



SAPOA

ANNUAL REPORT

>>> 2023

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GENERAL INFO

Country of incorporation and domicile

South Africa

Nature of business and principal activities

The entity promotes the interests of its members by representing them on matters affecting the property industry on National and Local Government levels, by providing a continuous program of educational activities and by organising conventions, seminars and workshops on matters of topical interest. The Association publishes journals and other literature for the benefit of its members. A full time Secretariat provides direct services to members and related Associations.

Directors

Nilesh Ambaram Gopal (Chief Executive Officer)

Jacqueline Rouxanne van Niekerk (President)

Itumeleng Unathi Mothibeli (President elect)

Andrew Joseph König

Malose Frans Kekana

Steven Brown

Laila Razack

Sudesh Moodley

Nomfundo Nomkosi Nomzamo Radebe

Registered office

WeWork Office-The Link

173 Oxford Road

Rosebank

2196

Business address

WeWork Office-The Link

173 Oxford Road

Rosebank

2196

Postal address

PO Box 78544

Sandton

2146

ANNUAL REPORT >>> 2023

Bankers

First National Bank

Auditors

PricewaterhouseCoopers Inc.

Company registration number

1966/008959/08

Level of assurance

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

Preparer

The financial statements were independently compiled under the supervision of:

M Caetano

Chartered Accountant (SA)

Public Officer

NA Gopal

Secretary

NA Gopal

THE VOICE OF COMMERCIAL PROPERTY

> VISION

SAPOA aims to be the nationally accepted and internationally recognised leading property association.

> MISSION

SAPOA's mission is to actively and responsibly represent, protect and advance our members' commercial property interests within the property industry.



SAPOA

Being the industry representative for an estimate 90% of the country's commercial and industrial real estate companies, SAPOA's mandate is to continuously endeavour to represent, protect and advance its members' interest – and in doing so, maximise its level of activity within the sector, thus cementing its commitment to the realisation of a more vibrant, globally competitive industry.

We have forged purposeful collaborations with leading industry bodies, as well as private and public sector entities creating an inclusive and conducive environment for the enhancement of our members interests, whilst keeping abreast of the dynamic trends in the marketplace.

As a member-driven association, SAPOA enables it's members to become involved through committee participation and provide networking platforms. These valuable platforms gives you access to other industry leaders – ensuring growth and dynamism within the real estate industry.



NOTICE OF AN ANNUAL GENERAL MEETING

SAPOA BOARD

Notice is hereby given that the Annual General Meeting of the Members of the South African Property Owners Association NPC ("the Company"), will be held on Wednesday, 04 September 2024 at (18h05) South African (SA) Standard Time (subject to any adjournment, postponement or cancellation) and at Sun City Resort, R556, Sun City, 0316 in terms of paragraph 15.4 of the Memorandum of Incorporation, read together with Section 61 of the Companies Act, to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.

PURPOSE

The purpose of the Annual General Meeting is to transact the business set out in the agenda below

AGENDA

1. Consideration of the audited annual financial statements of the company, including the reports of the directors for the year ended 31 December 2023.
2. Appointment and fixing of the remuneration of the auditors.
3. To consider and, if deemed fit, approve, with or without modification, the resolutions as set out in this notice.
4. The record date on which members must be recorded as such in the register maintained by the Company for the purpose of being entitled to attend and vote at the annual general meeting is 31 July 2024.
5. Meeting participants (including members and proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a member's meeting. Forms of identification include valid identity documents, driver's licences and passports.

VOTING INSTRUCTIONS

In terms of the Companies Act, any member entitled to attend and vote at the above AGM, may appoint one or more persons as proxy to attend and speak and vote in his stead. A proxy need not be a member of the company. Forms of proxy must be deposited at the office of the Company not later than 30 August 2024 before the time fixed for the meeting (excluding Saturdays, Sundays, and public holidays).

Voting on all resolutions will take place by a show of hands. Every member of the Company who is present at the AGM or is represented by proxy shall have one vote.

Majority is required for the adoption of resolutions. Votes recorded as abstentions are not taken into account for purposes of determining the final percentage of votes cast in favour of the resolutions.

This is in line with the Companies Act.

BY ORDER



Director
Neil Gopal
Chief Executive Officer
SAPOA

SAPOA BOARD OF DIRECTORS 2023



Jackie van Niekerk
CEO, **Attacq**
SAPOA President



Neil Gopal
Chief Executive Officer
SAPOA



Itumeleng Mothibeli
Managing Director -
Southern Africa
Vukile Property Fund Ltd
SAPOA President-Elect



Malose Kekana
Group Chief Executive
Officer, **Pareto Ltd**
*SAPOA Immediate
Past President*



Andrew König
Chief Executive Officer,
Redefine Properties



Steven Brown
Chief Executive Officer
and Managing Director,
**Fortress Real Estate
Investments Ltd**



