

**THE SOUTH AFRICAN INSTITUTION OF CIVIL ENGINEERING NPO AND ITS SUBSIDIARY
(Registration number 211-689NPO)
CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Mazars
Registered Auditor
Issued 23 April 2024**

The South African Institution of Civil Engineering NPO and its subsidiary

(Registration number: 211-689NPO)

Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The development of networks which address all issues relating to Civil Engineering and providing a professional home for all involved in Civil Engineering.
Business and registered address	Block 19 Thornhill Office Park Bekker Street, Varna Valley X21 Midrand 1685
Postal address	Private Bag X200 Halfway House 1685
Bankers	Standard Bank of South Africa Limited First National Bank Limited Investec Limited
Auditors	Mazars Registered Auditors
Institution registration number	211-689NPO
Level of assurance	These consolidated and separate annual financial statements have been audited in compliance with the applicable requirements of the Institution.
Preparer	The consolidated and separate annual financial statements were independently compiled by: Omar Vaid Accountant
Issued	23 April 2024

The South African Institution of Civil Engineering NPO and its subsidiary

(Registration number: 211-689NPO)

Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

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Statement of Responsibility by the Executive Board

The members of the Executive Board are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the Institution as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

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

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

The members of the Executive Board 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 consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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

The external auditors are responsible for independently auditing and reporting on the Institution's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Institution's external auditors and their report is presented on pages 5 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the Executive Board of members and committees of the Board. The members believe that all representations made to the independent auditors during their audit are valid and appropriate.

The Executive Board on 27 March 2024 duly considered the consolidated and separate annual financial statements for 2023 and recommends to the Council and to the Annual General Meeting on 23 April 2024 to consider the annual financial statements. The annual financial statements set out on pages 9 to 31, which have been prepared on the going concern basis, were approved by the Council on 23 April 2024 and were signed on its behalf by:

The South African Institution of Civil Engineering NPO and its subsidiary

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Statement of Responsibility by the Executive Board



Steven Kaplan (President)

Sarlette Vermaak (CFO)

Sumith Kasserchun (Chairman: Finance & Audit Committee)

Independent Auditor's Report

To the Shareholders of The South African Institute of Civil Engineering NPO and its subsidiary

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated and separate financial statements of The South African Institute of Civil Engineering NPO and its subsidiary set out on pages 10 to 31, which comprise the consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate 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 consolidated and separate financial statements present fairly, in all material respects, the financial position of The South African Institute of Civil Engineering NPO and its subsidiary as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SME Accounting Standards as issued by the International Accounting Standards Board 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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International*

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Ninan (Country Managing Partner), C Abrahamse, SJ Adlam, JPMP Atwood, JM Barnard, AK Batt, T Beukes, WI Blake, HL Burger, MJ Cassan, JC Combrink, JR Comley, GJ de Beer, TVDL De Vries, G Deva, Y Dockrat, DS Dollman, S Doolabh, A Driscoll, M Edelberg, JJ Eloff, T Erasmus, F Esterhuizen, Y Ferreira, MH Fisher, T Gangen, M Groenewald, K Hoosain, MY Ismail, B Jansen, J Kasan, D Keeve, J Marais, N Mayat, B Mbunge, G Molyneux, A Moruck, R Murugan, S Naidoo, MG Odendaal, W Olivier, MV Patel, M Pieterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, E Sibanda, MR Snow, W Sterley, EM Steyn, HH Swanepoel, AL Swartz, DM Tekie, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, R van Molendorff, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

Our offices: Bloemfontein, Cape Town, Durban, Gqeberha, Johannesburg, Paarl, Pretoria

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Independence Standards). 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 information included in the document titled “The South African Institute of Civil Engineering NPO and its subsidiary Consolidated and Separate 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 consolidated or the separate financial statements and our auditor’s reports 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 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 IFRS for SME Accounting Standards as issued by the International Accounting Standards Board 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

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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.

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

Mazars

Mazars

Partner: Jean-Pierre Atwood

Registered Auditor

23 April 2024

Johannesburg

Auditor's Responsibilities for the Audit of the 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.

The South African Institution of Civil Engineering NPO and its subsidiary

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Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

Executive Board's Report

The Executive Board has pleasure in submitting their report on the consolidated and separate annual financial statements of The South African Institution of Civil Engineering NPO and its subsidiary for the year ended 31 December 2023.

