

**Association of Black Securities
and Investment Professionals NPC**

Annual Financial Statements

for the year ended 31 December 2016

Association of Black Securities and Investment Professionals

Annual Financial Statements

for the year ended 31 December 2016

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The following supplementary schedule does not form part of the financial statements and therefore is unaudited:

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In terms of S29 (1) (e) (ii) of the Companies Act of South Africa, we confirm that the preparation of the following financial statements is the responsibility of Yusuf Kolia AGA (SA).

The following financial statements have been audited in compliance with the requirements of the Companies Act of South Africa, S29 (1) (e) (i).

Association of Black Securities and Investment Professionals

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the annual financial statements of the Association of Black Securities and Investment Professionals, comprising the statement of financial position as at 31 December 2016, and the statement of comprehensive income, the statement of changes in funds and the statement of cash flow for the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. In addition, the directors are responsible for preparing the Directors' Report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Association's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

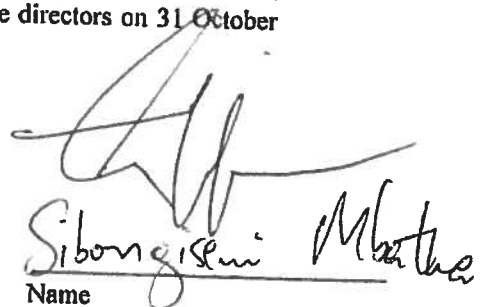
The annual financial statements of the Association of Black Securities and Investment Professionals, as identified in the first paragraph, were approved by the directors on 31 October 2017 and are signed on its behalf by:



LERATO C. MOLEFE

Name

Authorised Director



Name

Authorised Director

Association of Black Securities and Investment Professionals

Directors' report

for the year ended 31 December 2016

The Directors present its report for the period ended 31 December 2016. This report forms part of the annual financial statements.

Business and operations

The main object of the Association of the Black Securities and Investment Professionals is to engender ongoing professional development of Black professionals and to create programmes to undertake activities that are incidental to or conducive to the improvement of the competence of Black professionals in the securities and investment industry.

The Association's business and operations and the results thereof are clearly reflected in the attached financial statements.

Funding

The association is dependent upon raising sufficient donations, membership fees and sponsorships to meet its ongoing expenditure and settle its liabilities in the normal course of its operations. The directors believe that with the continued support of its members and sponsors, the Association will be able to mobilise sufficient funding to ensure maintenance of its status as a going concern in the year ahead. For this reason, the directors continue to adopt the going concern basis in preparing the annual financial statements - refer to Note 9.

Statement of responsibility

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards.

The Directors are also responsible for the organisation's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

Sponsorships

Apart from membership fees, the Association also accrues benefits in the form of donations. These donations vary from some costs incurred in holding the Association's events.

Company Secretary

The secretary of the Association of Black Securities and Investment Professionals is Mr Seaka.

Directors

Directors in the office during the year-

T Ramano	(President)	(Appointed 23 August 2011)
LC Molefe		(Appointed 23 August 2011)
M Makgatho		(Appointed 23 August 2011)
A Nyhonyha		(Appointed 23 August 2011)

Association of Black Securities and Investment Professionals

Directors

Directors in the office during the year (continued)

S Mbatha

(Appointed 23 August 2011)

E Moletsane

(Appointed 1 November 2009)

D Govender

(Appointed 18 December 2013)



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Independent auditor's report

To the Members of Association of Black Securities and Investment Professionals NPC

Opinion

We have audited the financial statements of Association of Black Securities and Investment Professionals NPC ("the company") set out on pages 8 to 15 which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association of Black Securities and Investment Professionals NPC as at 31 December 2016, and its financial performance for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' responsibility statement and the Directors' report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

KPMG Inc. is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc. is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Chief Executive: N Djomu
Directors: Full list on website

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.



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

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

Responsibilities of the directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

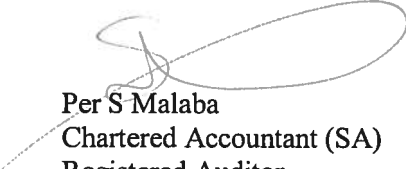
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG Inc.



