



Chartered Governance Institute of Southern Africa

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements

for the year ended 31 December 2019

Annual Financial Statements

in compliance with Companies Act 71 of 2008

Prepared: J A Maybery ACG

Position: Financial Manager

Publish date: 25/05/2020

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

INDEX

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

General Information	1 - 2
Directors' Responsibilities and Approval	3
Certificate of the Company Secretary	4
Finance and Risk Committee Report	5 - 6
Independent Auditor's Report	7 - 9
Directors' Report	10 - 13
Statement of Financial Position	14
Statement of Comprehensive Income	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Accounting Policies	18 - 23
Notes to the Financial Statements	24 - 35

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

GENERAL INFORMATION

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Non-profit company acting as a professional body

COUNTRY OF INCORPORATION AND DOMICILE REGISTERED OFFICE

South Africa
Block C, Riviera Road Office Park
6-10 Riviera Road
Killarney
2193

POSTAL ADDRESS

P.O. Box 3146
Houghton
2041

DIRECTORS

Robert Likhang - President
Karen Robinson - Senior Vice President
Lynelle Bagwandeem - Vice President
Sikander Kajee - Past President
Christopher Wilson
Elizna Viljoen
Karen Southgate
Sandile Mbhamali
Sharon Clarke
Sonia Giuricich
Stephen Sadie CEO - Executive Director
Suraya Periah

REGISTRATION NUMBER

1972/000007/08

BANKERS

The Standard Bank of South Africa Limited and Nedbank Group Limited.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

GENERAL INFORMATION

AUDITOR

Mazars
Registered Auditors

COMPANY SECRETARY

Irma Warriner
P O Box 1029
Sundowner
2151

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the International Financial Reporting Standards for Small and Medium-sized Entities as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the 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 going-concern basis has been adopted in preparing the financial statements. Based on available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, Mazars, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' audit report is presented on pages 7 to 9.

The annual financial statements as set out on pages 10 to 35 were approved by the board on 19 March 2020 and were signed on their behalf by:



Robert Likhang – President



Karen Robinson - Senior Vice President



Stephen Sadie - CEO

**THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN
AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF
CHARTERED SECRETARIES AND ADMINISTRATORS NPC**

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

Certificate of the Company Secretary

I certify that The Southern African Institute of Chartered Secretaries and Administrators NPC has filed all its returns and notices as required by the Companies Act 71 of 2008 of South Africa and that such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.



I Warriner

Company Secretary

Johannesburg

19/03/2020

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

Finance and Risk Committee Report

Membership

SAH Kajee (Chair)

S Giuricich

B Rufetu

DM Da Silva (appointed 24/05/2019)

Structure

The committee was appointed by the Board to hold office for the year under review. The Committee met four times in 2019. The attendance of the committee is reflected on page 42 of the integrated report. The External Auditor, the CEO, Finance Manager, Technical Adviser and Internal Audit service provider attend meetings by standing invitation.

Role and Activities

- Reviewed and recommended for board approval, the Annual Financial Statements of CSSA for the year ended 31 December 2019
- Reviewed management accounts of CSSA and its associated entities on a regular basis
- Assisted the Board in determining its appropriate risk levels
- Reviewed the identification of key risks, both internal and external, and risk responses
- Monitored and reviewed the effectiveness of internal control systems, including IT systems and internal financial reporting
- The committee continues to monitor all actions taken to ensure the relevance and sustainability of CSSA in the future
- Assisted the Board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied in the day-to-day management of business
- Facilitated and promoted communication between the board, management, the external auditors and the internal auditors
- Reviewed the external auditors management letter and monitored the implementation of appropriate corrective actions by management
- Over saw the financial reporting process to facilitate the appropriateness, transparency and integrity of the processes leading to the fair presentation of internal and externally published financial information
- Reviewed CSSA and associated entities' monitoring compliance with laws and regulations
- Reviewed and evaluated the effectiveness of financial risk management and compliance functions
- Assessed the independence of the external auditor

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

- Reviewed and recommended for Board approval, the scope and fees pertaining to the external audit process
- Monitored the solvency and liquidity of all relevant entities
- Introduced such measures as in the Committee's opinion may serve to enhance the credibility and objectivity of financial statements and reports prepared
- Reviewed the effectiveness of the external audit process following the end of the annual audit cycle
- Reviewed and recommended for Board approval, the integrated report for the year ended 31 December 2019
- Reviewed and recommended for Board approval, the annual Budget for the ensuing year
- Reviewed the Finance and Risk Committee terms of reference



SAH Kajee
Chairman
Finance and Risk Committee
Johannesburg
19 March 2020

Independent Auditor's Report

To the Members of The Southern African Institute of Chartered Secretaries and Administrators NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the annual financial statements of The Southern African Institute of Chartered Secretaries and Administrators NPC set out on pages 14 to 35, which comprise the statement of financial position as at 31 December 2019, 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 The Southern African Institute of Chartered Secretaries and Administrators NPC as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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) 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.

