SAICA ANNUAL FINANCIAL STATEMENTS 2023

LEADING **GLOBALLY**
SHAPING **TOMORROW**
TRUSTED TO
MAKE A DIFFERENCE

NPO Registration number – 020-050

SAICA DIFFERENCE MAKERS™

TABLE OF CONTENTS

1	GENERAL INFORMATION	3
2	BOARD RESPONSIBILITIES AND APPROVAL	4
3	CERTIFICATE BY THE INSTITUTE SECRETARY	5
4	DIRECTORS' REPORT	6-7
5	INDEPENDENT AUDITOR'S REPORT	8-11
6	STATEMENTS OF FINANCIAL POSITION	12
7	STATEMENTS OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME	13
8	STATEMENT OF CHANGES IN RESERVES – GROUP	14-15
9	STATEMENT OF CHANGES IN RESERVES – INSTITUTE	16
10	STATEMENTS OF CASH FLOWS	17
11	ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	18-81

AUDITED FINANCIAL STATEMENTS

Prepared under the supervision of: Obrey Nekhavhambe CA(SA) - Chief Financial Officer
By: Deon Watson AGA(SA) - Financial Manager: Reporting
And: Teddy Mkansi CA(SA) - Financial Manager: Finance Operations
Auditors: Mazars

GENERAL INFORMATION

Country of Incorporation and Domicile	South Africa
Registration Number	NPO 020-050
Nature of Business and Principal Activities	The principal activity of the Group and Institute is to serve the interests of the chartered accountancy profession and society by upholding professional standards, integrity and the pre-eminence of South African chartered accountants worldwide.
Board	Motholo, VM (Chairman) Forbes, Y (Lead Independent) Bekwa, B du Toit, JI (Resigned 25 May 2023) Lamola, FL le Roux, AM Madiba, SC Mofokeng, TM Nomvalo, SF (Term ended 31 January 2024) Singh, A (Council President from 18 March 2024) Singh, D Stock, P (Appointed 1 February 2024) Swanepoel, J (Council President until 18 March 2024) Thankge, CT (Appointed 25 May 2023) Tsvetu, B
Registered Office	17 Fricker Road, Illovo, Johannesburg South Africa 2196
Postal Address	Private Bag X32 Northlands 2116
Bankers	Nedbank Limited, First National Bank, a division of FirstRand Limited and Standard Bank Limited
Tax Number	140000111
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act No 71 of 2008.
Auditors	Mazars, 54 Glenhove Rd, Melrose Estate, Johannesburg 2196
Board Secretary	J Snyman
Published Date	29 April 2024

BOARD RESPONSIBILITIES **AND APPROVAL**

The board is required by the Companies Act No 71 of 2008 to maintain adequate accounting records and is responsible for the content and integrity of the Group and Institute Annual Financial Statements and other information included in this report. It is its responsibility to ensure that the Group and Institute's Annual Financial Statements satisfy the financial reporting standards (refer to note 2 for the basis of preparation) with regards to form and content and fairly present the Group and Institute statements of financial position, results of operations and business of the Group and Institute, and explain the transactions and financial position of the business of the Group and Institute at the end of the financial year. The Group and Institute Annual Financial Statements are based upon appropriate accounting policies consistently applied throughout the Group and Institute and supported by reasonable and prudent judgements and estimates.

The board acknowledges that it is ultimately responsible for the system of internal financial control established by the Group and Institute and place considerable importance on maintaining a strong control environment. To enable the board 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 Group and Institute and all employees are required to maintain the highest ethical standards in ensuring the Group and Institute's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board is 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 Group and Institute 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 Annual Financial Statements. Based on forecasts and available cash resources, the board has no reason to believe that the Group will not be a going concern in the foreseeable future. The Group and Institute's Annual Financial Statements support the viability of the Group.

The Group and Institute Consolidated and Separate Annual Financial Statements have been audited by the independent auditing firm, Mazars, who has been given unrestricted access to all financial records and related data, including minutes of all meetings of members, the board and committees of the board of directors. The board of directors believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 8 to 11.

The Group and Institute Consolidated and Separate Annual Financial Statements set out on pages 12 to 81 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 29 April 2024 on its behalf by:

VM Motholo
Board Chairman
29 April 2024

CERTIFICATE BY THE **BOARD SECRETARY**

I hereby confirm, in my capacity as Board Secretary of The South African Institute of Chartered Accountants NPO Group, that for the financial year ended 31 December 2023, the companies within the Group have filed all required returns and notices in terms of the Companies Act No 71 of 2008, with the Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

J Snyman
Board Secretary
29 April 2024

DIRECTORS' **REPORT**

THE BOARD PRESENTS ITS REPORT FOR THE YEAR ENDED 31 DECEMBER 2023.

1. REVIEW OF ACTIVITIES

Main business and operations
The principal activity of the Group is to serve the interests of the chartered accountancy profession and society, by upholding professional standards, integrity and the pre-eminence of South African chartered accountants worldwide.

The operating results and statements of financial position of the Group are fully set out in the attached Annual Financial Statements and do not in our opinion require any further comment.

2. GOING CONCERN

The Group and Institute Annual Financial Statements have been prepared on the going concern basis. 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. The application of this basis is supported by a detailed budget process which has a certain level of judgements and estimates as well as ongoing compliance with budgeting controls.

Loadshedding is a challenge that many businesses in South Africa are facing. SAICA has ensured that backup power sources have been installed reducing the risks in relation to loadshedding. The impact is therefore deemed not to be material on the business of SAICA.

3. EVENTS AFTER THE REPORTING DATE

The volatility in the foreign currency may impact the foreign creditors in the Group and Institute. Foreign currency risk is discussed in detail in note 32.1.1.

The board is not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group and Institute.

4. BOARD INTEREST IN CONTRACTS

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

5. BOARD

The board of directors of the Institute during the year and up to the date of this report is as follows:

Motholo, VM(Chairman)
Forbes, Y (Lead Independent)
Bekwa, B
du Toit, JI (Resigned 25 May 2023)
Lamola, FL*
le Roux, AM
Madiba, SC
Mofokeng, TM
Nomvalo, SF (Term ended 31 January 2024)*
Singh, A (Council President from 18 March 2024)
Singh, D
Stock, P (Appointed 1 February 2024)*
Swanepoel, J (Council President until 18 March 2024)
Thankge, CT (Appointed 25 May 2023)
Tsvetu, B

* These Board members are employed at the Institute and have standard employment contracts.

6. SECRETARY

The Group's designated board secretary is J Snyman.

7. INTEREST IN SUBSIDIARIES

All interests in controlled entities are disclosed in note 7.

8. INDEPENDENT AUDITORS

Mazars were the independent auditors for the year.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS (NPO) GROUP

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of The South African Institute of Chartered Accountants (NPO) Group ("the Group and the Institute") set out on pages 12 to 81, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of surplus or deficit and other comprehensive income, the consolidated and separate statements of changes in reserves and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of The South African Institute of Chartered Accountants (NPO) Group as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the constitution of the institute.

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 Consolidated and separate Financial Statements* section of our report. We are independent of the group and the Institute in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditor*s (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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MATTER	AUDIT RESPONSE
Recognition of revenue Refer to note 19.1 of the Group and Institute's consolidated and separate financial statements. The Group and Institute's revenue from subscriptions and professional development fees represents 84% (2022: 83%) of total revenue for the year. Furthermore, the Group and Institute focus on revenue as a going concern measure which may create an incentive for revenue to be recognised before the revenue recognition requirements of IFRS 15 Revenue from Contracts with Customers has been met. Subscription and professional development fees are automatically invoiced in advance. Members make payment on these subscription and professional development fees from the date of receipt of the invoice until the payment cut-off date. This could result in revenue and contract liabilities being incorrectly accounted for at year-end. Due to the significance of the revenue amount and the significant risk associated with revenue recognition in relation to subscription and professional development fees, the occurrence and cut-off assertions required significant audit attention.	Our audit procedures included, amongst others, the following: We documented and assessed the design, implementation and operating effectiveness of relevant key controls over revenue recognition; We have agreed a sample of the sales invoices recorded as revenue in the consolidated and separate financial statements to the supporting invoice and bank statements to verify that the revenue occurred and was recorded in the correct period; We performed substantive tests of detail on a sample of cash receipts from the contract liabilities schedule at year-end and agreed this to the invoice listings, supporting invoices and bank statements to confirm that revenue and contract liabilities are correctly calculated and accounted for as revenue or a contract liability at year end; We performed predictive analytical procedures on the subscriptions and professional development fees and compared our expectations to the actual revenue recorded and followed up on any exceptions; and We assessed the disclosure against the requirements of IFRS 15 and no material disclosure deficiencies were noted.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "The South African Institute of Chartered Accountants (NPO) Group and Institute Annual Financial Statements for the year ended 31 December 2023", which includes the Directors' Report and the Certificate by the Institute Secretary. The other information does not include the consolidated and separate financial statements and our auditor's reports thereon.

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the constitution of the Institute, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and 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 directors either intend to liquidate the group and/or the Institute or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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.

INDEPENDENT **AUDITOR'S REPORT**

To the Members of The South African Institute of Chartered Accountants (NPO) Group *(continued)*

- 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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of The South African Institute of Chartered Accountants (NPO) Group for 6 years.

Mazars

Mazars

Registered Auditors
Partner: Nqabisa Nobongoza Ravele
Registered Auditor
Date: 03 May 2024
Johannesburg

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	GROUP 2023 R `000	GROUP 2022 R `000	INSTITUTE 2023 R `000	INSTITUTE 2022 R `000
ASSETS					
Non-current assets					
Property and equipment	5	35,560	52,421	34,884	51,455
Intangible Assets	6	74,780	58,274	74,780	58,274
Deferred tax assets	9	783	115	-	-
Total non-current assets		**111,123**	**110,810**	**109,664**	**109,729**
Current assets					
Trade and other receivables	10	130,748	77,181	71,779	28,572
Prepayments		2,208	2,051	2,190	1,994
Contract fulfilment asset	19	11,474	10,003	11,474	10,003
Cash and cash equivalents	11	468,341	512,775	344,820	397,835
Total current assets		**612,771**	**602,010**	**430,263**	**438,404**
Total assets		**723,894**	**712,820**	**539,927**	**548,133**
EQUITY AND LIABILITIES					
Equity					
Reserves		218,257	235,004	210,304	227,808
Other reserves	12	232,677	196,765	78,943	59,531
Total equity		**450,934**	**431,769**	**289,247**	**287,339**
LIABILITIES					
Non-current liabilities					
Contract liabilities	19	5,811	6,666	5,811	6,666
Lease Liabilities	13	24,644	48,529	24,644	47,955
Total non-current liabilities		**30,455**	**55,195**	**30,455**	**54,621**
Current liabilities					
Provisions	14	29,717	23,862	28,954	23,262
Trade and other payables	15	99,812	87,177	87,678	86,164
Contract liabilities	19	103,593	94,983	103,593	94,983
Current tax liabilities	16	31	259	-	-
Deferred income	17	9,352	19,575	-	1,764
Total current liabilities		**242,505**	**225,856**	**220,225**	**206,173**
Total liabilities		**272,960**	**281,051**	**250,680**	**260,794**
Total equity and liabilities		**723,894**	**712,820**	**539,927**	**548,133**

STATEMENTS OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	GROUP 2023 R `000	GROUP 2022 R `000	INSTITUTE 2023 R `000	INSTITUTE 2022 R `000
Revenue	19	518,325	481,360	518,325	480,193
Other income	20	275,783	295,701	11,181	14,489
Administrative expenses	22	(52,452)	(43,653)	(51,304)	(42,705)
Other expenses	23	(764,361)	(709,961)	(514,238)	(444,011)
Expected credit losses	10.4	(1,385)	(2,239)	1,614	(2,163)
Other losses	24	(349)	(111)	(349)	(109)
(Deficit) / surplus from operating activities		(24,439)	**21,097**	(34,771)	**5,694**
Finance income	25	48,554	30,653	40,818	25,200
Finance costs	26	(4,220)	(8,082)	(4,139)	(7,948)
Surplus before tax		19,895	**43,668**	1,908	**22,946**
Income tax expense	27	(730)	(144)	-	-
Surplus for the year		19,165	**43,524**	1,908	**22,946**