1. Nature of business

The Institution is engaged in the development of networks which address all issues relating to Civil Engineering and providing a professional home for all involved in Civil Engineering and operates principally in South Africa.

2. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Institution. 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 group are set out in these consolidated and separate annual financial statements and do not in our opinion require any further comment.

3. Going concern

The Executive Board believes that the group has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the consolidated and separate annual financial statements have been prepared on a going concern basis. The Executive Board has satisfied themselves that the group is in a sound financial position and able to meet its foreseeable cash requirements. The Executive Board is not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

4. Events after the reporting period

The Executive Board is not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Executive Board members

A list of the present Executive Board members is kept at the registered office.

6. Investment in subsidiary

Details of the investment in the subsidiary is presented in the consolidated and separate annual financial statements in note 4. The financial results of the subsidiary has been consolidated into the group results as from 1 January 2016, as this is the date the subsidiary commenced operations.

7. Auditors

Mazars continued in office as auditors for the Institution and its subsidiary for 2023.

The South African Institution of Civil Engineering NPO and its subsidiary

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Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in Rand	Notes	Group		Institution	
		2023	2022	2023	2022
Assets					
Non-Current Assets					
Property, plant and equipment	2	2 448 467	2 183 987	2 448 467	2 183 987
Intangible assets	3	1 054 882	596 597	978 915	561 880
Available-for-sale financial assets	5	3 827 767	4 476 795	3 827 767	4 476 795
Deferred tax	6	227 398	170 823	-	-
Loan to related entity	7	-	-	209 590	561 124
		7 558 514	7 428 202	7 464 739	7 783 786
Current Assets					
Inventories	8	624 973	1 002 379	-	-
Trade and other receivables	9	933 279	368 857	586 519	366 357
Current tax receivable		-	104 468	-	-
Cash and cash equivalents	10	45 853 417	43 539 982	45 093 853	43 161 773
		47 411 669	45 015 686	45 680 372	43 528 130
Total Assets		54 970 183	52 443 888	53 145 111	51 311 916
Equity and Liabilities					
Equity					
Reserves		9 138 395	7 567 278	9 138 395	7 567 278
Accumulated surplus		28 081 847	25 697 289	27 153 439	25 312 502
		37 220 242	33 264 567	36 291 834	32 879 780
Liabilities					
Current Liabilities					
Trade and other payables	12	17 733 271	19 179 321	16 853 277	18 432 136
Current tax payable		16 670	-	-	-
		17 749 941	19 179 321	16 853 277	18 432 136
Total Equity and Liabilities		54 970 183	52 443 888	53 145 111	51 311 916

The South African Institution of Civil Engineering NPO and its subsidiary

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Statement of Comprehensive Income

Figures in Rand	Notes	Group		Institution	
		2023	2022	2023	2022
Revenue	14	38 477 094	37 827 273	24 414 319	23 991 464
Cost of sales	15	(1 810 597)	(1 777 258)	-	-
Gross surplus		36 666 497	36 050 015	24 414 319	23 991 464
Other income	16	39 949	69 752	37 074	52 357
Operating expenses	17	(37 428 087)	(33 316 260)	(25 903 756)	(22 147 145)
Operating surplus		(721 641)	2 803 507	(1 452 363)	1 896 676
Investment revenue	18	3 401 108	2 007 111	3 319 445	1 960 459
Finance costs	19	(26 145)	(58 916)	(26 145)	(58 916)
Surplus before taxation		2 653 322	4 751 702	1 840 937	3 798 219
Taxation	20	(268 764)	(267 115)	-	-
Surplus for the year		2 384 558	4 484 587	1 840 937	3 798 219
Other comprehensive surplus		-	-	-	-
Total comprehensive surplus for the year		2 384 558	4 484 587	1 840 937	3 798 219

The South African Institution of Civil Engineering NPO and its subsidiary

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Statement of Changes in Equity