Laila Razack
Chief Financial Officer,
Equites Property Fund



Nomzamo Radebe
Chief Operating Officer,
**SA Corporate Real
Estate Fund**



Sudesh Moodley
Financial Director,
Dipula Income Fund

NATIONAL COUNCILLORS AND REGIONAL COUNCILLORS - 2023



NATIONAL COUNCILLORS

Sean Berowsky	Broll	Brokers Committee
Brian Mncube	Spectrum Valuations & Assets Solutions	Convention Committee
Tracey Myers	Standard Bank	The HR Education, Training and Development Committee
Nonku Ntshona	Nonku Ntshona & Associates Quantity Surveyors	Innovative Excellence Awards Committee
Farhana Haffejee	Liberty Two Degrees Ltd	Legal Committee
Warwick Lord	Cato Ridge Logistics Hub Consortium	National Developers Forum
Michael Clampett	Attacq	PropTech Committee
PC Potgieter	Fortress Income Fund	Sustainability Committee
Peter Levett	iShack Ventures	Unlisted REITs Committee

REGIONAL COUNCILLORS

Rob Edelson	Investec Bank Ltd	Gqeberha (PE)
Bernadette Mzobe	Nombeks (Pty) Ltd	KwaZulu-Natal
Paul Altenroxel	Knottrox Property Trust	Limpopo
Fred Smit	Resilent	Mpumalanga
Kevin Roman	DeeKev Properties (Pty) Ltd	Western Cape

SAPOA PAST PRESIDENTS

1966 – 1970	Andries van Riet	2000 – 2001	Chris du Toit
1970 – 1972	Dough B Hoffe	2001 – 2002	Anthony Diepenbroek
1972 - 1974	M A Bezuidenhout	2002 – 2003	Papi Mphahlele
1974 – 1976	Roy Canning	2003 – 2004	Gerhard van Zyl
1976 – 1978	Cornè P de Leeuw	2004 – 2005	Lynette Finlay
1978 – 1979	Murray Hofmeyr	2005 – 2006	TC Chetty
1979 – 1981	Gert Hugo	2006 – 2007	Alex Phakathi
1981 – 1983	Bob Levitt	2007 – 2008	Marna van der Walt
1983 – 1984	Piet J A Moolman	2008 – 2009	Ben Kodisang
1984 – 1985	AM Buss	2009 – 2010	Warren Schultze
1985 – 1987	Roland D Walker	2010 – 2011	Samuel Ogbu
1987 – 1988	Ronnie Masson	2011 – 2012	Kevin Roman
1988 – 1989	Robin Vorster	2012 – 2013	Dr Sedise Moseneke
1989 – 1991	Eric R Field	2013 – 2014	Estienne de Klerk
1991 – 1993	Derek Stuart-Findlay	2014 – 2015	Amelia Beattie
1993 – 1994	Hendrik Bester	2015 – 2016	Michael Deighton
1994 – 1995	Colin Steyn	2016 – 2017	Nomzamo Radebe
1995 – 1996	Gordon Hibbert	2017 – 2018	Peter Levett
1996 – 1997	Tiny Barnettson	2018 – 2019	Ipeleng Mkhari
1997 – 1998	Nick Harris	2019 – 2021	David Green
1998 – 1999	Anton Musgrave	2021 – 2022	Andrew König
1999 – 2000	Banus van der Walt	2022 - 2023	Malose Kekana

MESSAGE FROM THE SAPOA PRESIDENT



Jackie van Niekerk
CEO, Attacq
SAPOA President

ACHIEVEMENTS AND MILESTONES

Reflecting on your term:

In the face of the challenging economic climate and political and social difficulties, SAPOA has continued to focus on delivering its strategic objectives to ensure a thriving commercial real estate industry.

Through a year of unwavering commitment to our members, we have weathered these challenges and positioned SAPOA for long-term prosperity and support for the industry by improving the organisational structure and ensuring the business's health supports all causes and challenges.

For the 2023 financial year, we spent a total of R4.4m on our various advocacy efforts.

The relentless focus on advocacy and understanding our member's challenges has resulted in the culmination of various positive initiatives and policy changes.

During the past financial year, SAPOA has completed and addressed the following matters:

1.1. AUTOMATIC SPRINKLER INSPECTION BUREAU (ASIB)

A number of SAPOA members raised concerns about the costs of compliance with the requirements set by ASIB. Upon investigation, it was ascertained that SAPOA members are required, in terms of their insurance policies, to keep updated inspection certificates in respect of the automatic sprinkler systems installed in their buildings, which systems require annual inspections and certifications. The requirement to hold updated inspection certificates is not contained in legislation, but, in fact, set out in

the respective short-term insurance policies. SAPOA members reported that they have little or no say as to whether they wish to make use of ASIB's services or not.

ASIB's requirements are over and above the applicable health and safety legislation, regulations and standards. Furthermore, ASIB regularly publishes a rule book, which rules are amended and updated over time, to the extent that the twelfth edition of the ASIB rule book is currently used. All inspections and certifications are to be done in accordance with these rules.