STATEMENT OF CHANGES IN RESERVES - GROUP

FOR THE YEAR ENDED 31 DECEMBER 2023

	South African Journal of Accounting Research [SAJAR] R `000	SAICA Education Fund [SEFCO] R `000	Thuthuka Education Upliftment Fund [TEUF] R `000	The Hope Factory [THF] R `000	Tax Practitioners Levy R `000	Accumulated surplus R `000	Total R `000
BALANCE AT 1 JANUARY 2022	483	24,044	120,617	(3,981)	23,574	223,508	388,245
Changes in reserves							
Surplus for the year	-	-	-	-	-	43,524	43,524
Total comprehensive income	-	-	-	-	-	43,524	43,524
Allocation of SAICA Education Fund	-	8,082	-	-	-	(8,082)	-
Allocation of SAJAR	(11)	-	-	-	-	11	-
Allocation of Thuthuka Education Upliftment Fund	-	-	16,897	-	-	(16,897)	-
Allocation of The Hope Factory	-	-	-	3,684	-	(3,684)	-
Allocation of Tax Practitioners Levy	-	-	-	-	3,359	(3,359)	-
BALANCE AT 31 DECEMBER 2022	**472**	**32,126**	**137,514**	**(297)**	**26,933**	**235,021**	**431,769**
BALANCE AT 1 JANUARY 2023	472	32,126	137,514	(297)	26,933	235,021	431,769
Changes in reserves							
Surplus for the year	-	-	-	-	-	19,165	19,165
Allocation of SAICA Education Fund	-	10,924	-	-	-	(10,924)	-
Allocation of SAJAR	48	-	-	-	-	(48)	-
Allocation of Thuthuka Education Upliftment Fund	-	-	13,034	-	-	(13,034)	-
Allocation of The Hope Factory	-	-	-	3,483	-	(3,483)	-
Allocation of Tax Practitioners Levy	-	-	-	-	8,440	(8,440)	-
BALANCE AT 31 DECEMBER 2023	520	43,050	150,548	3,186	35,373	218,257	450,934
Notes	12	12	12	12	12		

STATEMENT OF CHANGES IN RESERVES - INSTITUTE

FOR THE YEAR ENDED 31 DECEMBER 2023

	South African Journal of Accounting Research [SAJAR]	SAICA Education Fund [SEFCO]	Tax Practitioners Levy	Accumulated surplus	Total
	R `000	R `000	R `000	R `000	R `000
BALANCE AT 1 JANUARY 2022	483	24,044	23,574	216,292	264,393
Changes in reserves					
Surplus for the year	-	-	-	22,946	22,946
Total comprehensive income	-	-	-	22,946	22,946
Allocation of SAICA Education Fund	-	8,082	-	(8,082)	-
Allocation of SAJAR	(11)	-	-	11	-
Allocation of Tax Practitioners Levy	-	-	3,359	(3,359)	-
Balance at 31 December 2022	**472**	**32,126**	**26,933**	**227,808**	**287,339**
BALANCE AT 1 JANUARY 2023	472	32,126	26,933	227,808	287,339
Changes in reserves					
Surplus for the year	-	-	-	1,908	1,908
Allocation of SAICA Education Fund	-	10,924	-	(10,924)	-
Allocation of SAJAR	48	-	-	(48)	-
Allocation of Tax Practitioners Levy	-	-	8,440	(8,440)	-
BALANCE AT 31 DECEMBER 2023	520	43,050	35,373	210,304	289,247
Notes	**12**	**12**	**12**		

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		GROUP		INSTITUTE	
		2023	2022	2023	2022
	Notes	R `000	R `000	R `000	R `000
Net cash flows (used in) / from operations	34	(39,697)	**17,872**	(42,931)	**31,630**
Interest received	25	48,554	30,653	40,818	25,200
Income taxes paid		(1,626)	-	-	-
Net cash flows from / (used in) operating activities		**7,231**	**48,525**	**(2,113)**	**56,830**
Cash flows used in investing activities					
Proceeds from disposal of property and equipment	5	-	210	-	118
Acquisition of property and equipment	5	(2,500)	(3,200)	(2,296)	(2,913)
Acquisition of intangible assets	6	(25,727)	(10,617)	(25,727)	(10,617)
Cash flows used in investing activities		**(28,227)**	**(13,607)**	**(28,023)**	**(13,412)**
Cash flows used in financing activities					
Lease payments	13	(17,214)	(12,025)	(16,736)	(11,641)
Interest paid on lease liabilities	13	(6,224)	(8,082)	(6,143)	(7,948)
Cash flows used in financing activities		**(23,438)**	**(20,107)**	**(22,879)**	**(19,589)**
Net (decrease) / increase in cash and cash equivalents		(44,434)	**14,811**	(53,015)	**23,829**
Cash and Cash equivalents at beginning of the year		512,775	497,964	397,835	374,006
Cash and cash equivalents at end of the year	**11**	**468,341**	**512,775**	**344,820**	**397,835**

Accounting Policies and Notes to the Group and Institute Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The South African Institute of Chartered Accountants NPO ('SAICA or the Institute'), is a voluntary association not for gain and is registered in terms of the Non-Profit Organisations Act, 1997 (Act 72 of 1997). The principal activity of the Group is to serve the interests of the chartered accountancy profession and society, by upholding professional standards, integrity and the pre-eminence of the South African chartered accountants worldwide.

The South African Institute of Chartered Accountants NPO Group consists of SAICA, The Hope Factory NPC (THF), the SAICA Enterprise Development (Pty) Ltd (SAICA ED) and the Thuthuka Education Upliftment Fund NPC (TEUF), having its principal place of business at 17 Fricker Road, Illovo, Johannesburg, South Africa.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of these Group and Institute Annual Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group and Institute Annual Financial Statements have been prepared in accordance with IFRS® Accounting Standards, the Financial Reporting Pronouncements (FRPs) as issued by the Financial Reporting Standards Council (FRSC) and the Companies Act No 71 of 2008. The Group and Institute Annual Financial Statements have been prepared under the historical cost basis unless otherwise stated. The functional and presentation currency for each of the entities in the Group is South African Rands (ZAR). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Institute's financial statements are presented separately in order to provide useful information to all the interested stakeholders.

The Annual Financial Statements were approved by the Board on 29 April 2024.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its Group and Institute Annual Financial Statements, the Group has made significant judgements, estimates and assumptions that impact the carrying amount of certain assets and liabilities, income and expenses as well as other information reported in the notes to the Annual Financial Statements. The Group periodically monitors such estimates and assumptions and incorporates all relevant information available at the date when Annual Financial Statements are prepared. However, this does not prevent actual figures from differing from estimates. The judgements made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the Annual Financial Statements and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in the relevant accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

3.1.1 Consolidation and control over subsidiaries (or "Controlled entities")

The Group has applied judgements in relation to whether the Group controls the entities. These judgements have been stipulated in detail in note 7.

Accounting Policies and Notes to the Group and Institute Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS continued...

3.1.2 Significant influence over associates

The Group has applied judgements in relation to whether the Group has control over Ikusasa Student Financial Aid Programme Foundation (ISFAP). It was identified that there is 1 out of 10 Board members on the ISFAP Board that is a representative of the Group; however, this constitutes less than 20% of the voting power of ISFAP. The Group also does not have participation in policy-making processes nor the interchange of management personnel. It has therefore been concluded that the Group does not have significant influence over ISFAP. However, ISFAP is a related party and has been disclosed as such in the notes.

3.1.3 Revenue from contracts with customers

Determining performance obligations over a period of time

The Group has concluded that subscriptions, professional development - prequalification (training contracts), tax practitioner fees and SAICA Education Fund levies are to be recognised over time as the members and trainees simultaneously receive and consume the benefits that the Group provides.

Determining performance obligations at a point in time

The Group has concluded that disciplinary levy, member entrance fees, Accountancy SA magazine, product sales, professional development -prequalification (examinations), seminars and events and sponsorships are to be recognised at a point in time as the member, student, individual and sponsor are able to direct the use of and obtain all of the benefits of the product or service at one particular point in time. Refer to note 19.

3.1.4 Leases

Non-cancellable lease term

In determining the non-cancellable lease term of lease agreements entered into, management considered all facts and circumstances (such as accessibility of premises to members, venue space requirements, etc.) that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Refer to note 13.

Discount rate

The Group has considered all relevant inputs to the determination of the incremental borrowing rate that are relevant to the underlying assets or similar group of underlying assets being leased. This includes consideration of the current economic environment, the term of the lease of underlying asset or group of assets and the credit position of the Group. The rate has also been adjusted to reflect the nature and quality of the underlying asset. The weighted average incremental borrowing rate used was 13%. Refer to note 13.

3.1.5 Trade and other receivables

Credit risk

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The simplified approach has been applied in determining the expected credit losses using a lifetime expected loss allowance measured using a provision matrix. Related party receivables are considered to be trade receivables and as a result these balances are also assessed using the simplified approach.

At each reporting date, the Group assesses whether the credit risk on trade and other receivables has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the debtor. These factors have been stipulated in detail in note 10.2.

Accounting Policies and Notes to the Group and Institute Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS continued...

3.1.6 Agent vs principal application

TEUF has applied judgements in relation to whether TEUF is considered an agent or a principal for revenue contracts relating to the ISFAP Foundation. As the obligation to ensure that contract is fulfilled lies with TEUF, and TEUF may exercise discretion in relation to the fulfilment of these contracts, management has concluded that TEUF is a principal for these contracts. Revenue is therefore accounted for at the gross amount charged per the contract.

All contracts are now in ISFAP Foundation's name and there will no longer be revenue being received by TEUF for ISFAP Foundation.

3.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.2.1 Provisions

A provision for short term incentive has been raised based on performance for the year that created a constructive obligation in line with the remuneration policy of the Group. For further details on the measurement of this provision refer to note 14.

3.2.2 Useful lives of intangible assets

The Group amortises its finite useful life intangibles assets over their estimated useful lives. The estimation of the useful lives of assets are based on technological innovation as period of validity of licences. Refer to note 6.

3.2.3 Useful lives of property and equipment

The Group depreciates its property and equipment over their estimated useful lives. The estimation of the useful lives of the right of use asset is based on the lease term of the underlying lease while the useful lives of the remaining assets are based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The useful lives of these assets can vary depending on a variety of factors, including technological innovation, maintenance programmes and relevant market information. Refer to note 5.

3.2.4 Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. Intangible assets with indefinite useful lives and assets under development are tested for impairment on an annual basis. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

4.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the Group and Institute has adopted all revised IFRS Accounting Standards that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2023.

At the date of authorisation of these Annual Financial Statements for the year ended 31 December 2023, the following IFRS Accounting Standards were adopted:

Accounting Policies and Notes to the Group and Institute Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued...

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
The amendments require that an entity discloses its material accounting policies instead of its significant accounting policies. Furthermore, the amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendments to IAS 8)
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Application of the above standards will not impact these Group and Institute Annual Financial Statements.

4.2 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group and Institute has not applied the following new, revised or amended pronouncements that have been issued by the International Accounting Standards Board (IASB) as they are not yet effective for the annual financial year beginning 1 January 2023 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS Accounting Standards since they are not relevant to the Institute). The board of directors anticipates that the new standards, amendments and interpretations will be adopted in the Institute's Group and Institute Annual Financial Statements when they become effective. The Institute has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

Effective date of Amendments to IAS 1 - For year ends beginning on or after 1 January 2024
On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) For year ends beginning on or after 1 January 2024
The amendments aim to promote consistency in applying the requirements by helping companies determine whether in the statement of financial position debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) 1 January 2024
The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

Application of the above standards will not impact these Group and Institute Annual Financial Statements.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

5. PROPERTY AND EQUIPMENT

5.1 ACCOUNTING POLICY

Property and equipment owned by the Group comprises of leasehold improvements, motor vehicles, furniture and fittings, office equipment and computer equipment. Buildings leased by the Group are disclosed as right-of-use assets in this note.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability. After initial recognition, right of use assets are measured at cost less accumulated depreciation and impairment. All other property and equipment of the Group are measured initially at cost. After initial recognition, property and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is determined based on a straight-line method over the useful life after deducting residual values. Depreciation for the Group's right-of-use assets is determined based on the lease term as the leased items are only used over that period. The depreciation is recognised in the statement of surplus and deficit of the Group and Institute. Refer to note 13 for further information on the right-of-use asset.