Per S Malaba
Chartered Accountant (SA)
Registered Auditor
Director
2 November 2017

Association of Black Securities and Investment Professionals

Statement of financial position

as at 31 December 2016

	<i>Note</i>	2016 R	2015 R
Assets			
Current assets			
Trade and other receivables	2	22 951	-
Cash and cash equivalents		3 568 662	2 509 546
– Current account		3 560 872	2 507 388
– 32 day fixed deposit		252	-
– Petty Cash		7 538	2 158
Total assets		3 591 613	2 509 546
Funds and liabilities			
Capital and accumulated funds		3 064 587	2 316 814
Current liabilities			
Trade and other payables	3	527 026	192 732
Total funds and liabilities		3 591 613	2 509 546

Association of Black Securities and Investment Professionals

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2016

	<i>Note</i>	2016	2015
		R	R
Gross revenue	4	8 638 765	6 824 673
Expenses	5	<u>(7 890 992)</u>	<u>(6 232 439)</u>
Operating profit for the year		747 773	592 234
Total comprehensive income for the year		<u>747 773</u>	<u>592 234</u>

Association of Black Securities and Investment Professionals

Statement of changes in funds

for the year ended 31 December 2016

	Capital and accumulated funds R	Total R
Balance at 31 December 2014	1 724 580	1 724 580
Total comprehensive income for the period	592 234	592 234
Balance at 31 December 2015	2 316 814	2 316 814
Total comprehensive income for the period	747 773	747 773
Balance at 31 December 2016	3 064 587	3 064 587

Association of Black Securities and Investment Professionals

Statement of cash flow

for the year ended 31 December 2016

	<i>Note</i>	2016 R	2015 R
Cash flows generated in operating activities			
Cash receipts from members and sponsors		8 638 765	6 522 245
Cash paid to suppliers		<u>(7 582 156)</u>	<u>(5 810 679)</u>
Cash generated from operations	<i>6</i>	1 059 116	713 145
Cash flow generated from investment activities		-	-
Cash flow generated from financing activities		-	-
Net increase in cash and cash equivalents		1 059 116	713 145
Cash and cash equivalents at beginning of period		<u>2 509 546</u>	<u>1 796 399</u>
Cash and cash equivalents at end of period		<u>3 568 662</u>	<u>2 509 546</u>

Association of Black Securities and Investment Professionals

1. Accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

1.2 Revenue recognition

Donations, membership fee, sponsorship and other income are recognised on an accrual basis. Interest received is recognised when the right to receive the interest has been established.

1.3 Financial instruments

Classification

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

- Loans and receivables
- Financial liabilities measured at amortised cost

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

Initial recognition and measurement

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

Financial instruments are initially measured at fair value.

Subsequent measurement

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

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of loans and receivables

At each reporting date, the company assesses all loans and receivables to determine whether there is objective evidence that loans and receivables are impaired.

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

Impairment losses are recognised in profit and losses.

Association of Black Securities and Investment Professionals

1.3 **Financial instruments (continued)** **Impairment of loans and receivables (continued)**

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

Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost, using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks and investments. These are initially and subsequently recorded at amortised cost which is deemed to be an approximation of fair value.

Financial liabilities

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest method. Amortised cost is calculated by taking into account any transaction cost, and any discount or premium on settlement. Financial liabilities include trade and other payables.

Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using effective interest method.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition

Loans and receivables are derecognised when the company's contractual rights to cash flows expire or the company transfers the loans and receivables to another party without retaining control or substantially all the risks and rewards of the assets. On derecognition, the difference between the carrying amount of the loans and receivables are included in profit or loss.

Financial liabilities are derecognised if the company's obligations specified in the contract expire, are discharged or cancelled. On derecognition, the difference between the carrying value of the financial liability, including the related unamortised cost and settlement amounts paid, is included in profit or loss.

Association of Black Securities and Investment Professionals

	31 December 2016 R	31 December 2015 R
2. Trade and other receivables		
Other receivables	22 951	-
	<u>22 951</u>	<u>-</u>
3. Trade and other payables		
Salaries & Wages Control	8 670	-
Vat payable	341 704	189 131
Accounts payable	176 652	3 600
	<u>527 026</u>	<u>192 731</u>
4. Gross revenue		

Gross revenue comprises membership fees and sponsorship fees, which excludes value-added tax and represents the invoiced value of services supplied.