SAPOA addressed correspondence to ASIB and SAIA, in order to seek a written response from ASIB and SAIA to indicate the basis upon which SAPOA members can be forced to make use of ASIB in respect of inspections and certifications.

SAIA responded by advising that their members (short-term insurers) are facing increasing numbers of claims due to fire damage, with the value of these claims increasing at an alarming rate. Their members need to take appropriate steps to mitigate their risks, not only to ensure their own viability and sustainability, but also to comply with the requirements of their re-insurers.

ASIB responded and pointed out that there is no obligation to make use of their services, but that they provide a superior service to other service providers.

Members are advised that they cannot be compelled to make use of ASIB's services, and that they are free to engage with their insurers to obtain certification by other means.

MESSAGE FROM THE SAPOA PRESIDENT



1.2. DEPARTMENT OF LABOUR: ESCALATOR BOLLARDS

On 8 December 2023 the Department of Labour issued a letter containing specifications applicable to bollards on escalators. The letter stated that the specifications contained therein shall apply over and above the requirements of SANS 21-1, which contain the specifications applicable to escalators.

A number of SAPOA members flagged this letter and requested SAPOA to engage with the Department of Labour on these new requirements, as it was deemed that the letter seeks to introduce new requirements outside the existing regulatory framework, and furthermore that there were a number of practical and technical difficulties with regard to the new requirements.

After investigation of the legal position, it was ascertained that the letter indeed sought to circumvent the existing regulatory regime.

A letter was addressed to the Department of Labour by SAPOA, highlighting the problems with the new specifications, and asking for a written response.

On receipt of our letter, the Department issued a formal retraction of their letter on 3 April 2024.

As a result, the extra specifications have been withdrawn, and property owners are merely to comply with the existing regulations and standards, which have applied since at least 2016.

As the letter requiring landlords to amend their escalators has been withdrawn, no further action is required at this stage. SAPOA will continue with its current engagements with the Department.

1.3. EXEMPTION APPLICATION PPRA

SAPOA submitted an exemption application to the Property Practitioners Regulatory Authority ("the PPRA") for the commercial property industry to be exempt from the mandatory disclosure form in terms of section 67 of the Property Practitioners Act, 22 Of 2019 ("the PPA"). The rationale behind the exemption application is that the regulations and the prescribed forms do not necessarily apply to the letting and sale of commercial premises, especially where property diligences are done.

We are pleased that exemption was granted to the commercial property industry, with the result that the commercial property industry does not have to use the mandatory disclosure form contained in the PPA.

1.4. ENERGY PERFORMANCE CERTIFICATES

As previously communicated the deadline for the submission of Energy Performance Certificates have been extended to December 2025. The final regulations have been published, and the website is operational. All regulatory aspects of interest to the industry have been resolved.

With the weakening economy and the Government's failure to provide essential services and infrastructure, we continue to support our members by driving what is suitable for the South African commercial real estate industry; SAPOA's commitment to our members evidences the success of our advocacy and engagements amidst these adversities. To this end, we have committed additional resources towards implementing solutions that ensure further support to our regions and members throughout South Africa.

Strategic alignment for sustainable success

Our board and the management team maintain a strategic alignment and have fostered a robust working partnership founded on trust and constructive dialogue. Our shared objective is to achieve relevance and long-term sustainability for our members. The board provides strategic direction and maintains relevance and guidance for the management team.

MESSAGE FROM THE SAPOA PRESIDENT



Key Performance Indicators (KPIs) meticulously track our strategic progress and ensure we stay on course to achieve our strategic objectives. The board has complete faith in our management team, whose passion, dedication, and sound decision-making abilities, coupled with their collaborative approach and high-performance culture, ensure the successful implementation of SAPOA's objectives.

Our focus during the last year has been on the following industry matters:

1. The rates project remains a high priority for the SAPOA team. SAPOA embarked on a project to study property rates throughout the country, as municipalities were deemed to be raising constitutionally impermissible property rates.
2. Advocacy and support members in various key industry matters.
3. Municipal 2024/25 Integrated Development Plans, Municipal rates policies and budgets: The team reviews and makes submissions with comments to the municipality regarding the plans put forward. Major key issues the SAPOA focuses on are infrastructure, service delivery, transportation, development and dilapidated buildings and run-down areas.
4. Reach reports remain the cornerstone of SAPOA support to our members, and will be releasing the following reports in addition: State of the South African Water and Central Improvement District contribution reports.
5. Education and training continue to advance, and we are encouraged by the industry's support towards SAPOA education and training. Teams continue to change the programmes and are set to launch new courses in partnership with UCT.
6. The SAPOA bursary fund was established in 2010, and we have had 160 students graduate, and 21 students are due to graduate at the end of the year. This programme continues to grow from strength to strength and provides an excellent platform for our members to partner with SAPOA and attract new tenants. This year, 85% of the students were employed upon completion of their studies and achieved an 81% pass rate.