	Infrastructure report card reserve fund	Insurance reserve fund	Special purpose fund	SPEBS reserve fund	Total reserves	Accumulated surplus	Total equity
Figures in Rand							
Group							
Balance at 01 January 2022	596 269	764 764	3 282 061	2 276 793	6 919 887	21 212 702	28 132 589
Surplus for the year	-	-	-	-	-	4 484 587	4 484 587
Other comprehensive surplus	-	-	75 050	-	75 050	-	75 050
Total comprehensive surplus for the year	-	-	75 050	-	75 050	4 484 587	4 559 637
Contribution to infrastructure report reserve fund	1 440 000	-	-	-	1 440 000	-	1 440 000
Contribution to insurance reserve fund	-	87 635	-	-	87 635	-	87 635
Contribution to SPEBS reserve fund	-	-	-	(955 294)	(955 294)	-	(955 294)
Total changes	1 440 000	87 635	-	(955 294)	572 341	-	572 341
Balance at 01 January 2023	2 036 269	852 399	3 357 111	1 321 499	7 567 278	25 697 289	33 264 567
Surplus for the year	-	-	-	-	-	2 384 558	2 384 558
Other comprehensive surplus	-	-	619 363	-	619 363	-	619 363
Total comprehensive surplus for the year	-	-	619 363	-	619 363	2 384 558	3 003 921
Contribution to infrastructure report reserve fund	500 000	-	-	-	500 000	-	500 000
Contribution to insurance reserve fund	-	51 754	-	-	51 754	-	51 754
Contribution to SPEBS reserve fund	-	-	-	400 000	400 000	-	400 000
Total changes	500 000	51 754	-	400 000	951 754	-	951 754
Balance at 31 December 2023	2 536 269	904 153	3 976 474	1 721 499	9 138 395	28 081 847	37 220 242

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Statement of Changes in Equity

	Infrastructure report card reserve fund	Insurance reserve fund	Special purpose fund	SPEBS reserve fund	Total reserves	Accumulated surplus	Total equity
Figures in Rand							
Institution							
Balance at 01 January 2022	596 269	764 764	3 282 061	2 276 793	6 919 887	21 514 283	28 434 170
Surplus for the year	-	-	-	-	-	3 798 219	3 798 219
Other comprehensive surplus	-	-	75 050	-	75 050	-	75 050
Total comprehensive surplus for the year	-	-	75 050	-	75 050	3 798 219	3 873 269
Contribution to infrastructure report reserve fund	1 440 000	-	-	-	1 440 000	-	1 440 000
Contribution to insurance reserve fund	-	87 635	-	-	87 635	-	87 635
Contribution to SPEBS reserve fund	-	-	-	(955 294)	(955 294)	-	(955 294)
Total changes	1 440 000	87 635	-	(955 294)	572 341	-	572 341
Balance at 01 January 2023	2 036 269	852 399	3 357 111	1 321 499	7 567 278	25 312 502	32 879 780
Surplus for the year	-	-	-	-	-	1 840 937	1 840 937
Other comprehensive surplus	-	-	619 363	-	619 363	-	619 363
Total comprehensive surplus for the year	-	-	619 363	-	619 363	1 840 937	2 460 300
Contribution to infrastructure report reserve fund	500 000	-	-	-	500 000	-	500 000
Contribution to insurance reserve fund	-	51 754	-	-	51 754	-	51 754
Contribution to SPEBS reserve fund	-	-	-	400 000	400 000	-	400 000
Total changes	500 000	51 754	-	400 000	951 754	-	951 754
Balance at 31 December 2023	2 536 269	904 153	3 976 474	1 721 499	9 138 395	27 153 439	36 291 834

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Statement of Cash Flows

Figures in Rand	Notes	Group		Institution	
		2023	2022	2023	2022
Cash flows from operating activities					
Cash (used in) generated from operations	22	(1 076 146)	3 318 556	(2 612 294)	2 105 332
Interest income	18	3 272 689	1 857 766	3 191 026	1 811 114
Finance costs	19	(26 145)	(58 916)	(26 145)	(58 916)
Tax paid		(204 201)	(503 446)	-	-
Net cash from operating activities		1 966 197	4 613 960	552 587	3 857 530
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(636 830)	(136 192)	(636 830)	(136 192)
Proceeds from sale of property, plant and equipment		-	22 003	-	22 003
Purchase of other intangible assets	3	(745 133)	(41 280)	(688 133)	-
Loan to related entity repaid		-	-	975 255	814 195
Movement in financial assets		649 028	33 564	649 028	33 564
Transfer of funds to reserves		951 754	572 341	951 754	572 341
Dividends received		128 419	149 345	128 419	149 345
Net cash from investing activities		347 238	599 781	1 379 493	1 455 256
Total cash movement for the year		2 313 435	5 213 741	1 932 080	5 312 786
Cash at the beginning of the year		43 539 982	38 326 241	43 161 773	37 848 987
Total cash at end of the year	10	45 853 417	43 539 982	45 093 853	43 161 773