The useful lives for all property and equipment for current and prior periods are as follows:

Asset class	Useful life
Right of use asset - buildings	10% to 34% pa
Leasehold improvements	10% to 20% pa
Motor vehicles	25% pa
Fixtures and fittings	10% to 33.3% pa
Office equipment	7.5% to 20% pa
Computer equipment	33.3% pa

The Group reviewed the useful lives, residual values and depreciation methods of its property and equipment at the end of this reporting period and no adjustments have been made.

Computer equipment was disposed during this reporting period. The items disposed were derecognised and any gain or loss from the disposal is recognised in the Group's statement of surplus or deficit.

The Group also assessed the property and equipment at the reporting period to determine whether there was indication that an item of property and equipment was impaired. No impairment was deemed necessary.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

PROPERTY AND EQUIPMENT continued...

5.2 BALANCES AT REPORTING DATE AND MOVEMENTS FOR THE YEAR

Reconciliation for the year ended 31 December 2023 - Group

	Right of use - Buildings	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
	R `000	R `000	R `000	R `000	R `000	R `000	R `000
Balance at 1 January 2023							
At cost	101,737	21,621	644	10,659	6,451	22,351	**163,463**
Accumulated depreciation	(64,012)	(15,178)	(421)	(6,882)	(6,219)	(18,330)	**(111,042)**
Carrying amount	**37,725**	**6,443**	**223**	**3,777**	**232**	**4,021**	**52,421**
Movements for the year ended 31 December 2023							
Additions	-	-	-	276	23	2,201	**2,500**
Depreciation	(13,573)	(2,621)	(47)	(1,441)	(118)	(1,559)	**(19,359)**
Disposals	**-**	**-**	**-**	**-**	**-**	**(2)**	**(2)**
Cost	-	-	-	-	-	(554)	(554)
Accumulated depreciation	-	-	-	-	-	552	552
Property and equipment at end of the year	**24,152**	**3,822**	**176**	**2,612**	**137**	**4,661**	**35,560**
Balance at 31 December 2023							
At cost	101,737	21,621	644	10,940	6,474	23,949	**165,365**
Accumulated depreciation	(77,585)	(17,799)	(468)	(8,328)	(6,337)	(19,288)	**(129,805)**
Carrying amount	**24,152**	**3,822**	**176**	**2,612**	**137**	**4,661**	**35,560**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

PROPERTY AND EQUIPMENT continued...

Reconciliation for the year ended 31 December 2022 - Group

	Right of use - Buildings	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
	R `000	R `000	R `000	R `000	R `000	R `000	R `000
Balance at 1 January 2022							
At cost	101,737	22,653	644	10,666	6,451	19,573	**161,724**
Accumulated depreciation	(50,440)	(13,574)	(644)	(5,870)	(5,659)	(16,861)	**(93,048)**
Carrying amount	**51,297**	**9,079**	**-**	**4,796**	**792**	**2,712**	**68,676**
Movements for the year ended 31 December 2022							
Additions	-	-	-	-	-	3,200	**3,200**
Depreciation	(13,572)	(2,636)	-	(1,019)	(560)	(1,891)	**(19,678)**
Adjustment to useful life	-	-	223	-	-	-	**223**
Disposals	-	-	-	**-**	**-**	**-**	**-**
Cost	(1,032)	-	-	-	-	(422)	**(1,454)**
Accumulated depreciation	1,032	-	-	-	-	422	**1,454**
Property and equipment at end of the year	**37,725**	**6,443**	**223**	**3,777**	**232**	**4,021**	**52,421**
Balance at 31 December 2022							
At cost	101,737	21,621	644	10,659	6,451	22,351	**163,463**
Accumulated depreciation	(64,012)	(15,178)	(421)	(6,882)	(6,219)	(18,330)	**(111,042)**
Carrying amount	**37,725**	**6,443**	**223**	**3,777**	**232**	**4,021**	**52,421**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

PROPERTY AND EQUIPMENT continued...

Reconciliation for the year ended 31 December 2023 - Institute

	Right of use - Buildings	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
	R `000	R `000	R `000	R `000	R `000	R `000	R `000
Balance at 1 January 2023							
At cost	99,800	21,621	252	10,393	6,428	21,833	**160,327**
Accumulated depreciation	(62,818)	(15,178)	(29)	(6,616)	(6,196)	(18,035)	**(108,872)**
Carrying amount	**36,982**	**6,443**	**223**	**3,777**	**232**	**3,798**	**51,455**
Movements for the year ended 31 December 2023							
Additions	-	-	-	276	24	1,997	**2,297**
Depreciation	(13,185)	(2,621)	(47)	(1,441)	(119)	(1,453)	**(18,866)**
Disposals	**-**	**-**	**-**	**-**	**-**	**(2)**	**(2)**
Cost		-				(554)	(554)
Accumulated Depreciation		-				552	552
Property, plant and equipment at end of the year	**23,797**	**3,822**	**176**	**2,612**	**137**	**4,340**	**34,884**
Balance at 31 December 2023							
At cost	99,800	21,621	252	10,669	6,451	23,227	**162,020**
Accumulated depreciation	(76,003)	(17,799)	(76)	(8,057)	(6,314)	(18,887)	**(127,136)**
Carrying amount	**23,797**	**3,822**	**176**	**2,612**	**137**	**4,340**	**34,884**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

PROPERTY AND EQUIPMENT continued...

Reconciliation for the year ended 31 December 2022 - INSTITUTE

	Right of use - Buildings	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
	R `000	R `000	R `000	R `000	R `000	R `000	R `000
Balance at 1 January 2022							
At cost	99,800	22,653	252	10,393	6,427	19,258	**158,783**
Accumulated depreciation	(49,633)	(13,574)	(252)	(5,598)	(5,635)	(16,546)	**(91,238)**
Carrying amount	**50,167**	**9,079**	**-**	**4,795**	**792**	**2,712**	**67,545**
Movements for the year ended 31 December 2022							
Additions	-	-	-	-		2,913	**2,913**
Depreciation	(13,185)	(2,636)	-	(1,018)	(560)	(1,827)	**(19,226)**
Adjustment to useful life	-	-	223	-	-	-	**223**
Disposals	-	-	-	**-**	-	**-**	**-**
Cost	-	(1,032)	-	-	-	(338)	**(1,370)**
Accumulated depreciation	-	1,032	-	-	-	338	**1,370**
Property and equipment at end of the year	**36,982**	**6,443**	**223**	**3,777**	**232**	**3,798**	**51,455**
Balance at 31 December 2022							
At cost	99,800	21,621	252	10,393	6,428	21,833	**160,327**
Accumulated depreciation	(62,818)	(15,178)	(29)	(6,616)	(6,196)	(18,035)	**(108,872)**
Carrying amount	**36,982**	**6,443**	**223**	**3,777**	**232**	**3,798**	**51,455**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

6. INTANGIBLE ASSETS

6.1 ACCOUNTING POLICY

Intangible assets owned by the Group comprises of computer software and licences, development costs on learning methodology and work in progress.

Intangible assets of the Group are measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The determination that an intangible asset has an indefinite useful life is also reviewed annually to ascertain whether events and circumstances continue to support that assessment.

Development costs on learning methodology
Development costs on learning methodology have been incurred in developing the curriculum required for acceptance of Accounting Technicians South Africa('AT(SA)') as associates of the Institute. It also includes the material that training providers will use for the facilitation of lessons.

The methodology presented in the note below is currently in use, is separable and generates revenue through exam fees charged and selling of manuals. The learning methodology is used to design examinations required for the qualification of an AT(SA) associate. Costs of the methodology are easily identifiable, such as labour costs, and can therefore be reliably measured. Furthermore, the asset has been assessed as having an indefinite useful life as the curriculum has been designed to be used an unlimited amount of times, for an unlimited period of time and the nature of the curriculum is not changing.

Work in progress (WIP)
Work in progress in respect of computer software and learning material comprises design costs, materials, direct labour, other direct costs and related overheads. Work in progress is transferred to the relevant intangible asset on completion. Until such time, it is measured at cost and is tested for impairment annually as it is not yet available for use.

Computer software and licences
Separately acquired licences and development software are measured at cost. Licences and computer software have a finite useful life and are measured at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of developed software and licences over their estimated useful lives.
Amortisation for the Group’s intangible assets is determined based on a straight-line method over the useful life after deducting residual values. Residual values of the intangible assets are assumed to be zero. The amortisation charge for this reporting period has been recognised in the Group’s statement of surplus or deficit and other comprehensive income for the year.

The estimated useful lives for the intangible assets for current and prior periods are as follows:

Asset class	Useful lives
Computer software and licences	2 - 10 years
Development cost on learning methodology	Indefinite
Work in progress	Not available for use

The Group reviewed the useful lives of its intangible assets at the reporting date and concluded that no adjustment was considered necessary.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

INTANGIBLE ASSETS continued...

Irrespective of whether there is no indication of impairment, the Group also tests all of its intangible assets with indefinite useful lives and intangible assets not yet available for use (development costs on learning methodology and work in progress) for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts (value-in-use).

The Group also assessed all of the intangible assets with finite useful lives at the end of this reporting period to determine whether there was indication that an item of intangible assets was impaired. No impairment was deemed necessary.

In assessing value-in-use, there was no reliable estimate of future cash flows that could be discounted to their present value for the intangible (including Ushintsho project) work in progress. The Group made an estimate of the amount that would be required to replace the work completed at the end of the financial year as a more reliable method for determining the value-in-use. The replacement cost is based on the current prices to replace the WIP in its current condition based on arms-length acquisition. The Group has determined that the recoverable amount calculations are most sensitive to changes in the information and communications technology specialist remuneration rate used to extrapolate development cost.

Management considered the impact of the Ushintsho project delays and concluded that the software delivered meets the set objectives and no unwarranted costs were incurred. The impact of project delays as outlined above on the Group's ability to use the product and generate revenue, has been considered and it was found that there had been no impact in this regard. Continuous assessment of impairment will be performed on all the work in progress (WIP) at each stage of project sign-off to ensure that the carrying amount capitalised reflects the anticipated economic benefits associated with the respective delivery.

6.2 RECONCILIATION OF CHANGES IN INTANGIBLE ASSETS

	Computer software and licences	Development cost on learning methodology	Work in progress*	Total
	R `000	R `000	R `000	R `000
Reconciliation for the year ended 31 December 2023 - Group and Institute				
Balance at 1 January 2023				
At cost	50,661	2,585	36,839	**90,085**
Accumulated amortisation and impairment losses	(31,811)	-	-	**(31,811)**
Carrying amount	**18,850**	**2,585**	**36,839**	**58,274**
Movements for the year ended 31 December 2023				
Additions - internally developed	-	-	25,726	**25,726**
Amortisation	(9,220)	-	-	**(9,220)**
Disposals	-	-	-	-
Cost	(6,941)	-	-	(6,941)
Accumulated amortisation and impairment	6,941	-	-	6,941
Transfers from work in progress	46,801	-	(46,801)	-
Intangible assets at end of year	**56,431**	**2,585**	**15,764**	**74,780**
Balance at 31 December 2023				
At cost	90,522	2,585	15,764	**108,871**
Accumulated amortisation and impairment losses	(34,091)	-	-	**(34,091)**
Carrying amount	**56,431**	**2,585**	**15,764**	**74,780**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

INTANGIBLE ASSETS continued...

Work in progress relates to intangible assets in the development phase and has been assessed for impairment, with no adjustment required.