Emphasis of Matter: Impact of the outbreak of COVID-19 on the annual financial statements

Without modifying our opinion on the annual financial statements, we draw attention to the directors' view on the impact of the COVID-19 pandemic and the resultant national lockdown, and the consideration in Note 2. Going concern and note 3. Events after reporting date in the directors' report, page 11 and note 21. Events after the reporting period on page 34 of the annual financial statements which indicate the company's assessment with regards to COVID-19. COVID-19 has been assessed as a non-adjusting post balance sheet event. In this note the company highlights the risks and uncertainties the company is facing as a result of the COVID-19 pandemic, the reasons for maintaining the use of the going concern assumption as well as the impact of COVID-19 on the determination of material judgements and estimates, if any.

While it is envisaged that there will be a negative impact on the company over the remainder of the financial year, the full impact of COVID-19 cannot be reasonably estimated at this time. Management will continue to assess the financial impact of COVID-19 and its impact on the company's financial condition, liquidity, operations, suppliers, industry and workforce, while placing the health and safety of employees first.

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS(SA) • IRBA REGISTRATION NUMBER 900222

MAZARS HOUSE 54 GLENHOVE ROAD MELROSE ESTATE 2196 • PO BOX 6697 JOHANNESBURG 2000 • DOCEX 703 JOHANNESBURG
TEL: +27 11 547 4000 • FAX: +27 11 484 7864 • jhb@mazars.co.za • www.mazars.co.za

PARTNERS: MV NINAN (NATIONAL CO-CEO), MC OLCKERS (NATIONAL CO-CEO), SJ ADLAM, R BUCH, JC COMBRINK, GJ DE BEER, G DEVA, JJ ELOFF, MH FISHER, GD JACKSON, D KEEVE, R MURUGAN, MV PATEL, S RANCHHOJEE, DM TEKIE, S TRUTER, S VORSTER

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT www.mazars.co.za

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Southern African Institute of Chartered Secretaries and Administrators NPC Annual Financial Statements for the year ended 31 December 2019", which includes the Directors' Report, The Finance and Risk Committee Report and the Certificate of the Secretary as required by the Companies Act of South Africa. The other information does not include the annual 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we 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 Management and Those Charged with Governance 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 for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Consolidated and Separate 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 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 annual financial statements.

A further description of our responsibilities for the audit of the annual financial statements is included in the Appendix to this auditor's report. This description, which is located at page 9, forms part of our auditor's report.

Mazars

Partner: Miles Fisher

Registered Auditor

25 May 2020

Johannesburg

Auditor's Responsibilities for the Audit of the Annual 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 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 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.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

The directors present their report for the year ended 31 December 2019.

1. Review of activities

Main business and operations

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

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

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

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business, including specific consideration of the risk associated with COVID-19.

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

3. Events after reporting date

The enforcement of a nationwide lockdown by the South African government from the 27th of March 2020 to the 30th of April 2020 due to the COVID-19 outbreak has impacted our business and that of our members, students, customers and suppliers.

Our offices were closed in line with this instruction and most of our staff and management have been able to continue working remotely in the safety of their homes. Most of the services offered can be obtained online as CSSA has invested substantially in its information management systems over the past eight years. A number of the services performed by the Institute can be performed electronically. The company will be able to service its obligations for the foreseeable future.

The effects of the COVID-19 pandemic are continually changing and there will be a negative impact on CSSA's performance over the remainder of the 2020 financial year, the value thereof cannot be reasonably estimated at this time.

Our four main areas of revenue are affected as follows:

i. Membership

We are still able to provide services to our members as most are done through electronic measures. Information is sent via email and available on our portal and website.