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Accounting Policies

General information

The South African Institution of Civil Engineering is an institution established in South Africa. The address of its registered office and principal place of business is Block 19, Thornhill Office Park, Bekker Street, Vorna Valley X21, Midrand, 1682. Their principal activities are the development of networks which address all issues relating to Civil Engineering and providing a professional home for all involved in Civil Engineering.

1. Basis of preparation and summary of significant accounting policies

The consolidated and separate annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Institution. The consolidated and separate annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial assets at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the consolidated and separate annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the consolidated and separate annual 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 results in the future could differ from these estimates which may be material to the consolidated and separate annual financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Depreciation of property, plant and equipment

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

Allowance for slow moving, damaged and obsolete inventory

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

Impairment of financial assets

The group and institution assesses its trade receivables for impairment on an ongoing basis. In determining whether an impairment loss should be recorded in profit or loss, the group and institution make judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows of that financial asset.

The impairment for trade receivables is calculated on an individual basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date.

The group and institution reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indicators that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of tangible assets are inherently uncertain and could materially change over time.

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Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Available-for-sale assets

The group follows the guidance of the International Financial Reporting Standard for Small and Medium-sized Entities to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Institution evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Expected manner of realisation for deferred tax

Deferred taxation assets are recognised to the extent that it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans that include estimates and assumptions regarding economic growth, interest inflation and taxation rates and competitive forces.

Assessing the recoverability of the deferred income tax assets requires the group to make estimates related to expectations in future taxable income. Estimates of future taxable income are based on forecast cash flow from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the group's ability to realise the net deferred tax assets recorded in the statement of financial position could be impacted. Additionally future changes in tax laws could limit the group's ability to obtain tax deductions in future periods. Assets are only raised where the group will be able to utilise these losses.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Going concern

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

1.2 Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the annual financial statements of the Institution and all of its subsidiaries.

Control exists when the Institution has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated and separate annual financial statements from the effective date of acquisition to the effective date of disposal. All intragroup transactions, balances, income and expenses are eliminated.

Investments in subsidiaries are accounted for at cost less any accumulated impairment losses, in the Institution's separate annual financial statements.

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Accounting Policies

1.3 Property, plant and equipment

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

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group and institution, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and institution and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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 group.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Building fittings	Straight line	10 years
Furniture and fixtures	Straight line	5 years
Office equipment	Straight line	3 years
Computer equipment	Straight line	3 years
Land	Not applicable	Not depreciated

The depreciation charge for each period is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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

1.4 Intangible assets

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

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate.

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

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Accounting Policies

1.4 Intangible assets (continued)

Item	Useful life
Membership database	5 years
Computer software	2 years
Development cost: ebooks	2 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

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

The intangible assets have been developed.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit in the period in which the assets are disposed of.

1.5 Investment in subsidiary

Investment in subsidiary is measured at cost less any accumulated impairment losses.

Group annual financial statements

The group annual financial statements include those of the holding entity and its subsidiary. The results of the subsidiary is included from the effective date of acquisition. All intra group transactions, balances, income and expenses are eliminated.

Institution annual financial statements

In the group's separate annual financial statements, investment in subsidiary is carried at at cost less any accumulated impairment losses.

1.6 Financial instruments

Initial recognition and measurement

Basic financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies basic financial instruments, or their component parts, on initial recognition as a basic financial asset, a basic financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Basic financial instruments are measured initially at fair value, including transaction costs for those that are not at fair value through profit or loss.

Subsequent measurement

Basic financial assets are subsequently measured at amortised cost.

Basic financial liabilities are subsequently measured at amortised cost.

Loan to related entity

The loan to the related entity is classified as a basic financial asset at amortised cost.

Trade and other receivables

Trade and other receivables are classified as basic financial assets at amortised cost.