* Work in progress as at 31 December 2023 includes:

Description	R `000
Electronic assessment tool	6,453
SAICA website	1,156
Learning and development platform	1,162
Enterprise risk and compliance system	1,239
Contract management system	353
Trainee contract management system	3,862
Sage VIP300	1,019
Various applications	520
	15,764

Reconciliation for the year ended 31 December 2022 - Group and Institute	Computer software and licences	Development cost on learning methodology	WIP *	Total
	R `000	R `000	R `000	R `000
Balance at 1 January 2022				
At cost	45,310	2,585	30,814	**78,709**
Accumulated amortisation and impairment losses	(23,115)	-	-	**(23,115)**
Carrying amount	**22,195**	**2,585**	**30,814**	**55,594**
Movements for the year ended 31 December 2022				
Acquisitions and additions	-	-	12,020	**12,020**
Amortisation	(9,340)	-	-	**(9,340)**
Disposals	-	-	-	**-**
Cost	(644)	-	-	(644)
Accumulated amortisation and impairment	644	-	-	644
Transfers from work in progress	5,995	-	(5,995)	**-**
Intangible assets at end of year	**18,850**	**2,585**	**36,839**	**58,274**
Balance at 31 December 2022				
At cost	50,661	2,585	36,839	**90,085**
Accumulated amortisation and impairment losses	(31,811)	-	-	**(31,811)**
Carrying amount	**18,850**	**2,585**	**36,839**	**58,274**

6.3 COMMITMENTS(R'000)

Capital commitments for the 2024 financial year amount to R23 203 (2023 - R21 030) relating to the Ushintsho strategic project that will be classified as computer software and licences. The Ushintsho Programme is a digital transformation project that aims to transform the member and stakeholder journey by driving business process improvements through the implementation of a modern Customer Relationship Management (CRM) system.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

7. INVESTMENTS IN SUBSIDIARIES

7.1 ACCOUNTING POLICY

Controlled entities

Controlled entities are consolidated from the date on which the Group obtains control to the date that control is lost. Controlled entities of the Group include the Thuthuka Education Upliftment Fund NPC (TEUF) and The Hope Factory NPC (THF). There was no initial investment in these controlled entities by the Institute.

Intra-group transactions, balances and unrealised gains/losses on transactions between Group entities are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Control over Thuthuka Education Upliftment Fund NPC (TEUF)

The TEUF is a Non-Profit Company in terms of the Companies Act No 71 of 2008 of South Africa. The principal activities of the company are to establish and maintain structures for carrying out and promoting skills-development activities, that will contribute to changing the membership demographics of the chartered accountancy profession, with the ultimate aim that the membership of the profession will reflect South Africa's population demographics.

The TEUF is a controlled entity even though it is a Non-Profit Company in terms of the Companies Act No 71 of 2008, regulated by its own board. The Board of the Group assessed whether or not the Group has control over the TEUF.

No factors from previous years had changed therefore prior assessment was reviewed in the current year and found to be relevant. The Group is satisfied that it has the practical ability to direct the relevant activities of the TEUF unilaterally and has exposure to the variable returns and the ability to use power to affect the amount of the returns. The Group therefore has control over the TEUF in terms of IFRS 10 and is required to consolidate the TEUF into its Group financial statements. There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities.

Control over The Hope Factory NPC Group (THF Group)

The Hope Factory, a Non-Profit Company in terms of the Companies Act No 71 of 2008 of South Africa, was started with the sole purpose of assisting potential entrepreneurs to create and establish businesses and to equip and support existing entrepreneurs to grow their businesses. The company is controlled by SAICA and three seats on the Board are occupied by SAICA employees. The management committee and Board of SAICA are key management to the company but do not receive compensation from this company. The funds of The Hope Factory are managed by SAICA.

The Hope Factory is accounted for as a controlled entity even though it is a Non-Profit Company in terms of the Companies Act No 71 of 2008 of South Africa, regulated by its own board. The Board of the Group assessed whether or not the Group has control over THF.

No factors from previous years had changed therefore prior assessment was reviewed in the current year and found to be relevant. The Group is satisfied that it has the practical ability to direct the relevant activities of THF unilaterally, has exposure to the variable returns and the ability to use power to affect the amount of the returns. The Group therefore has control over THF in terms of IFRS 10 and is required to consolidate THF into its Group financial statements. There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities.

Financial support

There are no contractual arrangements which would require the Institute to provide financial support to a consolidated structured entity. However, for reputational reasons, the Institute has committed to providing financial or other support to the consolidated entities. In addition, the Institute has committed to supporting the consolidated entities in obtaining financial support if so required.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

8. FINANCIAL ASSETS

8.1 ACCOUNTING POLICY

Financial assets held by the Group comprises of trade and other receivables and cash and cash equivalents.

Trade receivables are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets of the Group are subsequently measured at amortised cost. The Group holds its financial assets to solely collect the principal amounts plus interest on these balances. Accordingly, trade receivables are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by expected credit losses to reflect the amortised cost of the financial assets. Finance income, foreign exchange gains and losses and expected credit losses are recognised in the Group statement of surplus or deficit. Any gain or loss on derecognition is recognised in the Group statement of surplus or deficit. Cash and cash equivalents are initially measured at fair value plus transaction costs and subsequently measured at amortised cost.

There is no material difference between the fair value of receivables and cash and cash equivalents and their carrying amount due to the short-term nature of these instruments.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The simplified approach has been applied in determining the expected credit losses using a lifetime expected loss allowance measured using a provision matrix. Related party receivables are considered to be trade receivables and as a result these balances are also assessed using the simplified approach.

A forward-looking allowance for expected credit losses is recognised for all financial assets at amortised cost. Refer to note 10. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Write off

Generally, the Group writes off partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off. The Group currently does not have any enforcement rights over these write-offs. The Group considers a financial asset to be in default when the debtor is unlikely to pay its obligations based on the credit risk assessment or the financial asset is more than 90 days past due. Write offs are recognised as other expenses in the Group statement of surplus or deficit.

8.2 CARRYING AMOUNT OF FINANCIAL ASSETS BY CATEGORY

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	At amortised cost	At amortised cost	At amortised cost	At amortised cost
	R `000	R `000	R `000	R `000
Trade and other receivables (Note 10)	128,771	75,956	69,666	27,310
Cash and cash equivalents (Note 11)	468,341	512,775	344,820	397,835

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

9. DEFERRED TAX

9.1 ACCOUNTING POLICIES

Tax expense is the aggregate amount included in the determination of surplus or deficit for the year in respect of current tax and deferred tax.

Deferred tax assets

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting surplus nor taxable surplus or deficit.

The measurement of deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover the carrying amount of its assets and liabilities.

9.2 THE ANALYSIS OF DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES IS AS FOLLOWS:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Deferred tax assets:				
- Deferred tax asset to be recovered within 12 months (sec 24C allowance)	783	115	-	-
	783	115	-	-
Net deferred tax assets	783	**115**	-	**-**
Details of set-off of deferred tax assets and liabilities				
Net deferred tax asset from all items being set off (sec 24C allowance)	783	115	-	-
Total deferred tax asset per the statements of financial position	783	**115**	-	**-**

9.3 RECONCILIATION OF DEFERRED TAX MOVEMENTS

Group	Deferred tax	Total
	R `000	R `000
Opening balance at 1 January 2023	115	**115**
(Charged) / credited to surplus or deficit (sec 24C allowance)	668	**668**
Closing balance at 31 December 2023	**783**	**783**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

10. TRADE AND OTHER RECEIVABLES

10.1 ACCOUNTING POLICY

All trade and other receivable are due within 12 months therefore the Group applied the practical expedient and no significant financing was applied.

10.2 TRADE AND OTHER RECEIVABLES COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Trade receivables	143,139	88,461	79,558	37,946
Trade receivables loss allowance (Refer note 10.4)	(22,603)	(21,516)	(18,227)	(20,139)
Trade receivables - net	120,536	**66,945**	61,331	**17,807**
Sundry receivables	9,521	9,999	9,045	9,999
Sundry receivables loss allowance (refer note 10.4)	(1,943)	(1,645)	(1,943)	(1,645)
Deposits	657	657	621	621
Related party receivables	-	-	612	528
Value added tax	1,977	1,225	2,113	1,262
Total trade and other receivables	130,748	**77,181**	71,779	**28,572**

Please refer to 10.5 for details of all significant trade and other receivables. Trade receivables relate to debtors that have arisen during the ordinary course of business, while sundry receivables comprise funds owing in relation to projects the Group is undertaking.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and Institute. The Group has adopted a policy of only dealing with credit-worthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group does not hold collateral in respect of trade and other receivables.

Trade and other receivables consist of a large number of students, trainees, training offices and sponsors spread across diverse industries and geographical areas, these being 'Trade receivables' of the Institute. Ongoing credit evaluation is performed on the financial condition of trade and other receivables. Training contracts for the trainees, certain exams for students, the training offices and sponsors are all corporate companies and the Group has therefore assessed that they all share similar credit risk characteristics. All trade receivables have therefore been assessed in the same manner.

Revenue line items in relation to subscriptions, entrance fees, disciplinary levies and SEFCO levies are not assessed for expected credit losses as these revenue items have a deadline for payment, after which they are immediately reversed if not paid. This therefore means that no receivables exist for these items of revenue. Remaining items of revenue as well as other income, which result in trade receivables, have been assessed as described below.

Expected credit losses have been considered for deposits and related party receivables but found to be immaterial and therefore no expected credit losses have been provided. These line items have been assessed as a low credit risk as the counterparties are deemed to have a strong ability to settle accounts. The allowance for expected credit losses is recognised in the Group and Institute's surplus or deficit for the year.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

TRADE AND OTHER RECEIVABLES continued...

In their assessment, management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies for sundry receivables, both past due (that is, whether it is more than 90 days past due) and forward-looking quantitative and qualitative information. Forward-looking information includes an adverse change in the economic environment, the assessment of the future outlook of the industry in which the debtor operates and the most recent news or market talks.

The expected loss rates are based on historical losses over a period of 3 years preceding 31 December 2023 and 1 January 2023. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as employment rates, inflation rates, etc) affecting the ability of the customer to settle the receivables.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on trade receivables has increased significantly since initial recognition when contract payments are >90 days past due for trade debtors, unless the Group has reasonable and supportable information that demonstrates otherwise. The 30 day rebuttable presumption is therefore not used. Sundry receivables are not included in this presumption and are only assessed based on the factors described following the expected credit loss matrix.

The carrying amount of trade and other receivables recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

To measure the expected credit losses, trade receivables and sundry receivables have been assessed separately as the credit risk of each is considered differently.

10.3 ITEMS INCLUDED IN TRADE AND OTHER RECEIVABLES NOT CLASSIFIED AS FINANCIAL ASSETS

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Value added tax	1,977	1,225	2,112	1,262
Total non-financial assets included in trade and other receivables	1,977	1,225	2,112	1,262
Total trade and other receivables excluding non-financial assets included in trade and other receivables	128,771	75,956	69,667	27,310
Total trade and other receivables	130,748	**77,181**	71,779	**28,572**

10.4 MOVEMENTS IN EXPECTED CREDIT LOSSES OF TRADE AND OTHER RECEIVABLES ARE AS FOLLOWS:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
At start of year	23,161	20,922	21,784	19,621
Increase in loss allowance	24,546	3,540	10,657	2,163
Amounts written off	-	(22)	-	-
Unused amounts reversed	(23,161)	(1,279)	(12,271)	-
At end of year	24,546	**23,161**	20,170	**21,784**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

TRADE AND OTHER RECEIVABLES continued...

Unused amounts reversed relate to debtors on which expected credit losses were provided for in the previous financial year, however, were recovered during the current reporting period.