The impact on our revenue however, will be where our members are financially affected via retrenchments or cuts in salary or where companies that may normally pay membership fees for their staff may deem this cost unnecessary and utilise their funds elsewhere. The workplace environment will be more insecure and members will need to demonstrate their professional membership and ongoing CPD.

ii. Student Fees

We do not provide our students with tuition for the exams, this is done by skills development providers. However we are responsible for two exam sessions per year. We have cancelled the exams that were due to be written in May 2020 and allowed students to carry over their registrations to the October 2020 sitting at no cost. It may be necessary in October to conduct online assessment which will require some financial outlay. Our sale of textbooks for two Board subjects have been put on hold for the duration of the lockdown. The remainder of the 17 textbooks will be available from bookstores or publishers.

Students may register for fewer exams in October. However the majority of our students are employed and as the workplace becomes more insecure, students may have to complete their qualifications urgently to retain their positions. The possibility of attracting new students who need to consolidate their qualifications and skills with the rebranding of the Institute may offset some of the expected loss.

iii. Training

As part of our continued support to members, students and the public we offer seminars, webinars and workshops. All seminars and workshops have been cancelled for the near future and will resume once it is safe to do so. In the meantime we have increased the number of webinars dramatically to try substitute the revenue lost on seminars.

iv. Events

The institute normally holds three important events annually. The situation on the premier corporate governance conference scheduled for 16 – 17 September 2020 will be monitored to see if it can go ahead in its physical format. Alternatively it will be changed to an online conference. The integrated reporting awards scheduled for 14 November 2020 will be monitored and this may also change format to an online awards ceremony. The graduation ceremony which is normally held in August will also be monitored and this may be cancelled. There will probably be a reduction in revenue if the format changes.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

In an effort to partially counter the expected negative impact of COVID-19, we have implemented a 5% discount to members with full balances still outstanding at 20th April 2020, if payment is received by the 31st May 2020. We will be taking advantage of the four month payment holiday on skills development levy and for relief from government initiatives for SME's for entities with a turnover of less than R50 million.

4. Litigation statement

The company is not currently involved in any such claims or lawsuits, which individually or in aggregate, are expected to have a material adverse effect on the business or its assets.

5. Directors' interest in contracts

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

- L Bagwandeen (Moderation Fees) - R16 277 (2018: R15 547)
- S Linford (Examination Fees) - R38 828 (2018: R38 438)

Other professional fees were paid as follows during the year

- C Wilson - Kilgetty Statutory Services (Pty) Ltd (Workshop and seminar expenses) – R883 (2018: R2 000)
- K Robinson (Seminar, webinar and workshop expenses) – R12 550 (2018: R15 400)
- K Robinson (Physical stock - WIP) – R0 (2018: R30 000)
- S Periah (Moderator fees) – R8 791 (2018: R0)

Executive Director Remuneration - S Sadie

- Salary - R1 211 544 (2018: R1 141 056)
- Thirteenth cheque - R100 962 (2018: R95 088)
- Pension contribution - R121 154 (2018: R113 070)
- Medical aid contribution - R124 620 (2018: R91 584)

Total = R1 558 280 (2018: R1 440 798)

6. Liquidity and solvency

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

7. Directors

The directors of the company during the year and to the date of this report are as follows:

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

Robert Likhanga - President
Sikander Kajee - Past President
Karen Robinson - Senior Vice President
Lynelle Bagwandeem - Vice President
Brian Dialwa (Resigned 31 December 2019)
Christopher Wilson
Elizna Viljoen
Karen Southgate
Natasha Bouwman (Resigned 14 October 2019)
Sandile Mbhamali (Appointed 19 June 2019)
Sandra Linford (Resigned 15 November 2019)
Shamida Smit (Resigned 19 June 2019)
Sharon Clarke (Appointed 4 November 2019)
Sonia Giuricich
Stephen Sadie CEO - Executive Director
Suraya Periah (Appointed 19 June 2019)
Zernobia Lachporia (Resigned 19 June 2019)

8. Secretary

The company's designated secretary is Irma Warriner, appointed in terms of s86 of the Companies Act 71 of 2008 of South Africa.