Outlook

Our focus remains on supporting and enhancing the real estate industry, understanding our members' needs, and advocating to ensure we operate in a fair environment. We anticipate that SAPOA will continue to deliver and that we will successfully navigate the current operating challenges.

In appreciation

My sincere appreciation is extended to all SAPOA Committee members (National and regional) for their hard work, dedication and commitment to our industry. You once again managed to deal with all the industry challenges and many curve balls in pursuit of our objectives to create a sustainable value-enhancing industry. SAPOA success results from the collaboration of members, committee members, SAPOA staff and Board members.

The leadership of our CEO, Neil Gopal, your commitment to execution, and the management team's ability to challenge the norm and develop innovative solutions enable SAPOA to deal with the unique challenges experienced in South Africa. Your unwavering commitment, resilience and remarkable agility are inspiring and deeply appreciated. I sincerely thank my fellow board members for your dedication, valuable insights, robust debates, and willingness to challenge and contribute to SAPOA and the industry's future.

Finally, I want to express my heartfelt gratitude to all our sponsors and stakeholders, including partners, suppliers, our community, and others, for your steadfast support and trust in SAPOA. I look forward to continued engagement and the opportunity to strengthen our relationships further.

Jackie van Niekerk
SAPOA President

PRESIDENT'S AND CEO'S REPORT



Neil Gopal
Chief Executive Officer
SAPOA



Jackie van Niekerk
CEO, Attacq
SAPOA President

Revenue for the 2023 year was R36.1 million, up by 14% compared to 2022 while retained earnings increased by 35% to R24.8 million.

PRESIDENT'S AND CEO'S REPORT

Over the last few years, SAPOA has contributed the following for the benefit of the industry:

Establishment of the Green
Buildings Council of SA

R 1,000,000

Advocacy expenses
since 2004

R 23,007,752

Business Against
Crime initiative

R 255,000

Meet the Mayor campaign
since 2014

R 1,200,000

Property Sector Charter
contributions to date

R 3,642,000

Cost of Research
since 2010

R 20,017,813

SAPOA
Bursary Fund

R 13,118,891

*SAPOA has yet again received
an unqualified audit from PwC.*





2024 SAPOA RESEARCH REPORTS

FREE
TO OUR
MEMBERS

SAPOA recognises that the real estate industry is one of the most important sectors of South Africa's economic business cycle and the country's long-term growth path. Property statistics and research are invaluable to our members when making pertinent investment decisions. Collaborating with expert research companies locally and globally, SAPOA produces an array of niched research reports for its members.

We are pleased to introduce the Industrial Report in 2024. It will focus on insights into trends in the industrial commercial property sector.



Jane Padayachee, Marketing & Communication Manager – marketingmanager@sapoa.org.za

REGULARLY PUBLISHED RESEARCH REPORTS

- RETAIL TRENDS REPORT
- OPERATING COST REPORT
- VALUATION REPORT
- INDUSTRIAL TRENDS REPORT
- OFFICE VACANCY REPORT
- GLOBAL PROPERTY TRENDS REPORT
- SA PROPERTY PERFORMANCE REPORT

INDUSTRY AFFILIATES



AFRES
The African Real Estate Society

KLCBT
Kruger Lowveld Chamber of
Business

SACSC
South African Council of
Shopping Centres

ASAQS
The Association of South African
Quantity Surveyors

MSCI
Morgan Stanley
Capital International

SACN
SA Cities Networks

BCA
Black Conveyancing
Association

NAFCOC
Polokwane

SACPLAN
South African Council
for Planners

BCO
British Council of Offices

NARIET
National Association of Real Estate
Investment Trusts

SAFMA
The South African Facilities
Management Association

BOMA
Building Owners and Managers
Association (USA)

NBI
National Business Initiative

SAIV
The South African
Institute of Valuers

BPF
British Property Federation

NMBBC
The Nelson Mandela Bay
Business Chamber

SAIBPP
South African Institution of
Black Property Practitioners

BUSA
Business Unity South Africa

NPA
Namibian Property Association

SAPI
South African Planning Institute

CESA
Consulting Engineers
South Africa

NPPC
National Property Practitioners
Council

SAPVIA
South African Photovoltaic
Industry Association

CTP
Cape Town Partnership

PCA
Property Council of Australia

SAREIT
South African Real Estate
Investment Trust

IREM
Institute of Real Estate
Management

PCNZ
Property Council of New Zealand

SHF
Social Housing Foundation
Association

GBCSA
Green Building Council
of South Africa

PPA
Property Protection Association

TUHF
Trust Urban Housing Finance

GPF
Gauteng Partnership Fund

PPRA
Property Practitioners
Regulatory Authority

ULI
Urban Land Institute

JHC
Johannesburg Housing
Company

PSCC
The Property Sector
Charter Council

WPN
Women's Property Network

JPOMA
Johannesburg Property Owners
and Managers Association

RICS
Royal Institution of Chartered
Surveyors

EDUCATION, TRAINING & DEVELOPMENT

The educational efforts of SAPOA are aimed at:

- Increasing knowledge and skills of the property industry amongst employees within the industry.
- Ensuring that the content of programs/workshops and other educational interventions are aligned to industry needs.
- Raising employability and/or competence of the practitioners and professionals in the industry.