The results of the provision matrix are summarised as follows:

Trade and Sundry receivables - Group

31 December 2023	Current R `000	More than 30 days past due R `000	More than 60 days past due R `000	More than 120 days past due R `000	Total R `000
Trade debtors					
Weighted average expected loss rate	4.49%	6.42%	7.41%	39.05%	
Gross carrying amount	41,593	14,830	8,744	49,006	114,173
Lifetime ECL	**1,866**	**952**	**648**	**19,137**	22,603
Sundry debtors					
Weighted average expected loss rate	9.33%	2.36%	2.99%	30.33%	
Gross carrying amount	430	121	103	6,254	6,908
Lifetime ECL	**40**	**3**	**3**	**1,897**	1,943
Total ECL	**1,906**	**955**	**651**	**21,034**	**24,546**

Trade and Sundry receivables - Group

31 December 2022	Current R `000	More than 30 days past due R `000	More than 60 days past due R `000	More than 120 days past due R `000	Total R `000
Trade debtors					
Weighted average expected loss rate	0.95%	10.97%	4.77%	83.16%	
Gross carrying amount	30,425	8,625	23,182	23,062	85,294
Lifetime ECL	**288**	**946**	**1,105**	**19,177**	21,516
Sundry debtors					
Weighted average expected loss rate	7.77%	2.06%	3.17%	27.49%	
Gross carrying amount	240	60	164	5,894	6,357
Lifetime ECL	**19**	**1**	**5**	**1,620**	1,645
Total ECL	**307**	**947**	**1,110**	**20,797**	**23,161**

Trade and Sundry receivables - Institute

31 December 2023	Current R `000	More than 30 days past due R `000	More than 60 days past due R `000	More than 120 days past due R `000	Total R `000
Trade debtors					
Weighted average expected loss rate	3.40%	5.30%	11.35%	56.20%	
Gross carrying amount	30,425	9,265	8,182	28,065	75,937
Lifetime ECL	**1,034**	**491**	**929**	**15,773**	18,227
Sundry debtors					
Weighted average expected loss rate	9.33%	2.36%	2.99%	30.33%	
Gross carrying amount	430	121	103	6,254	6,908
Lifetime ECL	**40**	**3**	**3**	**1,897**	1,943
Total ECL	**1,074**	**494**	**932**	**17,670**	**20,170**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

TRADE AND OTHER RECEIVABLES continued...

Trade and Sundry receivables - Institute

31 December 2022	Current R `000	More than 30 days past due R `000	More than 60 days past due R `000	More than 120 days past due R `000	Total R `000
Trade debtors					
Weighted average expected loss rate	8.80%	13.20%	22.22%	98.45%	
Gross carrying amount	1,149	7,125	9,182	17,324	34,780
Lifetime ECL	**101**	**941**	**2,041**	**17,056**	20,139
Sundry debtors					
Weighted average expected loss rate	7.77%	2.06%	83.40%	7.19%	
Gross carrying amount	240	60	1,561	4,496	6,357
Lifetime ECL	**19**	**1**	**1,302**	**323**	1,645
Total ECL	**120**	**942**	**3,343**	**17,379**	**21,784**

Gross receivables assessed for expected credit losses will differ to the total gross receivables as per note 10.2 due to the exclusion of debtors who have been assessed to not have expected credit losses, such as receivables raised as a result of donations receivable.

Trade and sundry receivables are assessed each year for expected credit losses based on the information relevant to the current year and the probability of default. As an example, the probability of default for an exam candidate is significantly lower than that of a seminar as an exam candidate would not receive his/her results on default. While the loss (unrecovered amount) may be higher, the probability of it occurring is lower. This would lead to a variation of percentages within the categories year on year. These debtors are being actively pursued. The weighting in each age category compared to the previous year changes based on the risk profile of debtors.

10.5 SIGNIFICANT TRADE AND OTHER RECEIVABLES

	Trade / Sundry Receivables	GROUP 2023 R `000	GROUP 2022 R `000	INSTITUTE 2023 R `000	INSTITUTE 2022 R `000
TEUF - FASSET	Trade	18,842	-	-	-
TEUF - National Student Financial Aid Scheme	Trade	1,341	3,577	-	-
TEUF - Department of Higher Education and Training	Trade	28,460	-	-	-
TEUF - Citi Bank (ISFAP)	Trade	-	11,000	-	-
TVET College projects	Sundry	-	4,763	-	4,763
Gauteng Department of Health	Trade	12,271	12,271	12,271	12,271

11. CASH AND CASH EQUIVALENTS

11.1 ACCOUNTING POLICY

Cash and cash equivalents comprise of cash on hand, cash held at the bank, and short-term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

CASH AND CASH EQUIVALENTS continued...

11.2 CASH AND CASH EQUIVALENTS COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Cash				
Cash on hand	-	15	-	-
Balances with banks	192,442	78,480	68,958	64,948
Total cash	192,442	**78,495**	68,958	**64,948**
Cash equivalents				
Short term deposits	275,899	434,280	275,862	332,887
Total cash equivalents	**275,899**	**434,280**	**275,862**	**332,887**
Total cash and cash equivalents included in current assets	468,341	**512,775**	344,820	**397,835**
Net cash and cash equivalents	**468,341**	**512,775**	**344,820**	**397,835**

There are no significant restrictions on the Group's ability to access or use the cash of the Group.

Credit risk
The cash and cash equivalents are held with only investment grade banks within South Africa with high credit ratings assigned by international credit-rating agencies. The funds invested are spread across a number of banks.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties. No impairment was therefore deemed necessary.

12. RESERVES

NATURE AND PURPOSE OF RESERVES

The following reserves form part of the various reserves of the Group and the Institute.

SAICA Education Fund reserve (SEFCO) (Group and Institute)
The objective of the Fund is to enable education providers to deliver high quality prospective CAs(SA) who are representative of the country's demographics in terms of race and gender. The fund is overseen by a committee appointed in terms of the regulations/rules approved by the board. All funds collected are disbursed in accordance with regulations approved by the SAICA board. The reserve is formed to maintain funding for SEFCO. The surplus or deficit relating to the SEFCO operations is allocated to the reserve on an annual basis.

Reserves of individual entities (Group only)
The Thuthuka Education Upliftment Fund and The Hope Factory reserves are the operating reserves of the individual entities. The surplus or deficit relating to the relevant entity is allocated to the reserve on an annual basis.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

RESERVES continued...

South African Journal of Accounting Research (SAJAR) (Group and Institute)
The Fund is overseen by a committee appointed in terms of the constitution of SAJAR. All funds collected are disbursed in accordance with the SAJAR constitution. The reserve is formed to maintain funding for SAJAR. The surplus or deficit relating to the SAJAR operations is allocated to the reserve on an annual basis.

Tax Practitioners Levy (Group and Institute)
SAICA is registered as a Recognised Controlling Body (RCB) with the South African Revenue Service (SARS) in terms of The Tax Administration Act No 28 of 2011. The fee raised to tax practitioners is used solely for the administration in terms of the requirements for Recognised Controlling Body. The surplus or deficit in any given year is recognised in the reserve. The reserve is formed to maintain funding for Tax Practitioner administration activities. The surplus or deficit relating to the tax practitioner operations is allocated to the reserve on an annual basis.

13. LEASE LIABILITIES

13.1 ACCOUNTING POLICY

At inception of a contract, the Group assesses whether a contract is, or contains a lease.

The Group is a lessee of premises and is sub-leasing a portion thereof. Refer to note 20 for further information on rent received.

The term of the lease is determined as the non-cancellable period of the lease together with the period covered by an option to extend the lease and if there is certainty that these options will be exercised. These have been identified to be between three and ten years.

At inception, a right-of-use asset and a lease liability are recognised. The Group presents right-of-use assets in property and equipment, the non-current portion of lease liabilities separately and the current portion of lease liabilities in 'trade and other payables' in the statement of financial position. Details regarding the right-of-use-asset, the corresponding liability, depreciation and interest can therefore be found in notes 5 and 26 and in the statement of cashflows.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. None of the leases transfer ownership of the underlying assets to the Group.

The Group and Institute also assessed the right of use asset at the end of this reporting period to determine whether there was an indication of impairment. No impairment was deemed necessary.

Lease liability
The lease liability is initially measured at the present value of the lease payments that are payable over the lease term. Lease payments are discounted using the relevant incremental borrowing rate determined as a weighted average of 13%. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability and
- reducing the carrying amount to reflect the lease payments made.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

LEASE LIABILITIES continued...

13.2 LEASE LIABILITIES COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
IFRS 16 Lease Liability	49,069	66,283	48,495	65,231
Undiscounted Lease commitments				
Not later than one year	24,596	24,551	24,103	23,386
Later than one year and not later than five years	24,532	48,494	24,532	48,494
	49,128	**73,045**	**48,635**	**71,880**
Non-current liabilities	24,644	48,529	24,644	47,955
Current liabilities	24,425	17,754	23,851	17,276
	49,069	**66,283**	48,495	**65,231**
Discounted Lease commitments				
Opening balance	66,283	**78,308**	65,231	**76,872**
Interest	4,220	8,082	4,139	7,948
Less lease payments	(21,434)	(20,107)	(20,875)	(19,589)
Principal	(17,214)	(12,025)	(16,736)	(11,641)
Interest	(4,220)	(8,082)	(4,139)	(7,948)
Closing	**49,069**	**66,283**	**48,495**	**65,231**

14. PROVISIONS

14.1 ACCOUNTING POLICY

The short-term incentive (STI) is a constructive obligation resulting from the remuneration policy and the performance evaluation process. The minimum requirements set out in the policy are expected to be met and thus a constructive obligation exists. The amount has been measured in line with the policy, however actual amounts paid may vary based on final individual, divisional and organisational performance assessments as approved by the remuneration committee and the SAICA Board.

14.2 PROVISIONS COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Short-term incentive	29,717	23,862	28,954	23,262
	29,717	**23,862**	**28,954**	**23,262**

The short-term incentive provision is expected to be paid in May 2024.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

PROVISIONS continued...

14.3 RECONCILIATION OF SHORT-TERM INCENTIVE PROVISION:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Opening balance	23,862	13,385	23,262	13,385
Settled during the year	(23,562)	(12,940)	(22,962)	(12,940)
Derecognised during the year	(300)	(445)	(300)	(445)
Recognised during the year	29,717	23,862	28,954	23,262
Closing balance	**29,717**	**23,862**	**28,954**	**23,262**

15. TRADE AND OTHER PAYABLES

15.1 ACCOUNTING POLICY

Trade payables are obligations for goods and services that have been acquired in the ordinary course of business from suppliers.

Trade payables are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

15.2 TRADE AND OTHER PAYABLES COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Trade payables	58,193	55,111	47,106	55,368
Deposits received	108	108	108	108
Accrued leave pay	16,985	13,810	16,582	13,412
Payroll liabilities	70	122	-	-
ISFAP payable	-	272	-	-
Other payables	31	-	31	-
Current portion of lease liabilities	24,425	17,754	23,851	17,276
Total trade and other payables	**99,812**	**87,177**	**87,678**	**86,164**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

TRADE AND OTHER PAYABLES continued...

15.3 ITEMS INCLUDED IN TRADE AND OTHER PAYABLES NOT CLASSIFIED AS FINANCIAL LIABILITIES

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Accrual for leave pay	16,985	13,810	16,582	13,412
Deposits received	108	108	108	108
Payroll liabilities	70	122	-	-
Total non-financial liabilities included in trade and other payables	**17,163**	**14,040**	**16,690**	**13,520**
Financial liability portion	82,649	73,137	70,988	72,644
Total trade and other payables	**99,812**	**87,177**	**87,678**	**86,164**

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 reporting date, with a maximum of 35 days per employee.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 32.2.

16. CURRENT TAX LIABILITIES

16.1 ACCOUNTING POLICY

Tax expense is the aggregate amount included in the determination of surplus or deficit for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable in respect of the taxable surplus for a period.

16.2 CURRENT TAX LIABILITIES COMPRISE THE FOLLOWING BALANCES

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Net current tax liability from all items being set off	(31)	(259)	-	-
Total current tax liability per the statements of financial position	(31)	**(259)**	-	-

17. DEFERRED INCOME

17.1 ACCOUNTING POLICY

Donations and grants received in advance are reported as a current liability if they will be earned within one year. Deferred income is recognised when the funds are received from the donors and derecognised to other income when terms of the contract have been met by the Group to the extent of the expenses that have been incurred. For further information refer to note 20.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

DEFERRED INCOME continued...

17.2 DEFERRED INCOME COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Deferred income	108	-	-	-
Future project and bursary income	9,244	5,575	-	1,764
Bursary Income	-	14,000	-	-
	9,352	**19,575**	-	**1,764**
Bursary income includes ISFAP bursaries amounting to 14 000 in 2022				
Non-current liabilities	-	-	-	-
Current liabilities	9,352	19,575	-	1,764
	9,352	**19,575**	-	**1,764**

18. FINANCIAL LIABILITIES

18.1 ACCOUNTING POLICY

Financial liabilities of the Group are classified as subsequently measured at amortised cost. Accordingly, the financial liabilities are initially measured at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities held by the Group comprises of trade and other payables of which the carrying amounts approximate the fair value due to the short-term nature. The lease liability carrying amounts approximate the fair value as the incremental borrowing rate is market related.