9. Independent Auditors

Mazars were appointed as the independent auditors for the year under audit, in terms of s90 of the Companies Act 71 of 2008 of South Africa.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Statement of Financial Position

Figures in R	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	156,444	39,508
Intangible assets	4	491,550	454,402
		647,994	493,910
Current Assets			
Inventories	5	57,635	89,872
Loans receivable	6	43,106	67,520
Trade and other receivables	7	969,606	630,617
Cash and cash equivalents	8	5,981,792	6,767,057
		7,052,139	7,555,066
Total Assets		7,700,133	8,048,976
Equity and Liabilities			
Equity			
Other reserves		321,000	361,000
Retained surplus		2,745,986	2,544,567
		3,066,986	2,905,567
Non-Current Liabilities			
Post-retirement medical aid liability	9	460,660	448,076
Current Liabilities			
Trade and other payables	10	3,444,811	4,230,174
Loans payable	11	551,456	172,292
Post-retirement medical aid liability	9	71,400	64,400
Operating lease liability	12	104,820	228,467
		4,172,487	4,695,333
Total Equity and Liabilities		7,700,133	8,048,976

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

Figures in R	Notes	2019	2018
Revenue	13	18,955,927	17,513,503
Amortisation	14	(360,375)	(314,241)
Depreciation	14	(56,526)	(26,844)
Employee costs	14	(9,803,483)	(8,854,857)
Operating costs		(9,365,679)	(8,630,088)
Operating deficit before other income and interest	14	(630,136)	(312,527)
Other income	15	217,919	55,748
Investment revenue	16	558,139	584,530
Finance costs	17	(94,095)	(101,486)
Surplus for the year		51,827	226,265
Other comprehensive income			
Revaluation - Post-retirement medical aid liability	10	(40,000)	(31,000)
Total other comprehensive income		(40,000)	(31,000)
Total comprehensive surplus for the year		11,827	195,265

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

Figures in R	Post-retirement medical aid reserve	Retained Surplus	Total
Balance at 1 January 2018	392,000	2,318,302	2,710,302
Surplus for the year	-	226,265	226,265
Other comprehensive income	(31,000)	-	(31,000)
Total comprehensive surplus / (deficit) for the year	(31,000)	226,265	195,265
Balance at 31 December 2018	361,000	2,544,567	2,905,567
Balance at 1 January 2019	361,000	2,544,567	2,905,567
Surplus for the year	-	51,827	51,827
Other comprehensive income	(40,000)	-	(40,000)
Total comprehensive surplus / (deficit) for the year	(40,000)	51,827	11,827
Transfer from IBS		149,592	149,592
Balance at 31 December 2019	321,000	2,745,986	3,066,986

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Statement of Cash Flows

Figures in R	Notes	2019	2018
Cash flows from operating activities			
Cash receipts from customers		18,616,938	17,694,260
Cash payments to suppliers and employees		(19,766,085)	(17,005,000)
Cash generated from operations	19	<u>(1,149,147)</u>	689,260
Investment revenue	16	431,792	467,890
Finance costs	17	(50,095)	(55,486)
Net cash utilised in operating activities		<u>(767,450)</u>	<u>1,101,664</u>
Cash flows from investing activities			
Property, plant and equipment acquired	3	(173,462)	(21,419)
Intangible assets acquired	4	(397,523)	(373,793)
Insurance pay out	15	-	5,138
Net cash utilised in investing activities		<u>(570,985)</u>	<u>(390,074)</u>
Cash flows from financing activities			
Loans raised	6 & 11	403,578	195,341
The Institute of Business Studies NPC Reserves transferred		149,592	-
Net cash generated by financing activities		<u>553,170</u>	<u>195,341</u>
(Decrease)/Increase in cash and cash equivalents		(785,265)	906,931
Cash and cash equivalents at beginning of the year		<u>6,767,057</u>	<u>5,860,126</u>
Cash and cash equivalents at end of the year	8	<u>5,981,792</u>	<u>6,767,057</u>

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Accounting Policies

1. General information

CSSA is a non-profit company incorporated in South Africa.

2. Summary of significant accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 of South Africa. The annual financial statements have been prepared on the historical cost basis, except as indicated below, and incorporate the principal accounting policies set out below. They are presented in South African Rands. These accounting policies are consistent with the previous period except where specifically stated. No provision has been made for 2019 taxation as CSSA is exempt from income tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act No 58 of 1962.

2.1 Significant judgements and sources of estimation uncertainty

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

Depreciation and useful lives of property, plant and equipment

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

Going concern

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

Provision for post-retirement medical aid contributions

Post-retirement healthcare benefits are provided to certain retired employees. Actuarial valuations are performed to measure the expected liability. Assumptions used include the discount rate, healthcare cost inflation, mortality rates, withdrawal rates and membership. By obtaining an external valuation by accredited valuers, management is of the opinion that the risk relating to estimation uncertainty has been mitigated. Details can be found in note 9.