Accreditation

All SAPOA Education Courses are held nationally in partnership with various universities. The Universities obtain accreditation for their qualifications through the Higher Education Quality Committee of the Council for Higher Education (HEQC of the CHE), recognised by the South African Qualifications Authority (SAQA) as the Education and Training Quality Assurance body (ETQA). Companies can claim refunds from their skills levy when their employees attend short courses presented by SAPOA through the University.

These courses are incorporated into their companies' skills plans which they submit to the SETA's. The real estate programs are accompanied by an assessment that promotes understanding and application of the information provided. We offer you the opportunity to gain a real estate qualification at the doorsteps of the largest concentration of real estate employers on the African continent. This enables you to start a career in the most sophisticated real estate market in Africa.

For more information go to:

WWW.SAPOA.ORG.ZA - EDUCATION



Investing in the future of property leaders

SAPOA is committed to searching for the most talented people who will add value to our members and the industry in its entirety, by providing property tertiary educational support through the SAPOA Bursary Scheme

Established in late 2009, with the first cohort in 2010, the Bursary Fund mandate is to champion transformation, empower young people through education, raise awareness of the property industry as a career of choice and change the landscape of Skills Development for the better while empowering the youth with much needed skills for the benefit of our industry. The Bursary Fund aims to provide qualifying students pursuing industry related qualifications with bursaries to help them reach their potential.

The SAPOA Bursary Fund is funded primarily by SAPOA members. However, we welcome external funding from any non-member companies and/or government as it will assist in transforming the Commercial Property Industry and up-skill the nation.

Together we will make a meaningful impact to the lives of these future industry pioneers



160
students
graduated
to date



58%
of them are
female



85%
are employed
on completion
of studies



R48.3m
bursaries
granted



72%
is absorbed by
the industry



91%
pass rate

SAPOA BURSARY FUND TRUST

PARTNERING WITH THE FOLLOWING UNIVERSITIES



QUALIFICATIONS

The qualifications sponsored by the bursary fund

Postgraduate Diploma in property Development and Management (PGDipPDM)	BSc. Construction Studies	BSc. Property Studies	BSc. Quantity Surveying	BSc. Architectural Studies
BSc. Real Estate	BCom. Property Valuation and Management	Bachelor of Urban/ Town and Regional Planning	Masters Programmes (Property Related)	PhD Programmes (Property Related)

CLASS OF 2024



CLASS OF 2024



SAPOA BURSARY FUND TRUST

SOME OF OUR BURSARY FUND SPONSORS



SOME OF OUR GRADUATE EMPLOYERS





Advocacy is a pivotal role of SAPOA, it provides targeted participation in legislation development that will affect SAPOA members directly. Advocacy also gives SAPOA an authoritative voice that participates in matters that relate Laws that govern South Africa's built environment.

The national office monitors all national legislation affecting the property industry. Government at all levels prefers to work with organised trade associations on legislation. The combined expertise of SAPOA's members is regarded as a valuable source of knowledge. There is concerted effort by both the national office and provincial regions to establish and maintain working relationship with government at all levels. Government accepts that SAPOA members, being major stakeholders is vital to the economy of the country.



FINANCIAL STATEMENTS

>>> 2023



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

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32	Statement of Changes in Equity
33	Statement of Cash Flows
34 - 38	Accounting Policies
39 - 43	Notes to the Financial Statements

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

44 - 45	Detailed Income Statement
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008 of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs Accounting Standard. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors of the company are responsible for the controls over and security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to members and to the companies and intellectual property commission.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on page 29 to 30.

The directors report set out on pages 27 to 28, the financial statements set out on pages 31 to 43 and additional schedules on pages 44 to 45 which have been prepared on the going concern basis, were approved by the board of directors on 14 June 2024 and were signed on its behalf by:

Approval of financial statements



Jacqueline Rouxanne van Niekerk (President)



Nilesch Ambaram Gopal (Chief Executive Officer)

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of South African Property Owners Association NPC for the year ended 31 December 2023.

1. NATURE OF BUSINESS

The association is engaged to promote the interests of its members by representing them on matters affecting the property industry on National and Local Government levels, by providing a continuous program of educational activities and by organising conventions, seminars and workshops on matters of topical interest. The Association publishes journals and other literature for the benefit of its members. A full time Secretariat provides direct services to members and related Associations. The company operates principally in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

The operating results and state of affairs of the company are set out in the attached financial statements and do not in our opinion require any further comment.