Financial liabilities are recognised initially when the Group becomes a party to contractual provisions of a contract.

18.2 CARRYING AMOUNT OF FINANCIAL LIABILITIES BY CATEGORY

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	At amortised cost	At amortised cost	At amortised cost	At amortised cost
	R `000	R `000	R `000	R `000
Lease liabilities (Note 13)	24,644	48,529	24,644	47,955
Trade and other payables excluding non-financial liabilities (Note 15)	82,649	73,137	70,988	72,644

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

19. REVENUE

19.1 ACCOUNTING POLICY

The Group generates revenue from goods and services. Goods comprise of products such as sale of books. Services comprise of subscriptions, members' entrance fees, professional development – pre-qualification (training and examinations), tax practitioners fees, a once-off disciplinary levy, Accountancy SA magazine advertising, seminars, events, sponsorships and SAICA Education Fund levies. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts received on behalf of third parties, like value-added tax. The Group has applied the practical expedient with regard to significant financing components on all contracts up to 12 months.

Revenue is recognised at a point in time when the goods are delivered to the customers, such as the date of issue of Accountancy SA magazine and the date of the seminar or event or sponsorship.

Revenue is recognised over a period of time for services in line with the duration of the service, that is, over the period of the subscription or the period of professional development contract. Invoices are generated at a point in time and are generally payable in advance of the service being provided to the customer.

No discounts are provided for any goods or services.

Contract balances

Contract fulfilment asset

The contract fulfilment assets consist of actual costs incurred to fulfil a contract of which the performance obligations have not been met yet significant costs have been incurred. The Group recognises costs incurred relating to the exams as an asset and amortises the asset consistently with the pattern of revenue recognition. This asset does not meet the definition of a contract asset as it is not in relation to performance obligations already met and therefore the Group does not have the right to consideration.

Contract liabilities

If a customer (being a member, student or training office) pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

19.2 REVENUE COMPRISES:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Subscriptions - Chartered Accountants (SA)	347,792	311,341	347,792	311,341
Disciplinary levy	10	15	10	15
Subscriptions - Associate General Accountants (SA)	17,603	17,046	17,603	17,046
Subscriptions - Accounting Technician (SA)	629	1,366	629	1,366
Accountancy SA journal	729	1,402	729	1,402
Entrance fees	16,756	16,255	16,756	16,255
Product sales	6,009	6,382	6,009	5,274
Professional development - pre-qualification	69,654	73,946	69,654	73,946
SAICA Education Fund levies	37,082	37,972	37,082	37,972
Seminars and events	8,631	6,592	8,631	6,592
Sponsorships	13,430	9,043	13,430	8,984
Total revenue	**518,325**	**481,360**	**518,325**	**480,193**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

REVENUE continued...

Type of revenue	Description	Performance obligation	Transfer of control	Measurement of transaction price	Duration of contract
Service	Subscriptions	Making the designation available throughout the year	Over time	Invoice amount as contracted, allocation using a straight-line method over 12 months	1 year
Service	Disciplinary levy	Commencement of disciplinary cases	At a point in time on receipt	Invoice amount as contracted	Once-off cost
Goods	Accountancy SA journal	Publishing the magazine	At a point in time	Invoice amount as contracted	Once-off cost
Service	Entrance fees	Registration of membership	At a point in time	Invoice amount as contracted	Once-off cost
Goods	Product sales	Delivery of product	At a point in time	Invoice amount as contracted	Once-off cost
Service	Professional development - prequalification	Examinations - publishing of results	At a point in time	Invoice amount as contracted	Once-off cost
Service	Professional development - prequalification	Training contracts - admin support throughout contract	Over time	Invoice amount as contracted, allocation using a straight-line method over 12 months	3 - 5 years
Service	Professional development - prequalification	Training office reviews - one accreditation, one post accreditation visit/monitoring	At a point in time	Two performance obligations - Invoice amount allocated based on a relative stand-alone selling price basis	1 year
Service	SAICA Education Fund levies	Updating and maintaining of standards	Over time	Invoice amount as contracted, allocation using a straight-line method over 12 months	1 year
Goods	Seminars and events	Hosting of seminar/event	At a point in time	Invoice amount as contracted	Once-off cost
Goods	Sponsorships	Advertising as agreed	At a point in time	Invoice amount as contracted	Once-off cost

The performance obligations expected to be recognised in more than one year relate to Professional development -prequalification contracts which are to be satisfied within 3-5 years. The input method is used as well as the straight line method over the duration of the contract which is faithfully depicted by the signed service contracts. All the other remaining performance obligations are expected to be recognised within one year.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

REVENUE continued...

19.4 CONTRACT FULFILMENT ASSETS AND CONTRACT LIABILITIES

Contract fulfilment assets and contract liabilities are disclosed separately in the statement of financial position.

Current contract fulfilment assets

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Assessment of Professional Competence (APC) Exam	5,962	7,702	5,962	7,702
Initial Test of Competence (ITC) Exam	5,512	2,301	5,512	2,301
	11,474	**10,003**	**11,474**	**10,003**

Current contract liabilities (Revenue stream)

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
SEFCO Levies (SAICA Education Fund levies)	(25,440)	(8,708)	(25,440)	(8,708)
APC Exams (Professional Development)	(24,510)	(25,934)	(24,510)	(25,934)
Trainee admin fee (Professional Development)	(291)	(257)	(291)	(257)
Training contract fees (Professional Development)	(12,399)	(13,316)	(12,399)	(13,316)
Subscriptions (All designations)	(44,839)	(49,181)	(44,839)	(49,181)
ITC Exams January (Professional Development)	(976)	(2,454)	(976)	(2,454)
Tax Practitioners Levy (Subscriptions)	(949)	(1,799)	(949)	(1,799)
	(109,404)	**(101,649)**	**(109,404)**	**(101,649)**
Non-current liabilities	(5,811)	(6,666)	(5,811)	(6,666)
Current liabilities	(103,593)	(94,983)	(103,593)	(94,983)
Total contract liabilities	**(109,404)**	**(101,649)**	**(109,404)**	**(101,649)**

SEFCO Levies

- SEFCO recognises the need for universities to suitably transform their academic staff complement by attracting and retaining both African and Coloured academic staff. In most cases this requires that funding is made available to enable the universities to mitigate this risk by attracting and retaining the best academic staff who can act as role models to a transformed student body.
- SEFCO was established to raise finance for the maintenance and development of standards of education and training for chartered accountants on par with the standards of its reciprocal partners.
- As part of the contract for trainees, the training office agrees to pay an annual levy toward the fund. The levy is payable for each completed year of training contract for each trainee until the training contract is cancelled or discharged.
- The maintenance and development of standards, being the performance obligation, is done throughout the year. The benefit is provided for over a period of time and should therefore be recognised over such period.

APC Exams

- APC is the second part of the qualifying examination, which assesses professional competence.
- The exam fee is payable at any time, and any non-payment will result in results being withheld from the candidate.
- The performance obligation to the candidate is an exam result. This is satisfied at a point in time when the exam results are released, which was 23rd of February 2024.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

REVENUE continued...

Trainee admin fee

- Audit firms are required to employ trainees under training contracts. The firm must be accredited by SAICA as a training office.
- The fee is payable upfront on application of the accreditation. Two performance obligations arise from the contract, that is, the accreditation and the post-accreditation monitoring visit.
- The performance obligations are satisfied at a point in time and therefore the transaction price for each is recognised upon satisfaction at the relevant point in time.

Training contract fees

- Audit firms are required to employ trainees under training contracts.
- The training contract fee is payable upfront by the training office for periods between three to five years. This fee activates the training contract to register the trainee with SAICA.
- The performance obligation is satisfied over time as the contract runs over a period of three to five years. Revenue is therefore recognised monthly over the contract period. The Group has performed an assessment on the financing component of the contracts over three to five years and concluded that the financing component was not significant and therefore has not been applied.
- The training contracts allow the training office to receive a credit should a trainee cancel their contract for any reason prior to the completion of the training contract. As the training contract fee is allocated monthly, the credit is equivalent to the remaining months that the trainee did not complete.

Subscriptions

- In order to be entitled to carry their designations, CA(SA)'s, AGA(SA)'s and AT(SA)'s must pay a membership subscription fee to SAICA.
- The subscription fees are payable in full and upfront for access to the designation for the year ahead being 1 January to 31 December each year.
- Invoices for membership fees are issued in December of the previous year. Certain members therefore do pay their fees in advance. These fees are recognised as contract liabilities.
- As the designation is used throughout the year, the performance obligation is satisfied over time and the transaction price is the subscription fee. Revenue is recognised monthly over one year.

ITC Exams

- ITC, which is the Initial Test of Competence, is the first part of the qualifying examination.
- The exam fee is payable at any time and any non-payment will lead to results being withheld from the candidate.
- In this instance we refer to the ITC exam written in January 2024 for which payment was already received in 2023. The performance obligation to the candidate is an exam result. This is satisfied at a point in time when the exam results are released, which is 2024.

Tax Practitioners Levy

- In order to practice as a tax practitioner, a tax practitioners levy is payable to SAICA as the Recognised Controlling Body (RCB).
- The fees are payable in full and upfront for access to the designation for the year ahead being 1 January to 31 December each year.
- Invoices for tax practitioner levy are issued in December of the previous year. Certain tax practitioners therefore do pay their fees in advance. These fees are recognised as contract liabilities.
- As the ability to practise as a tax practitioner is used throughout the year, the performance obligation is satisfied over time and the transaction price is the fee amount. Revenue is recognised monthly over one year.

19.5 REVENUE RECOGNISED IN RELATION TO CONTRACT LIABILITIES

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

REVENUE continued...

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Revenue recognised that was included in contract liabilities at the beginning of the year				
SEFCO Levies (SAICA Education Fund levies)	(8,708)	(9,562)	(8,708)	(9,562)
APC Exams (Professional Development)	(25,934)	(25,848)	(25,934)	(25,848)
Trainee admin fee (Professional Development)	(257)	(255)	(257)	(255)
Training contract fees (Professional Development)	(6,650)	(5,432)	(6,650)	(5,432)
Subscriptions (Subscriptions all)	(49,181)	(51,890)	(49,181)	(51,890)
ITC Exams January (Professional Development)	(2,454)	(4,007)	(2,454)	(4,007)
Tax Practitioners Levy (Subscriptions all)	(1,799)	(2,591)	(1,799)	(2,591)
	(94,983)	**(99,585)**	**(94,983)**	**(99,585)**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

REVENUE continued...

19.6 UNSATISFIED PERFORMANCE OBLIGATIONS
19.6.1 EXPECTED DURATION OF THE PERFORMANCE OBLIGATIONS

At 31 December 2023 - Group and Institute	Up to 1 year	2 years	3 years	4 years	5 years	Total
	R `000	R `000	R `000	R `000	R `000	R `000
SEFCO Levies (SAICA Education Fund levies)	(25,440)	-	-	-	-	(25,440)
APC Exams (Professional Development)	(24,510)	-	-	-	-	(24,510)
Trainee admin fee (Professional Development)	(291)	-	-	-	-	(291)
Training contract fees (Professional Development)	(6,588)	(4,034)	(1,412)	(299)	(66)	(12,399)
Subscriptions (All designations)	(44,839)	-	-	-	-	(44,839)
ITC Exams January (Professional Development)	(976)	-	-	-	-	(976)
Tax Practitioners Levy (Subscriptions)	(949)	-	-	-	-	(949)
	(103,593)	**(4,034)**	**(1,412)**	**(299)**	**(66)**	**(109,404)**

At 31 December 2022 - Group and Institute	Up to 1 year	2 years	3 years	4 years	5 years	Total
	R `000	R `000	R `000	R `000	R `000	R `000
SEFCO Levies (SAICA Education Fund levies)	(8,708)	-	-	-	-	(8,708)
APC Exams (Professional Development)	(25,934)	-	-	-	-	(25,934)
Trainee admin fee (Professional Development)	(257)	-	-	-	-	(257)
Training contract fees (Professional Development)	(6,650)	(4,383)	(1,829)	(276)	(178)	(13,316)
Subscriptions (All Designations)	(49,181)	-	-	-	-	(49,181)
ITC Exams January (Professional Development)	(2,454)	-	-	-	-	(2,454)
Tax Practitioners Levy (Subscriptions)	(1,799)	-	-	-	-	(1,799)
	(94,983)	**(4,383)**	**(1,829)**	**(276)**	**(178)**	**(101,649)**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

20. OTHER INCOME

20.1 ACCOUNTING POLICY

Sundry income comprises of grants, project income and donations, and is recognised to cover project specific expenditure and this is not perceived to be the main business of the Group. It is recognised when there is reasonable assurance that the entity will comply with the conditions attached to the income and the income will be received.