Impairment of financial instruments

Loans and receivables

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

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Accounting Policies

2.2 Property, plant and equipment

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

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

An item of property, plant and equipment is derecognised upon disposal or where no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit and loss and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of derecognition.

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

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

Category:	Useful lives:
Motor Vehicles	10 Years
Furniture and Fittings	10 Years
Office Equipment	5 Years
Computer Equipment	3 Years

Intangible assets

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

The cost of an intangible asset includes its purchase price.

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

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

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

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Accounting Policies

2.3 Impairment of non-financial assets

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

2.4 Inventories

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

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

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

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Accounting Policies

2.5 Financial Instruments

Classification

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

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

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

Initial recognition and measurement

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

Subsequent measurement

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

Derecognition

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

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

Trade Receivables

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

Trade Payables

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

Loans receivable

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

Loans payable

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

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Accounting Policies

2.6 Related Parties

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

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

2.7 Revenue recognition

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

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

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

Student Fees

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

Member Subscriptions

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

Services Revenue

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

Events Revenue

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

Royalties

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

Interest Income

Interest income is recognised using the effective interest method.

Grant Income

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

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Accounting Policies

2.8 Employee benefit obligations

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

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

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

Post-retirement medical aid liability

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

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

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

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

2.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

All other leases are classified as operating leases.

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.

2.10 Foreign Currencies

In preparing the financial statements, transactions in currencies other than the Institute's functional currency are recorded at the dates of the transactions. At the balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognised in profit and loss in the period in which they arise. ICSA and CSIA annual fees are based in GB Pound and US Dollar respectively.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R 2019 2018

3. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Motor Vehicles	144,925	139,164	5,761	144,925	136,409	8,516
Furniture and Fittings	41,014	40,395	619	41,014	38,980	2,034
Office Equipment	61,956	49,792	12,164	55,129	41,045	14,084
Computer Equipment	405,196	267,296	137,900	238,560	223,686	14,874
	653,091	496,647	156,444	479,628	440,120	39,508

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>				
Motor Vehicles	8,516	-	(2,755)	5,761
Furniture and Fittings	2,034	-	(1,415)	619
Office Equipment	14,084	6,827	(8,746)	12,165
Computer Equipment	14,874	166,635	(43,610)	137,899
	39,508	173,462	(56,526)	156,444

4. Intangible assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademarks	15,000	(9,000)	6,000	15,000	(7,500)	7,500
Computer Software	2,479,802	(1,994,252)	485,550	2,082,279	(1,635,377)	446,902
	2,494,802	(2,003,252)	491,550	2,097,279	(1,642,877)	454,402

The carrying amounts of intangible assets can be reconciled as follows:

	Carrying value at beginning of year	Additions	Amortisation	2019 Carrying value at end of year
Trademarks	7,500	-	(1,500)	6,000
Computer Software	446,902	397,523	(358,875)	485,550
	454,402	397,523	(360,375)	491,550

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
5. Inventories		
Inventories comprise:		
Merchandise for resale - Text Books	57,635	89,872
6. Loans receivable		
The Chartered Institute of Business Management NPC	43,106	63,762
The Business Administrators Educational Foundation Trust - MENTOR	-	3,758
	<u>43,106</u>	<u>67,520</u>
<p>The above loans are unsecured, interest is charged at 5.15% (2018: 5.15%) per annum on month end balance and there are no fixed terms of repayment.</p>		
7. Trade and other receivables		
Trade Debtors	269,595	276,589
Sundry debtors	459,806	116,640
Prepaid expenses	240,205	237,388
	<u>969,606</u>	<u>630,617</u>
8. Cash and cash equivalents		
Cash on hand	3,568	1,221
Current Accounts	514,993	986,404
Call Accounts	5,463,231	5,779,432
	<u>5,981,792</u>	<u>6,767,057</u>

For purposes of the statement of cash flow, cash and cash equivalents comprise the balances disclosed above.

A guarantee of R 222,348, is held by Standard Bank that relates to CSSA lease of property, from Growthpoint Limited.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
--------------	------	------

9. Post-retirement medical aid liability

The post-retirement medical aid liability relates to the coverage of medical aid for a retired employee.

Valuation has been performed as at 31 December 2019.