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Accounting Policies

1.6 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents are classified as basic financial assets at amortised cost.

Trade and other payables

Trade and other payables are classified as basic financial liabilities at amortised cost.

1.7 Available-for-sale financial assets

Available-for-sale financial assets are measured initially at fair value, including transaction costs for those that are not at fair value through profit or loss.

Subsequently available-for-sale financial assets is carried at cost less accumulated amortisation and any accumulated impairment.

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

1.9 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.

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.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised.

1.10 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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Accounting Policies

1.11 Revenue

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

(a) Sale of goods

Sale of goods is recognised when the group has delivered products to the customer and the customer has accepted the products and collectability of the related receivables is reasonably assured.

(b) Other revenue

Membership fees are recognised on an accrual basis and are billed in advance on an annual basis.

Sponsorship revenue is recognised when the Group has a legal right to receive the funds, net of value added tax (VAT).

Courses and events revenue is recognised in terms of the courses revenue policy.

Congress and courses revenue are recognised when the underlying event occurs, net of value added tax (VAT).

Magazine revenue relates to advertising revenue and is recognised when the magazine is first distributed, net of value added tax (VAT).

Booksales are recognised when the group has delivered products to the customer and the customer has accepted the products and collectability of the related receivables is reasonably assured.

1.12 Cost of sales

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.13 Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

1.14 Dividend income

Dividend income is recognised when the right to receive payment is established.

1.15 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.

Defined contribution plans

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

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Accounting Policies

1.16 Borrowing costs

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

1.17 Related parties

A related party is related to an entity if any of the following situations apply to it:

- Individual control: The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the entity.
- Key Management: The party is a member of an entity's or its parent's key management personnel.

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand	Group		Institution	
	2023	2022	2023	2022

2. Property, plant and equipment

Group	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	1 080 000	-	1 080 000	1 080 000	-	1 080 000
Buildings	3 240 000	(2 592 000)	648 000	3 240 000	(2 430 000)	810 000
Building fittings	1 307 042	(1 066 970)	240 072	2 157 696	(2 089 015)	68 681
Furniture and fixtures	1 116 146	(940 893)	175 253	1 031 689	(1 012 950)	18 739
Office equipment	582 120	(552 328)	29 792	565 140	(516 650)	48 490
Computer equipment	1 275 570	(1 000 220)	275 350	1 080 603	(922 526)	158 077
Total	8 600 878	(6 152 411)	2 448 467	9 155 128	(6 971 141)	2 183 987

Institution	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	1 080 000	-	1 080 000	1 080 000	-	1 080 000
Buildings	3 240 000	(2 592 000)	648 000	3 240 000	(2 430 000)	810 000
Building fittings	1 307 042	(1 066 970)	240 072	2 157 696	(2 089 015)	68 681
Furniture and fixtures	1 116 146	(940 893)	175 253	1 031 689	(1 012 950)	18 739
Office equipment	582 120	(552 328)	29 792	565 140	(516 650)	48 490
Computer equipment	1 275 570	(1 000 220)	275 350	1 080 603	(922 526)	158 077
Total	8 600 878	(6 152 411)	2 448 467	9 155 128	(6 971 141)	2 183 987

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Depreciation	Closing balance
Land	1 080 000	-	-	1 080 000
Buildings	810 000	-	(162 000)	648 000
Building fittings	68 681	219 150	(47 759)	240 072
Furniture and fixtures	18 739	176 944	(20 430)	175 253
Office equipment	48 490	16 980	(35 678)	29 792
Computer equipment	158 077	223 756	(106 483)	275 350
	2 183 987	636 830	(372 350)	2 448 467

Reconciliation of property, plant and equipment - Institution - 2023

	Opening balance	Additions	Depreciation	Closing balance
Land	1 080 000	-	-	1 080 000
Buildings	810 000	-	(162 000)	648 000
Building fittings	68 681	219 150	(47 759)	240 072
Furniture and fixtures	18 739	176 944	(20 430)	175 253
Office equipment	48 490	16 980	(35 678)	29 792
Computer equipment	158 077	223 756	(106 483)	275 350
	2 183 987	636 830	(372 350)	2 448 467

Registers with details of land and buildings are available for inspection by the members or their duly authorised representatives at the registered office of the Institution and its respective subsidiary.

