to Risk Management	255 904	(153 543)	102 361	255 904	(102 362)	153 542
Board examination - Concept	344 513	(206 708)	137 805	344 513	(137 805)	206 708
Computer software	27 079	(15 301)	11 778	9 900	(5 251)	4 649
Board Examination - Item Bank	597 989	(119 042)	478 947	450 169	(45 017)	405 152
Total	1 225 485	(494 594)	730 891	1 060 486	(290 435)	770 051

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Guideline to Risk Management	153 542	-	(51 181)	102 361
Board examination - Concept	206 708	-	(68 903)	137 805
Computer software	4 649	17 179	(10 050)	11 778
Board Examination - Item Bank	405 152	147 820	(74 025)	478 947
	770 051	164 999	(204 159)	730 891

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Notes to the Annual Financial Statements

Figures in Rand

2018

2017

3. Intangible assets (continued)

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Guideline to Risk Management	204 723	-	(51 181)	153 542
Board examination - Concept	275 610	-	(68 902)	206 708
Computer software	1 559	7 000	(3 910)	4 649
Board Examination - Item Bank	-	450 169	(45 017)	405 152
	481 892	457 169	(169 010)	770 051

4. Trade and other receivables

Trade receivables	1 616 889	755 381
Prepayments	-	1 407
Deposits	252 457	199 141
	1 869 346	955 929

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 282 453	1 300 141
Short-term deposits	5 480 610	7 392 796
	6 763 063	8 692 937

6. Income received in advance

The balance consists of amounts received in advance and/or invoiced in respect of board exams and events only taking place after year end, as well as individual and corporate membership fees received for membership for the period 1 March 2018 to 28 February 2019.

7. Trade and other payables

Trade payables	477 095	685 913
VAT	179 119	244 412
Unallocated receipts and refunds due	303 427	103 113
Provision for leave pay and bonuses	839 649	563 762
	1 799 290	1 597 200

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The carrying amounts approximates the fair value.

Employees' entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for annual leave due as a result of services rendered by employees up to the financial year end.

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
8. Operating (deficit) surplus		
Operating (deficit) surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	817 891	718 507
Amortisation on intangible assets	204 159	169 010
Depreciation on property, plant and equipment	103 077	88 723
Employee costs	8 162 690	5 763 582
9. Investment revenue		
Interest revenue		
Bank	427 792	487 262
10. Finance costs		
Trade and other payables	545	509
South African Revenue Service	5 078	-
	5 623	509
11. Taxation		
No provision has been made for 2018 tax as the Institute is exempt from taxation in terms of Section 10(1) of the Income Tax Act 1962, as amended.		
12. Auditors' remuneration		
Fees	57 500	53 500
Underprovision - prior year	15 005	-
	72 505	53 500
13. Cash (used in) generated from operations		
(Deficit) surplus before taxation	(1 221 084)	1 570 890
Adjustments for:		
Depreciation and amortisation	307 236	257 733
Interest received	(427 792)	(487 262)
Finance costs	5 623	509
Changes in working capital:		
Trade and other receivables	(913 417)	843 129
Trade and other payables	202 090	610 915
	(2 047 344)	2 795 914

The Institute of Risk Management South Africa

(Registration number 036-539-NPO)

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
14. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	618 202	612 375
- in second to fifth year inclusive	492 594	1 193 854
	<u>1 110 796</u>	<u>1 806 229</u>

Operating lease payments represent rentals payable by the Institute for certain of its office properties and are negotiated for an average term of three years. No contingent rent is payable.

15. Comparative figures

Certain comparative figures have been reclassified.