3. DIRECTORS

The directors in office at the date of this report are as follows:

Directors changes

Nilesh Ambaram Gopal (Chief Executive Officer)

Jacqueline Rouxanne van Niekerk (President)

Itumeleng Unathi Mothibeli (President elect)

Andrew Joseph König

David James Green

Peter Aston Levett

Malose Frans Kekana

Steven Brown

Thanduxolo Selby Sishuba

Laila Razack

Sudesh Moodley

Nomfundo Nomkosi Nomzamo Radebe

Resigned 20 September 2023

Resigned 20 September 2023

Resigned 20 September 2023

Appointed 20 September 2023

Appointed 20 September 2023

Appointed 20 September 2023

There have been no other changes to the directorate for the period under review.

DIRECTORS' REPORT



4. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

5. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant matter or circumstance arising since the end of the financial year and the reporting date, that would materially impact the financial statements.

6. DIRECTORS' INTERESTS IN CONTRACTS

No material contracts in which directors have an interest were entered into in the current year, which might have a material impact on the reported results.

7. AUTHORISED AND ISSUED SHARE CAPITAL

The company has no share capital as it is a non-profit company in terms of the Companies Act of South Africa.

8. PUBLIC OFFICER

The company secretary is NA Gopal of:

Postal address	PO Box 78544 Sandton 2146
Business address	WeWork Office The Link 173 Oxford Road Rosebank 2196

9. SECRETARY

The secretary of the company is NA Gopal.

10. AUDITOR

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90 of the Companies Act of South Africa.

INDEPENDENT AUDITOR'S REPORT



To the Members of South African Property Owners Association NPC

OUR OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Property Owners Association NPC (the Company) as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act of South Africa.

WHAT WE HAVE AUDITED

South African Property Owners Association NPC's financial statements set out on pages 31 to 43 comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence

requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "South African Property Owners Association NPC financial statements for the year ended 31 December 2023", which includes 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.

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 identified above 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.

INDEPENDENT AUDITOR'S REPORT

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 the IFRS for SMEs Accounting Standard 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.

PricewaterhouseCoopers Inc.
Director: Saaleha Akoojee
Registered Auditor
Johannesburg, South Africa
14 June 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note(s)	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	213 108	38 135
Current Assets			
Inventories	3	34 959	35 504
Trade and other receivables	4	2 483 853	2 465 529
Cash and cash equivalents	5	32 053 294	24 876 710
		34 572 106	27 377 743
Total Assets		34 785 214	27 415 878
Equity and Liabilities			
Equity			
Retained income		24 765 571	18 317 728
Liabilities			
Current Liabilities			
Trade and other payables	6	3 229 403	3 284 727
Deferred income	7	6 790 240	5 813 423
		10 019 643	9 098 150
Total Equity and Liabilities		34 785 214	27 415 878

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2023 R	2022 R
Revenue	9	36 119 226	31 550 934
Direct cost of revenue income	10	(17 846 884)	(14 755 469)
Gross profit		18 272 342	16 795 465
Other income	11	256 189	15 715
Other gains - net	12	411 499	41 652
Operating expenses	13	(14 717 941)	(12 931 149)
Operating profit		4 222 089	3 921 683
Investment revenue	15	2 225 754	1 104 761
Profit for the year		6 447 843	5 026 444
Other comprehensive income		-	-
Total comprehensive income for the year		6 447 843	5 026 444

STATEMENT OF CHANGES IN EQUITY

	Retained income R	Total equity R
Balance at 01 January 2022	13 291 284	13 291 284
Profit for the year	5 026 444	5 026 444
Other comprehensive income	-	-
Total comprehensive income for the year	5 026 444	5 026 444
Balance at 01 January 2023	18 317 728	18 317 728
Profit for the year	6 447 843	6 447 843
Other comprehensive income	-	-
Total comprehensive income for the year	6 447 843	6 447 843
Balance at 31 December 2023	24 765 571	24 765 571

STATEMENT OF CASH FLOWS

	Note(s)	2023 R	2022 R
Cash flows from operating activities			
Cash generated from operations	17	5 203 524	4 763 869
Interest received	15	2 225 754	1 104 761
Net cash from operating activities		7 429 278	5 868 630
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(252 694)	(19 658)
Total cash and cash equivalents movement for the year		7 176 584	5 848 972
Cash and cash equivalents at the beginning of the year		24 876 710	19 027 738
Total cash and cash equivalents at end of the year	5	32 053 294	24 876 710

ACCOUNTING POLICIES



1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance and compliance with the IFRS for SMEs Accounting Standard, and the Companies Act 71 of 2008 of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands (R).

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual result in the future could differ from these estimates which may be material to the financial statements. There is no estimation uncertainty applied and significant judgements in preparing the financial statements.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets which the company holds for its own use which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit and loss during the period in which they are incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Office equipment	Straight line	6.67 years
Computer equipment	Straight line	3 years
Regalia	Straight line	6.67 years

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The residual value, depreciation method and useful life of each asset are reviewed and adjusted prospectively, if appropriate, if there are indicators present that there has been a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss in the period.

ACCOUNTING POLICIES

1.3 FINANCIAL INSTRUMENTS

Initial measurement

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

Financial instruments at amortised cost

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

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

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership or control of the financial asset are transferred.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.4 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.



Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 LEASES

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

Operating leases – lessee

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

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

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

1.6 INVENTORIES

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

The cost of merchandise inventory comprises packing costs and other direct costs. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell, the impairment loss is recognised immediately in profit or loss.

Inventories are not specifically held for resale, rather for use during the operations of the company.

1.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 SHARE CAPITAL AND EQUITY

The company does not have equity instruments in issue or authorised as per Companies act.

Retained income related to prior year surpluses and deficits and is used solely for the operations of the company and not for redistribution.

1.9 EMPLOYEE BENEFITS

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

ACCOUNTING POLICIES



The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.10 GOVERNMENT GRANTS

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.11 REVENUE

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

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

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

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

ACCOUNTING POLICIES



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

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

1.12 BORROWING COSTS

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

1.13 PROFIT AND LOSS ON INVESTMENTS

A gain or loss arising from a change in fair value on investments is included in profit or loss for the period in which it arises.

1.14 DEFERRED INCOME

Deferred income are amounts relating to services that will be delivered in the future, which are billed to a customer in advance but not yet due and for which no service has been provided.

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	148 477	(148 477)	-	148 477	(146 803)	1 674
Office equipment	232 091	(226 670)	5 421	232 091	(215 970)	16 121
Computer equipment	747 817	(540 130)	207 687	495 123	(474 783)	20 340
Regalia	40 875	(40 875)	-	40 875	(40 875)	-
Total	1 169 260	(956 152)	213 108	916 566	(878 431)	38 135

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	1 674	-	(1 674)	-
Office equipment	16 121	-	(10 700)	5 421
Computer equipment	20 340	252 694	(65 347)	207 687
	38 135	252 694	(77 721)	213 108

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	13 372	-	(11 698)	1 674
Office equipment	44 125	-	(28 004)	16 121
Computer equipment*	114 965	19 658	(114 283)	20 340
	172 462	19 658	(153 985)	38 135

*Computer equipment to the cost value of R1,890,292 and carrying value of nil was written off in the prior year.

The depreciation charged to the statement of comprehensive income during the year amounted to R77 721 (2022: R153 985).

	2023 R	2022 R
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3. INVENTORIES

Merchandise	34 959	35 504
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Inventory amounting to R9 915 was recognised as an expense for the year.

4. TRADE AND OTHER RECEIVABLES

Trade receivables	2 158 324	2 136 144
Prepayments	325 529	329 385
	2 483 853	2 465 529

NOTES TO THE FINANCIAL STATEMENTS

	2023 R	2022 R
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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	4 190 759	4 365 850
Short-term deposits	27 862 535	20 510 860
	32 053 294	24 876 710

Short-term deposits consist of a specialist fixed income fund that aims to deliver lower volatility than a traditional bond fund. The investment is classified as cash and cash equivalents as it is designed for an investment term of 3 months or longer. The fund has a 2-5 day liquidity profile subject to insignificant risk to change in value. The intention of the investment is to cover short term cash commitments as the need arises.

6. TRADE AND OTHER PAYABLES

Trade payables	772 647	991 916
Amounts received in advance	19 380	19 380
Receiver of Revenue - Value Added Tax	2 091 754	1 790 223
Accrued expense	345 622	483 208
	3 229 403	3 284 727

7. DEFERRED INCOME

Advocacy - Unlisted REITS	94 390	197 058
Prepaid subscriptions	6 695 850	5 616 365
	6 790 240	5 813 423

Split between non-current and current portions

Current liabilities	6 790 240	5 813 423
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8. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets at amortised cost

Trade and other receivables	2 158 324	2 136 144
Cash and cash equivalents	32 053 294	24 876 710
	34 211 618	27 012 854

Financial liabilities at amortised cost

Trade and other payables	1 118 269	1 475 124
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9. REVENUE

Educational and event revenue	18 517 880	15 829 666
Publication revenue	9 171	19 575
Research	158 318	929 993
Subscriptions	17 433 857	14 771 700
	36 119 226	31 550 934

NOTES TO THE FINANCIAL STATEMENTS

	2023 R	2022 R
10. DIRECT COST OF REVENUE INCOME		
Rendering of services		
Property development	1 907 767	1 728 713
Convention	10 061 672	8 111 364
Networking	58 476	246 147
Events and Webinars	1 202 422	909 371
Marketing	122 962	100 283
Other	4 493 585	3 659 591
	17 846 884	14 755 469
11. OTHER INCOME		
Other income	256 189	15 715
12. OTHER GAINS - NET		
Profit and loss on investment	411 499	41 652
13. EXPENSE BY NATURE		
Auditors remuneration	253 000	230 000
Depreciation	77 721	153 985
Direct cost of revenue	17 846 884	14 755 469
Employee costs	11 846 722	10 071 702
Lease rentals on operating lease	743 225	778 113
Legal expenses	120 954	54 766
Marketing	556 191	447 421
Property charter contribution	100 000	100 000
Travel	45 012	165 929
Other expenses	975 116	929 233
Total direct cost of revenue income, distribution costs and administrative expenses	32 564 825	27 686 618
14. EMPLOYEE COSTS		
Employee costs		
Basic salary	10 661 888	9 050 147
Provident Fund and other contributions	1 184 834	1 021 555
	11 846 722	10 071 702
15. FINANCE INCOME		
Interest revenue		
Interest on short term bank deposits	2 225 754	1 104 761
16. TAXATION		

No provision has been made for 2023 tax as the company is exempt from SA normal tax in terms of Section 10(1)(d)(iv) (bb) of the Income Tax of South Africa.