Non-current liability	(460,660)	(448,076)
Current liability	(71,400)	(64,400)
	(532,060)	(512,476)

Net Statement of financial position

Healthcare liability at 31 December 2018	(512,476)
(Cost) / income recognised in P&L	(44,000)
Remeasurements recognised in OCI	(40,000)
Company contributions paid*	64,416
Healthcare liability at 31 December 2019	(532,060)

*The contributions consist of actual contributions paid by the Company to the medical aid in the year to 31 December 2019 and the membership data supplied. Any adjustment to the figure will result in a corresponding change to the remeasurement effects.

R71 400 (2018: R64 400) of the total liability of R532 060 relates to short-term liabilities which are payments expected to be made within the next year.

Current and previous statement of Net Healthcare Liability

Liability at 31 December 2018	(512,476)
Net asset / (liability) at 31 December 2018	(512,476)
Liability at 31 December 2019	(532,060)
Net asset / (liability) at 31 December 2019	(532,060)

Change in liability over current year

Over the financial year the benefit obligation changed as follows:

Healthcare liability at 31 December 2018	(512,476)
Current service cost	-
Interest cost	(44,000)
Actuarial (gain) / loss - experience	(44,000)
Actuarial (gain) / loss - demographic assumptions	-
Actuarial (gain) / loss - financial assumptions	4,000
Contributions / benefits paid	64,416
Healthcare liability at 31 December 2019	(532,060)

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
--------------	------	------

*The actuarial loss attributable to experience of R44 000 is as a result of higher than expected healthcare inflation, as well as the same pensioner being present in both years, where with a larger group some mortality would have been expected given the age of the pensioner.

Financial Assumptions

Discount rate

A rate of 8.75% per annum has been assumed (9.15% used at 31 December 2018). This is set having regard to the market yield on long term government bonds at the valuation date. The term of the liabilities is approximately 8.0 years, and the discount rate has been set in line with this.

Long term price inflation

A long-term future inflation rate of 5.15% per annum has been assumed (5.75% was used at 31 December 2018). This is set having regard to the relationship between yields on suitable long term fixed and inflation linked government bonds.

Healthcare cost inflation

It is assumed that the present contribution structure of Discovery Health Medical Scheme will remain substantially unchanged in the future. In considering future healthcare cost inflation, a distinction may be drawn between the following underlying factors.

- Increases in tariffs and prices of medical services and products which may be expected to increase in line with general inflation levels; and
- Increased utilisation of medical services and products, on account of factors such as improvements in medical technology, increased patient awareness and the emergence of new diseases.

It is therefore assumed that the combined effect of price and utilisation increases will result in healthcare cost inflation of 2.0% pa in excess of price inflation i.e. 7.15% pa. The same approach was used in 2018, resulting in a healthcare cost inflation of 7.75% as at 31 December 2018.

As a result the 2019 net discount rate is assumed to be 1.49% per annum which is higher than the assumption of 1.30% which was used in 2018. All else being equal, this change decreased the liability by R4 303.

10. Trade and other payables

Trade payables	49,653	387,238
Accruals	56,043	188,152
Fees received in advance	1,267,250	1,495,750
Payroll accruals	760,665	645,340
Sundry creditors	856,095	1,093,063
Unallocated deposits	97,049	104,222
Unallocated student deposits	126,298	109,174
Value Added Taxation	231,758	207,235
	3,444,811	4,230,174

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
--------------	------	------

11. Loans payable

Institute of Business Studies NPC	-	172,292
The Business Administrators Educational Foundation Trust - MENTOR	551,456	-
	551,456	172,292

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

12. Operating lease liability

Operating lease liability	104,820	228,467
---------------------------	---------	---------

Growthpoint Property Lease - expires 31st July 2020

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

Minimum lease payments under operating leases are recognised as an expense during the year.

	1,255,603	1,255,603
--	-----------	-----------

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

Within one year	837,255	1,379,249
Later than one year but within five years	-	837,255
	837,255	2,216,504

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
--------------	------	------

13. Revenue

An analysis of revenue is as follows:

Sales - Physical Stock	455,566	410,527
Administration Fees Received	242,502	304,840
Corporate Governance Conference *	1,283,015	1,533,419
Grant income	333,459	-
Integrated Reporting Awards *	642,804	606,655
Member Income	5,635,713	5,395,327
Professional Practice Group Income	450,670	460,381
Royalties Received	31,405	40,699
Seminar, Workshop & Webinar Income *	887,774	847,404
Advertising Income	-	4,290
Placements Income	317,500	368,950
Student Income	8,656,119	7,507,940
Technical Support Package	19,400	33,071
	18,955,927	17,513,503