Sundry income is accounted for when it is received or receivable. Where there are conditions attached to grants, project income and donations, these are recognised in deferred income until conditions are met, when they are then recognised in the statement of surplus or deficit and other comprehensive income of the Group.

Sundry income relates to the donor funding received by the Group for projects. Any income with unfulfilled conditions has been classified as deferred income.

Rent received is derived from the sub-letting of space by the Institute. The sub lease is short term, month to month lease. Due to the nature of the lease, the rent received is recognised in the statement of surplus or deficit and other comprehensive income of the Group on a month-to-month basis.

20.2 OTHER INCOME COMPRISES:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Sundry income	271,422	291,928	6,820	10,716
Technical and Vocational Education and Training (TVET) project income	5,470	6,792	5,470	6,792
Community Education and Training (CET) project income	186	2,002	186	2,002
Donations - TEUF	153,665	158,464	-	-
Donations - TEUF - ISFAP	79,224	104,440	-	-
THF projects	31,713	18,308	-	-
AT(SA) projects	1,164	1,922	1,164	1,922
Recoveries	-	8	-	8
Rent received	4,361	3,765	4,361	3,765
Total other income	**275,783**	**295,701**	**11,181**	**14,489**

21. EMPLOYEE BENEFITS EXPENSE

21.1 ACCOUNTING POLICY

Short-term employee benefits

Compensation paid to employees for the rendering of services are recognised in the statement of surplus or deficit and other comprehensive income at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

EMPLOYEE BENEFITS EXPENSE continued...

Where employees accumulate entitlement for paid absences (i.e. leave pay), an expense is recognised as the additional amount that the Group and Institute expects to pay as a result of the unused leave that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

21.2 EMPLOYEE BENEFITS EXPENSE COMPRISES OF:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Salaries	205,538	180,723	197,872	174,069
Short term incentive	29,417	23,417	28,654	22,817
Defined contribution plan expense	24,424	21,689	24,424	21,689
Board fees	6,389	5,842	6,389	5,842
Casual wages	1,416	542	1,416	542
Total employee benefits expense	**267,184**	**232,213**	**258,755**	**224,959**

22. SIGNIFICANT ADMINISTRATIVE EXPENSES

ADMINISTRATIVE EXPENSES COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Auditors remuneration - Internal	762	1,647	762	1,647
Auditors remuneration - External	3,492	2,656	3,046	2,246
Bank charges	3,922	2,603	3,915	2,597
Computer expenses	16,999	12,515	16,536	12,273
Subscriptions	17,296	17,813	17,296	17,813
Telephone	7,943	6,412	7,711	6,122

Subscriptions include those paid to other professional bodies that provide our members the benefit of being internationally recognised and relevant to the profession, as well as online access to the IFRS Accounting Standards. These subscriptions also allow SAICA to play an active role in the worldwide accountancy profession.

23. OTHER EXPENSES

The Group views its expenses in two categories. Project expenses have been listed as all costs incurred per project. Core business expenses are viewed as operational expenses relating to the day-to-day activities of the Group.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

OTHER EXPENSES continued...

OTHER EXPENSES COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Core business expenses	609,347	561,993	508,147	435,454
Significant core expenses:				
Advertising	7,540	7,501	7,471	7,501
Consulting fees	27,317	11,814	13,099	6,934
Utilities	4,100	3,023	4,100	3,023
Legal fees	9,775	8,326	9,680	8,326
Licence fees	16,701	16,461	16,701	16,461
Repairs and maintenance	9,853	8,653	9,829	8,517
Markers and umpires	19,461	19,335	19,461	19,335
Royalties	1,943	3,064	1,943	3,064
Research and content development	2,491	2,701	2,455	2,701
Subventions	23,326	22,362	23,326	22,362
Travel costs	14,515	10,544	13,314	10,198
Venue costs	23,640	14,707	23,640	14,707
Project expenses	155,014	147,968	6,091	8,557
AT(SA) - project costs	435	737	435	737
CET project costs	186	2,002	186	2,002
Enterprise Development project costs	-	353	-	-
TEUF Bursaries	69,697	32,434	-	-
TEUF Bursaries - ISFAP	79,224	104,440	-	-
THF project costs	2	2,451	-	267
TVET project costs	5,470	5,551	5,470	5,551
Total other expenses	**764,361**	**709,961**	**514,238**	**444,011**

Institute project expenses do not exceed the donor funding received for the projects. Any surpluses that remain are retained as per agreement with relevant donors.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

24. OTHER GAINS AND LOSSES

OTHER GAINS AND LOSSES COMPRISE:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Gain/(Loss) on disposal of assets	(229)	74	(229)	74
(Loss) on foreign exchange differences on liabilities	(120)	(185)	(120)	(183)
Total other gains and losses	**(349)**	**(111)**	**(349)**	**(109)**

25. FINANCE INCOME

Finance income is recognised using the effective interest method and is recognised when it is receivable by the Group. The interest income is earned on available cash in the bank and investment accounts.

In calculating finance income, the effective interest rate is applied to the gross carrying amount of the asset.

FINANCE INCOME COMPRISES:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Interest received	48,554	30,653	40,818	25,200

Interest rate risk

The Group's exposure to fair value interest rate risk mainly arises from its fixed deposits with banks. It also has exposure on cash flow interest rate risk, that arises mainly from its deposits with banks. The Group interest rate risk exposure is reduced by the annual escalation of its fixed deposits with banks and investments should this not be variable interest rate instruments.

Sensitivity analysis

Change in interest rate (basis points)	-50	-25	+25	+50
Finance income sensitivity (R'000)	(2 342)	(1 171)	1 171	2 342

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

26. FINANCE COSTS

26.1 Accounting policies

26.2 FINANCE COSTS COMPRISES:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Interest paid - lease liability	4,220	8,082	4,139	7,948

27. INCOME TAX EXPENSE

27.1 ACCOUNTING POLICIES

Tax expense is the aggregate amount included in the determination of surplus or deficit for the period in respect of current tax and deferred tax.

Current and deferred tax is recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside surplus or deficit, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through surplus or deficit.

Current and deferred tax is recognised outside surplus or deficit if the tax relates to items that are recognised in the same or a different period outside surplus or deficit. Therefore, current tax and deferred tax that relate to items that are recognised in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income.
- directly in equity, will be recognised directly in equity.

27.2 INCOME TAX RECOGNISED IN SURPLUS OR DEFICIT:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Current tax				
Current year	(1,398)	(171)	-	-
Total current tax	**(1,398)**	**(171)**	**-**	**-**
Deferred tax				
Deferred tax	668	27	-	-
Total deferred tax	**668**	**27**	**-**	**-**
Total income tax expense	**(730)**	**(144)**	**-**	**-**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

INCOME TAX EXPENSE continued...

The TEUF and THF income is exempt from income tax in terms of the provisions of S10(1)cN and S30 of the Income Tax Act, 1962. The income of the Institute is exempt in terms of the provisions of S30B of the Income Tax Act, 1962 and SAICA Enterprise Development (Pty) Ltd is a full tax paying entity. Donations by or to the entities in the Group are exempt from donations tax in terms of S56(1)(h) of the Income Tax Act, 1962. The TEUF and THF have public benefit organisation (PBO) status.

28. TEUF COMMITMENTS

TEUF

TEUF has signed a contract with National Student Financial Aid Scheme (NSFAS), for current projects and future projects.

	2024 - 2026
	Total Contracted Income (for remaining project term)
	R `000
National Skills Fund (NSF)	199,548
	199,548

Commitments received	2024	2025	2026	Total
	R `000	R `000	R `000	R `000
Secured funding in respect of bursaries	74,242	53,039	35,341	162,622

Commitments made to students

The cost for a year of study in 2024 is estimated to be R 215 948 (2023: R 199 952) per student, of which R 107 974 (2023: R 99 991) is funded by the National Students Financial Aid Scheme (NSFAS).

For 2024 there are 687 students on the bursary scheme with a total commitment of R 74 242 548 for the year.

For every student who continues to pass, there is a contractual obligation to provide a bursary to complete the accredited undergraduate degree. Thus, the total commitment as at 31 December 2023 for the committed bursaries is:

	Number of committed students	2024	2025	2026	Total
		R `000	R `000	R `000	R `000
Total Commitment	687	74,177	40,896	31,737	146,810

The surplus funding will be utilised to fund new intake in 2024 and future intakes.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

29. RELATED PARTIES

29.1 GROUP ENTITIES

Subsidiaries	Refer to note 7.

29.2 OTHER RELATED PARTIES

Entity name
ISFAP FOUNDATION NPC
WISEMAN NKUHLU TRUST
The Group has identified the below related parties through common Board members:
THE NATIVE KITCHEN
THE GROWTH SWITCH
KHUTHAZA ACADEMY
THE NATIVE PUBLISHING COMPANY
CYRIL MADIBA EMPOWERMENT FOUNDATION
THE NATIVE FARM
TINYELETI CONSULTING
RED SYNERGY
ATTACQ GROUP ESD(RF)
UNIQUIVATE
AOE SOUTH AFRICA
STELLR SOUTH AFRICA
EDULIFE
COLONY CAMPAIGNS
LEKWA BUSINESS SOLUTIONS
BREN FARMS
ADMOND CAPITAL
REPAID VC
ADMOMANZI
REPAID HOLDINGS
THUTHUKA EDUCATION UPLIFTMENT FUND
HALETJAHABA ENERGY
NGWEDI INVESTMENT MANAGERS
TAQUANTA SECURITIES
TAQUANTA ASSET MANAGERS
TAQUANTA INVESTMENT HOLDINGS
NICRO
NICRO ENTERPRISE

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

RELATED PARTIES continued...

29.3 REMUNERATION OF THE BOARD AND EXECUTIVE COMMITTEE

	2023				2022			
	Remuneration	Pension fund	Short-term incentive*	Total	Remuneration	Pension fund	Short-term incentive	Total
	R `000	R `000	R `000	R `000	R `000	R `000	R `000	R `000
SF Nomvalo - Chief Executive Officer (CEO) (Term ended 31 January 2024)	5,004	-	1,224	**6,228**	4,705	-	-	**4,705**
P Stock (One Month) - Chief Executive Officer (CEO)	408	-	-	**408**	-	-	-	**-**
FL Lamola - Chief Operating Officer (COO)	3,243	401	891	**4,535**	3,058	378	-	**3,436**
NO Nekhavhambe - Chief Financial Officer (CFO)	2,531	379	575	**3,485**	2,379	357	-	**2,736**
C Mulder (Two Months) - Executive Director: Learning, Development & National Imperatives	-	-	-	**-**	758	83	-	**841**
P Faber (2022 One Month) - Ex Executive Director: Standards	-	-	-	**-**	148	17	-	**165**
J Snyman - Executive Director: Governance	2,264	298	626	**3,188**	2,128	281	-	**2,409**
R Zwane - Executive Director: Learning, Development & National Imperatives	2,160	344	556	**3,060**	2,018	303	-	**2,321**
M Segal - Executive Director: Standards	2,002	263	536	**2,801**	1,748	231		**1,979**
M McWalter - Chief Executive Officer: SAICA Enterprise Development (Pty) Ltd	1,089	-	101	**1,190**	1,022	-	-	**1,022**
J Johnson - Senior Executive: SAICA Enterprise Development (Pty) Ltd	738	-	62	**800**	702	-	-	**702**
B Bekwa - Board member (Digital Transformation Governance Committee Chairman)	479	-	-	**479**	593	-	-	**593**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

RELATED PARTIES continued...