NOTES TO THE FINANCIAL STATEMENTS

	2023 R	2022 R
17. CASH GENERATED FROM OPERATIONS		
Profit before taxation	6 447 843	5 026 444
Adjustments for:		
Depreciation	77 721	153 985
Interest received	(2 225 754)	(1 104 761)
Changes in working capital:		
Decrease inventories	545	9 467
(Increase)/decrease in trade and other receivables	(18 324)	610 164
(Decrease)/increase in trade and other payables	(55 324)	307 510
Decrease/(increase) in prepaid subscriptions	976 817	(238 940)
	5 203 524	4 763 869

18. COMMITMENTS

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	398 820	427 809
- in second to fifth year inclusive	66 470	465 290
	465 290	893 099

A 1 year lease was signed with WeWork The Link from 1 March 2022 and renewed for 24 months to February 2025. There is monthly lease arrangement for storage and parking in addition to the lease on premises.

The various office equipment leases run for 1 - 5 years with no annual escalation clause.

No contingent rent is payable.

19. RELATED PARTIES

Relationships

Director with significant influence in the following entity:

Directors

SAPOA Bursary Fund Trust

NA Gopal

MF Kekana

JR van Niekerk

AJ König

DJ Green

IU Mothibeli

S Brown

L Razack

S Moodley

NNN Radebe

Related party balances and transactions with other related parties

Related party transactions

Reimbursements received from related party

SAPOA Bursary Fund Trust	4 641 235	1 462 238
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NOTES TO THE FINANCIAL STATEMENTS

20. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION

Executive

2023

Directors' emoluments	Basic salary R	Bonuses and other R	Pension R	Total R
Chief Executive Officer	2 471 568	1 469 337	440 077	4 380 982

2022

Directors' emoluments	Basic salary R	Bonuses and other R	Pension R	Total R
Chief Executive Officer	2 343 655	1 399 369	419 121	4 162 145

21. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

22. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant matter or circumstance arising since the end of the financial year and the reporting date, that would materially impact the financial statements.

DETAILED INCOME STATEMENT

	Note(s)	2023 R	2022 R
Revenue			
Educational and event revenue		18 517 880	15 829 666
Publication revenue		9 171	19 575
Research		158 318	929 993
Subscriptions		17 433 857	14 771 700
	9	36 119 226	31 550 934
Direct cost of revenue income			
Property development		(1 907 767)	(1 728 713)
Convention		(10 061 672)	(8 111 364)
Networking		(58 476)	(246 147)
Events and Webinars		(1 115 762)	(909 371)
Marketing		(122 962)	(100 283)
Other		(4 493 585)	(3 659 591)
	10	(17 846 884)	(14 755 469)
Gross profit		18 272 342	16 795 465
Other income			
Other income		256 189	15 715
Other gains - net			
Profit on investment		411 499	41 652
Expenses (Refer to page 45)		(14 717 941)	(12 931 149)
Operating profit		4 222 089	3 921 683
Interest received	15	2 225 754	1 104 761
Profit for the year		6 447 843	5 026 444

DETAILED INCOME STATEMENT

	Note(s)	2023 R	2022 R
Operating expenses			
Auditors remuneration		(253 000)	(230 000)
Bank charges		(23 863)	(23 319)
Computer expenses		(370 764)	(338 186)
Consulting and professional fees		(91 808)	(53 000)
Depreciation		(77 721)	(153 985)
Employee costs		(11 846 722)	(10 071 702)
General expense		(55 498)	(65 611)
Insurance		(75 523)	(69 194)
Internet		(28 880)	(26 627)
Lease rentals on operating lease		(743 225)	(778 113)
Legal expenses		(120 954)	(54 766)
Marketing		(556 191)	(447 421)
Postage		(5 497)	(6 504)
Printing and stationery		(23 965)	(14 277)
Property charter contribution		(100 000)	(100 000)
Public relations		(72 688)	(82 867)
Publication subscriptions		(5 064)	(558)
Staff training		(44 239)	(80 643)
Subscriptions		(109 301)	(102 428)
Telephone and fax		(55 199)	(53 687)
Travel - local		(45 012)	(165 929)
Workmen's compensation		(12 827)	(12 332)
		(14 717 941)	(12 931 149)

[illegible]

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