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

Corporate Governance Conference	441,910	572,915
Integrated Reporting Awards	260,151	258,500
Seminar, Workshop & Webinar Income	130,538	110,140
	832,599	941,555

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
14. Operating deficit		
Operating deficit is arrived at after taking into account the following items:		
<i>Income</i>		
Exchange rate profits on foreign exchange	3,500	4,800
<i>Expenditure</i>		
Exchange rate losses on foreign exchange	(4,187)	-
Amortisation	(360,375)	(314,241)
<i>Depreciation</i>		
Owned assets	(56,526)	(26,844)
Auditors' remuneration		
Audit fees		
-current	(320,160)	(233,035)
<i>Operating lease charges</i>		
Premises and operating costs	(1,255,603)	(1,255,603)
Electricity, water and rates	(200,982)	(79,095)
Advertising	(672,930)	(600,956)
Boardroom Magazine	(312,769)	(290,658)
Computer expenses	(401,822)	(368,900)
Consulting fees	(292,435)	(310,073)
Employee Costs	(9,803,483)	(8,854,857)
Legal Fees	(25,233)	(43,148)
Integrated Reporting Awards and Corporate Governance Conference	(1,469,012)	(1,665,418)
International Capitation Fees	(420,672)	(370,009)
Student Expenses	(1,223,384)	(1,217,333)

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
15. Other Income		
Other income	208,085	45,810
Donation received	9,834	-
Profit on foreign exchange	-	4,800
Insurance pay out	-	5,138
	<u>217,919</u>	<u>55,748</u>
16. Investment revenue		
Interest income		
Interest received on call accounts	555,980	581,175
Interest received - Chartered Institute of Business Management NPC	2,159	3,339
Interest received - The Business Administrators Educational Foundation Trust	-	16
	<u>558,139</u>	<u>584,530</u>
17. Finance costs		
Bank overdraft	24	-
SARS - Penalties and interest	3,188	-
Interest Paid - Institute of Business Studies NPC	-	10,249
Interest Paid - Chartered Institute of Business Management NPC	5,468	-
Interest Paid - The Business Administrators Educational Foundation Trust	41,414	45,237
Interest Paid - Post-retirement medical liability	44,000	46,000
	<u>94,095</u>	<u>101,486</u>
18. Taxation		

No provision has been made for 2019 taxation as CSSA is exempt from income tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act No 58 of 1962.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
19. Cash generated from operations		
Surplus / (Deficit) for the year	11,827	195,265
<i>Adjustments for:</i>		
Finance costs	50,095	55,486
Amortisation of Intangible assets	360,375	314,241
Depreciation of Property, plant and equipment	56,526	26,844
Investment income	(431,792)	(467,890)
(Profit) / loss on disposal of plant and equipment	-	-
Insurance pay-out	-	(5,138)
Increase in post-retirement medical aid liability	19,584	18,416
Operating cash flow before working capital changes	<u>66,615</u>	<u>137,224</u>
<i>Working capital changes</i>		
Decrease / (Increase) in inventories	32,237	(19,317)
Decrease / (Increase) in trade and other receivables	(338,989)	180,757
Increase / (Decrease) in trade and other payables	(909,010)	390,596
	<u>(1,149,147)</u>	<u>689,260</u>

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R

2019

2018

20. Related party transactions and balances

Name	Relationship	Transactions	Transactions with related parties during the year		Amounts owed (to) / by the related party at year-end	
			2019	2018	2019	2018
Institute of Business Studies NPC	Fellow Institute (now closed)	Reserves	(149,592)	(27,955)	-	(172,292)
Chartered Institute of Business Management NPC	Fellow Institute	Administration fee income / interest received / audit fees	(239,193)	(269,975)	43,106	63,762
The Business Administrators Educational Foundation Trust - MENTOR	Fellow Institute	Audit fees / interest received / interest paid	41,414	43,737	(551,456)	3,758

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

- L Bagwandeen (Moderation Fees) - R16 277 (2018: R15 547)
- S Linford (Examination Fees) - R38 828 (2018: R38 438)

Other professional fees were paid as follows during the year

- C Wilson - Kilgetty Statutory Services (Pty) Ltd (Workshop and seminar expenses) – R883 (2018: R2 000)
- K Robinson (Seminar, webinar and workshop expenses) – R12 550 (2018: R15 400)
- K Robinson (Physical stock - WIP) – R0 (2018: R30 000)
- S Periah (Moderator fees) – R8 791 (2018: R0)