	2023				2022			
	Remuneration R `000	Pension fund R `000	Short-term incentive* R `000	Total R `000	Remuneration R `000	Pension fund R `000	Short-term incentive R `000	Total R `000
J du Toit - Ex Board member (Social, Ethics and Transformation Committee Chairman)	195	-	-	**195**	544	-	-	**544**
Y Forbes - Board member (Lead Independent and Human Resource and Remuneration Committee Chairman)	641	-	-	**641**	660	-	-	**660**
I Lubbe (2022 only) - Ex Board member	-	-	-	**-**	163	-	-	**163**
B Ramokhele (2022 only) - Ex Board member (Human Resource and Remuneration Committee Chairman)	-	-	-	**-**	169	-	-	**169**
M Singer (2022 only) - Ex Board member	-	-	-	**-**	88	-	-	**88**
P Stock (2022 only) - Ex Board member (Audit and Risk Committee Chairman)	-	-	-	**-**	201	-	-	**201**
J Swanepoel - Ex Board member (Education and Assessment Committee Chairman)	546	-	-	**546**	618	-	-	**618**
V Motholo - Board member (Chairman of the Board and Nominations and Governance Committee Chairman)	710	-	-	**710**	621	-	-	**621**
T Thankge - Board member	367	-	-	**367**	-	-	-	**-**
B Tsvetu - Board member (Audit and Risk Committee Chairman)	671	-	-	**671**	565	-	-	**565**
C Madiba - Board member	505	-	-	**505**	269	-	-	**269**
T Mofokeng - Board member	614	-	-	**614**	387	-	-	**387**
D Singh - Board member	512	-	-	**512**	377	-	-	**377**
AM le Roux - Board member	390	-	-	**390**	218	-	-	**218**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

RELATED PARTIES continued...

	2023				2022			
	Remuneration	Pension fund	Short-term incentive*	Total	Remuneration	Pension fund	Short-term incentive	Total
	R `000	R `000	R `000	R `000	R `000	R `000	R `000	R `000
A Teeruth - Independent member of the Audit and Risk Committee	124	-	-	**124**	126	-	-	**126**
Y Madolo - Independent member of the Audit and Risk Committee	124	-	-	**124**	126	-	-	**126**
	31,386	1,685	4,571	31,573	30,457	1,650	-	26,041

The Executive Committee members are considered key management of the Group and Institute. The term 'Executive Director' used above is the internal job title that denotes management that makes up the members of the internal Executive Committee.

The details of non-executive directors' appointment and resignation dates are provided in the general information. This table shall be read together with the general information provided, especially where there are two people occupying the same role in the period covered by this report.

* These amounts relate to the short-term incentive paid out in 2023 in relation to 2022 performance assessments.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

RELATED PARTIES continued...

29.4 RELATED PARTY TRANSACTIONS AND BALANCES

	Thuthuka Education Upliftment Fund (TEUF)	The Hope Factory (THF)	ISFAP Foundation	Total
	R `000	R `000	R `000	R `000
Year ended 31 December 2023				
Related party transactions				
Administration costs in kind	(2,803)	(1,713)	(772)	**(5,288)**
SAICA donation (1% of membership fees)	(3,407)	-	-	**(3,407)**
Rent received	-	-	529	**529**
Outstanding balances for related party transactions				
Amounts receivable	497	-	-	**497**
Outstanding loan accounts				
Amounts receivable	-	115	-	**115**
Year ended 31 December 2022				
Related party transactions				
Administration costs in kind	(3,316)	(1,322)	(664)	**(5,302)**
SAICA donation (1% of membership fees)	(3,314)	-	-	**(3,314)**
Revenue	(645)	-	-	**(645)**
Rent received	-	-	529	**529**
Outstanding balances for related party transactions				
Trade receivables	-	-	-	**-**
Outstanding loan accounts				
Amounts receivable	-	528	-	**528**

All key management that are employed by the Group have standard employment contracts. All transactions with related parties have been concluded at arm's length. Related party balances are interest free and have no fixed terms of repayment.

30. EVENTS AFTER THE REPORTING DATE

The volatility in the foreign currency may impact the foreign creditors in the Group and Institute. Foreign currency risk is discussed in detail in note 32.1.1.

The board is not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group and Institute.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

31. GOING CONCERN

The Group and Institute Annual Financial Statements have been prepared on the going concern basis. 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. The application of this basis is supported by a detailed budget process which has a certain level of judgements and estimates as well as ongoing compliance with budgeting controls.

Loadshedding is a challenge that many businesses in South Africa are facing. SAICA has ensured that backup power sources have been installed reducing the risks in relation to loadshedding. The impact is therefore deemed not to be material on the business of SAICA.

32. FINANCIAL RISK MANAGEMENT

The Group's Risk Management Committee monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyse exposure by degree and magnitude of risk. These risks include market risk, credit risk and liquidity risk.

Market and liquidity risk are addressed below. Credit risk is addressed under trade and other receivables and cash and cash equivalents respectively. (Refer to notes 10 and 11)

The internal audit function reports quarterly to the Group's Audit and Risk Committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

32.1 MARKET RISK

32.1.1 FOREIGN CURRENCY RISK

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate.

SAICA’s foreign currency risk arises from transactions incurred for during foreign travel of SAICA’s employees and for foreign subscriptions and royalties, which are denominated in Pound Sterling, United States Dollar, Euro and Australian Dollar. Foreign exchange gains or losses resulting from the settlement of foreign currency transactions are recognised in surplus or deficit. The foreign exchange risk is mainly in relation to the United States Dollar and Pound Sterling. The details as follows:

31 December 2023	Dollar	Pound
Average rate	17.68	21.54
Spot rate	18.31	23.32

31 December 2022	Dollar	Pound
Average rate	16.37	21.53
Spot rate	17.02	20.59

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL RISK MANAGEMENT continued...

Sensitivity

The following table details the Group's sensitivity to a 10% increase and decrease in the Rand against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management is 10% and it represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in surplus where the Rand strengthens by 10% against the relevant currency. For a 10% weakening of the Rand against the relevant currency, there would be a comparable impact on the surplus and the balances below would be negative.

	Impact on post tax surplus	
	2023	2022
	R `000	R `000
Dollar exchange rate – increase 10% (10%) *	(330)	-
Dollar exchange rate – decrease 10% (10%) *	330	-
Pound exchange rate – increase 10% (10%) *	(31)	929
Pound exchange rate – decrease 10% (10%) *	31	(929)
(Increase)/decrease impact	(361)	929

* Holding all other variables constant

	Dollar	Pound
31 December 2023		
Trade payables	(182)	(5)
Bank balances	2	20
	(180)	15
31 December 2022		
Trade payables	-	(451)
Bank balances	-	-
	-	(451)

32.2 LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. The Group treasury is responsible for managing the Group's exposure to financial risk within the policies set by the Board under the guidance of the CFO.

The following table details the Group's remaining contractual maturity for its current liabilities, commitments and guarantees with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of the current liabilities, commitments and guarantees based on earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL RISK MANAGEMENT continued...

32.2.1 MATURITIES OF FINANCIAL LIABILITIES

Contractual maturities of financial liabilities	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
	R `000	R `000	R `000	R `000	R `000	R `000
Year ended 31 December 2023 - Group						
Non-derivatives						
Trade and other payables excluding non-financial liabilities (Note 15)	-	58,224	-	-	-	**58,224**
Lease liabilities (Note 13)	11,981	11,981	25,166	-	-	**49,128**
Guarantees (Note 35)	3,898	-	-	-	-	**3,898**
Total non-derivatives	**15,879**	**70,205**	**25,166**	**-**	**-**	**111,250**
Year ended 31 December 2022 - Group						
Non-derivatives						
Trade and other payables excluding non-financial liabilities (Note 15)	-	55,383	-	-	-	**55,383**
Lease liabilities (Note 13)	12,276	12,275	25,172	23,322	-	**73,045**
Guarantees (Note 35)	-	-	-	-	3,898	**3,898**
Total non-derivatives	**12,276**	**67,658**	**25,172**	**23,322**	**3,898**	**132,326**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL RISK MANAGEMENT continued...

Contractual maturities of financial liabilities	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
	R `000	R `000	R `000	R `000	R `000	R `000
Year ended 31 December 2023 - Institute						
Non-derivatives						
Trade and other payables excluding non-financial liabilities (Note 15)	-	47,137	-	-	-	**47,137**
Lease liabilities (Note 13)	11,981	11,981	24,673	-	-	**48,635**
Guarantees (Note 35)	-	-	-	-	3,898	**3,898**
Total non-derivatives	**11,981**	**59,118**	**24,673**	**-**	**3,898**	**99,670**
Year ended 31 December 2022 - Institute						
Non-derivatives						
Trade and other payables excluding non-financial liabilities (Note 15)	-	55,368	-	-	-	**55,368**
Lease liabilities (Note 13)	11,693	11,693	23,962	24,532	-	**71,880**
Guarantees (Note 35)	-	-	-	-	3,898	**3,898**
Total non-derivatives	**11,693**	**67,061**	**23,962**	**24,532**	**3,898**	**131,146**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

33. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern.

Our reserves policies ensure that the Group has sufficient resources to meet its obligations and other cash flow requirements of the Group. The Group optimises the management of its capital through the Investment and Reserves policy managed by the treasury function under the supervision of the Chief Financial Officer.

The Group follows a low risk approach to determine the optimal capital structure and makes adjustments to it based on changes in economic conditions and the risk characteristics of the underlying assets.

The Group has adhered to the requirements of the Investment and Reserves policy and this has therefore translated in the Group maintaining levels of interest received as well as sufficient cash reserves in order to settle obligations in the ordinary course of business. As per the statement of financial position the current ratio is 2,5:1 (2022 2,7:1)

34. NET CASH FLOWS FROM OPERATIONS

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	R `000	R `000	R `000	R `000
Surplus before tax	**19,895**	**43,524**	1,908	**22,946**
Adjustments for:				
Finance income	(48,554)	(30,653)	(40,818)	(25,200)
Finance costs	4,220	8,082	4,139	7,948
Depreciation and amortisation expense	28,580	28,839	28,087	28,387
Impairment losses and reversal of impairment losses (ECL)	1,385	2,239	(1,614)	2,163
Adjustments for lease liabilities	2,004	-	2,004	-
Losses on foreign exchange	120	185	120	183
(Gains)/Losses on disposal of non-current assets	229	(293)	229	(344)
Change in operating assets and liabilities:				
Adjustments for increase in trade accounts receivable	(54,952)	(11,224)	(41,593)	4,582
Decrease / (increase) in prepayments	(157)	(421)	(196)	(375)
Adjustments for decrease in contract fulfilment asset	(1,440)	(4,811)	(1,440)	(4,811)
Adjustments for increase / (decrease) in provisions	5,855	1,927	5,692	1,327
Adjustments for increase / (decrease) in trade payables	5,586	(14,734)	(5,440)	(2,836)
(Decrease) / increase in contract liabilities	7,755	(3,772)	7,755	(3,772)
(Decrease) / increase in deferred income	(10,223)	(1,016)	(1,764)	1,432
Net cash flows from operations	**(39,697)**	**17,872**	**(42,931)**	**31,630**

Accounting Policies and Notes to the Group and Institute's Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

35. GUARANTEES (R'000)

The Institute has a guarantee in place through Standard Bank in favour of the South African Post Office Limited for bulk postage to the value of R150 (expiry date 1 January 2030) (2022: R150). The Institute also has guarantees in place with Nedbank for bulk postage to the value of R250 (2022: R250). The Institute also has a guarantee in place with First National Bank for the lease of 17 Fricker Road, Illovo in favour of Sanlam to the value of R3 498 (2022 R3 498).

36. CONTINGENT LIABILITIES

The Group is aware of pending legal matters and has in consultation with its legal counsel, assessed the outcome of these proceedings. Management has therefore concluded that no provisions are required in respect of these legal matters and that these litigations, current or pending, are not likely to have a material adverse effect on the Group. However, should the outcome of these cases not be favourable to the Group these may result in potential obligations in the future. Matters in progress range from Human Resource related matters, disciplinary actions taken against members and collection of outstanding trade receivables.

SAICA DIFFERENCE MAKERS™

www.saica.org.za