	2016 R	2015 R
Major classes of revenue comprise:		
Membership fees – Individuals	97 763	254 473
Membership fees – Corporate	375 000	500 000
Sponsorship awards and Functions	7 646 839	5 767 772
Sundry income-Donations	516 655	300 849
Interest received	2 508	1 579
Gross Revenue	<u>8 638 765</u>	<u>6 824 673</u>

5. Expenses

Expenses consist of the following items:

	2016 R	2015 R
Advertising and Branding	38 316	-
Bursaries awarded	1 413 467	1 260 168
Donations	75 000	-
Events expenses	4 661 130	3 740 317
Fundraising commission	65 789	-
Legal fees and secretarial fees	800	-
Magazines and journals	428 191	409 882
Marketing, Media and Strategic Planning	203 390	94 913
Other expense	341 040	237 486
Salaries, wages and commission	663 869	489 673
	<u>7 890 992</u>	<u>6 232 439</u>

Association of Black Securities and Investment Professionals

6. Reconciliation of cash generated from operations

	R	R
Surplus for the period	747 773	592 234
Less:		
Increase in accounts receivable	(22 951)	-
Increase /(Decrease) in accounts payable	181 722	(41 764)
Increase in VAT payable	152 573	162 675
Cash generated from operations	1 059 116	713 145

7. Taxation

No provision has been made for taxation as the Association is a non-profit organisation.

8. Financial risk management

The Association has exposure to the following risks from its use of financial instruments:

Credit Risk

Credit risk is the risk of financial loss to the Association if a counterparty to a financial instrument fails to meet its contractual obligations. The Association is a non-profit organisation and relies on donations.

The directors of the company are responsible for managing and analysing the credit risk of the company. The director's evaluate the implied credit risk attributable to each counterparty and where possible, ensure that adequate security is put in place to mitigate any potential exposure to a credit default event by such counterparty.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association is a non-profit organisation and relies on donations to settle their liabilities.

The Company manages liquidity risk through an on-going review of future commitments. Access to sources of funding is considered to be sufficient with commitments within the next 12 months expected to be met.

9. Going Concern

The entity has the ability to continue as a going concern in the foreseeable future. There are no significant events that cast doubt about the association's ability to continue as a going concern.

10. Related Parties

No related party transactions were entered into during the year.

11. Subsequent events

No events which would have been material to these financial statements occurred between the balance sheet date and the date of this report.

Association of Black Securities and Investment Professionals

Detailed Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 R	2015 R
Membership fees		8 119 602	6 522 244
Individuals		97 763	254 473
Corporate		375 000	500 000
Sponsorship-Awards		7 646 839	5 767 771
Other income		519 163	302 429
Interest received		2 508	1 579
Sundry income(incl. donations and extra item)		516 655	300 850
		8 638 765	6 824 673
Expenses		(7 890 992)	(6 232 439)
Accounting Fees		21 600	23 600
ABSIP Annual Financial Awards		2 327 835	2 151 574
ABSIP Conference/Conferences and Seminars		-	75 228
FSC		-	7 850
ABSIP Powerspeak		269 536	69 615
ABSIP Student Chapter events		529 889	261 931
ABSIP Magazine		428 191	-
Donations and Pledges		75 000	-
AWCA/AWCE		-	97 268
Conversations with Leaders		-	183 926
Networking events		4 575	23 360
School camps		-	20 000
Stockbroker Summit		-	104 038
Celebratory Event		302 478	-
Courier and postage		900	3 059
Bank charges		9 789	6 872
Telecommunications		22 279	1 340
Computer and Website expenses		31 098	17 950
Assets Written Off		18 117	9 735
Bursaries		1 413 467	1 260 168
Fundraising Commission		65 789	-
AGM & Meeting expenses		111 075	19 899
AWIF/AWIF Leadership		222 742	307 347
Entertainment		-	9 549
General expenses		7 461	4 060
Investment & Youth Summit		549 489	80 087
Travel and accommodation		128 221	105 593
Legal and secretarial fees		800	-
Marketing and Strategic Planning		203 390	504 796
Printing and stationery		38 745	15 173
Roundtable Discussion		-	26 685
Subtotal		6 785 937	5 390 704

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

Association of Black Securities and Investment Professionals

Detailed Statement of comprehensive income (continued)

for the year ended 31 December 2016

	<i>Note</i>	2016	2015
		R	R
Subtotal carried forward		6 785 937	5 390 704
Salaries, wages and commission		663 869	489 673
Advertising and branding		38 316	8 710
SARS – Interest and penalty		1 283	1 509
Subscription - other		46 208	30 335
Golf day		355 379	311 508
Operating profit for the year		747 773	592 234

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