Executive Director Remuneration - S Sadie

- Salary - R1 211 544 (2018: R1 141 056)
- Thirteenth cheque - R100 962 (2018: R95 088)
- Pension contribution - R121 154 (2018: R113 070)
- Medical aid contribution - R124 620 (2018: R91 584)

Total = R1 558 280 (2018: R1 440 798)

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
--------------	------	------

21. Events after the reporting period

The enforcement of a nationwide lockdown by the South African government from the 27th of March 2020 to the 30th of April 2020 due to the COVID-19 outbreak has impacted our business and that of our members, students, customers and suppliers.

Our offices were closed in line with this instruction and most of our staff and management have been able to continue working remotely in the safety of their homes. Most of the services offered can be obtained online as CSSA has invested substantially in its information management systems over the past eight years. A number of the services performed by the Institute can be performed electronically. The company will be able to service its obligations for the foreseeable future.

The effects of the COVID-19 pandemic are continually changing and there will be a negative impact on CSSA's performance over the remainder of the 2020 financial year, the value thereof cannot be reasonably estimated at this time.

Our four main areas of revenue are affected as follows:

i. Membership

We are still able to provide services to our members as most are done through electronic measures. Information is sent via email and available on our portal and website.

The impact on our revenue however, will be where our members are financially affected via retrenchments or cuts in salary or where companies that may normally pay membership fees for their staff may deem this cost as unnecessary and utilise their funds elsewhere. The workplace environment will be more insecure and members will need to demonstrate their professional membership and ongoing CPD.

ii. Student Fees

We do not provide our students with tuition for the exams, this is done by skills development providers. However we are responsible for two exam sessions per year. We have cancelled the exams that were due to be written in May 2020 and allowed students to carry over their registrations to the October 2020 sitting at no cost. It may be necessary in October to conduct online assessment which will require some financial outlay. Our sale of textbooks for two Board subjects have been put on hold for the duration of the lockdown. The remainder of the 17 textbooks will be available from bookstores or publishers.

Students may register for fewer exams in October. However the majority of our students are employed and as the workplace becomes more insecure, students may have to complete their qualifications urgently to retain their positions. The possibility of attracting new students who need to consolidate their qualifications and skills with the rebranding of the Institute may offset some of the expected loss.

iii. Training

As part of our continued support to members, students and the public we offer seminars, webinars and workshops. All seminars and workshops have been cancelled for the near future and will resume once it is safe to do so. In the meantime we have increased the number of webinars dramatically to try substitute the revenue lost on seminars.

iv. Events

The institute normally holds three important events annually. The situation on the premier corporate governance conference scheduled for 16 – 17 September 2020 will be monitored to see if it can go ahead in its physical format. Alternatively it will be changed to an online conference. The integrated reporting awards scheduled for 14 November 2020 will be monitored and this may also change format to an online awards ceremony. The graduation ceremony which is normally held in August will also be monitored and this may be cancelled. There will probably be a reduction in revenue if the format changes.

In an effort to partially counter the expected negative impact of COVID-19, we have implemented a 5% discount to members with full balances still outstanding at 20th April 2020, if payment is received by the 31st May 2020. We will be taking advantage of the four month payment holiday on skills development levy and for relief from government initiatives for SME's for entities with a turnover of less than R50 million.

THE CHARTERED GOVERNANCE INSTITUTE OF SOUTHERN AFRICA - FORMERLY THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS NPC

(Registration Number 1972/000007/08)

Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
--------------	------	------

22. Financial instruments

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

	Financial asset at amortised cost	Total
2019		
Loan Receivable	43,106	43,106
Trade and other receivables	729,401	729,401
Cash and cash equivalents	5,981,792	5,981,792
2018		
Loan Receivable	67,520	67,520
Trade and other receivables	393,229	393,229
Cash and cash equivalents	6,767,057	6,767,057

The company has classified its financial liabilities in the following categories

	Financial liabilities at amortised cost	Total
2019		
Trade and other payables	105,696	105,696
Loan payable	551,456	551,456
2018		
Trade and other payables	575,390	575,390
Loan payable	172,292	172,292

23. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business, including specific consideration of the risk associated with COVID-19.

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

24. Approval of annual financial statements

These financial statements were approved by the board of directors and authorised for issue on 19 March 2020.