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Figures in Rand	Group		Institution	
	2023	2022	2023	2022

3. Intangible assets

Group	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	503 696	(447 217)	56 479	959 744	(934 579)	25 165
Online course development	66 780	-	66 780	9 780	-	9 780
Development cost: eBooks	9 000	(9 000)	-	9 000	(9 000)	-
Membership database	1 634 576	(702 953)	931 623	1 222 606	(660 954)	561 652
Total	2 214 052	(1 159 170)	1 054 882	2 201 130	(1 604 533)	596 597

Institution	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	472 196	(424 904)	47 292	928 244	(928 016)	228
Development cost: eBooks	9 000	(9 000)	-	9 000	(9 000)	-
Membership database	1 634 576	(702 953)	931 623	1 222 606	(660 954)	561 652
Total	2 115 772	(1 136 857)	978 915	2 159 850	(1 597 970)	561 880

Reconciliation of intangible assets - Group - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	25 165	59 500	(28 186)	56 479
Online course development	9 780	57 000	-	66 780
Membership database	561 652	628 633	(258 662)	931 623
	596 597	745 133	(286 848)	1 054 882

Reconciliation of intangible assets - Institution - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	228	59 500	(12 436)	47 292
Membership database	561 652	628 633	(258 662)	931 623
	561 880	688 133	(271 098)	978 915

4. Investment in subsidiary

Name of subsidiary	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
The South African Institution of Civil Engineering Proprietary Limited	100,00 %	100,00 %	-	-

The subsidiary is incorporated in South Africa and shares the year end of the institution.

The carrying amount of subsidiary is shown gross of impairment losses.

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Figures in Rand	Group		Institution	
	2023	2022	2023	2022

5. Available-for-sale financial assets

Group and Institution	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Listed Equities Securities - South Africa	3 827 767	-	3 827 767	4 476 795	-	4 476 795

Reconciliation of available-for-sale financial assets - Group and Institution - 2023

	Opening balance	Additions	Disposals	Fair value revaluation	Total
Listed Equity Securities - South Africa	4 476 795	514 885	(1 526 949)	363 036	3 827 767

Reconciliation of available-for-sale financial assets - Group and Institution - 2022

	Opening balance	Additions	Disposals	Fair value revaluation	Total
Listed Equity Securities - South Africa	4 510 359	60 291	(143 906)	50 051	4 476 795

6. Deferred tax

The major components of the deferred tax balance are as follows:

Deferred tax asset

Arising as a result of temporary differences on:

Leave pay provision	43 065	-	-	-
Provision for slow moving stock	100 560	-	-	-
Provision for bad debts	32 960	120 384	-	-
Income received in advance	50 813	50 439	-	-
Total deferred tax asset	227 398	170 823	-	-

Reconciliation of deferred tax asset

At beginning of year	170 823	243 227	-	-
Recognised in profit or loss:				
Leave pay provision	43 065	-	-	-
Provision for slow moving stock	100 560	-	-	-
Provision for bad debts	(87 424)	(61 649)	-	-
Income received in advance	374	(10 755)	-	-
	56 575	(72 404)	-	-
At end of year	227 398	170 823	-	-

7. Loan to related entity

Subsidiary

The South African Institution of Civil Engineering Proprietary Limited	-	-	209 590	561 124
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The South African Institution of Civil Engineering NPO and its subsidiary

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Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand	Group		Institution	
	2023	2022	2023	2022
8. Inventories				
Books, technical and promotional items	997 417	1 002 379	-	-
	<u>997 417</u>	<u>1 002 379</u>	<u>-</u>	<u>-</u>
Inventories (write-downs)	(372 444)	-	-	-
	<u>624 973</u>	<u>1 002 379</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expense amounted to R 1 810 597 (2022: R 1 777 258).

9. Trade and other receivables

Trade receivables	6 598 138	7 214 066	6 331 191	6 640 408
Less: provision for impairment of trade receivables	(6 123 751)	(7 006 247)	(5 920 291)	(6 432 589)
	<u>474 387</u>	<u>207 819</u>	<u>410 900</u>	<u>207 819</u>
Net trade receivables	474 387	207 819	410 900	207 819
Deposits	94 728	94 728	92 228	92 228
Prepayments	305 369	66 310	83 391	66 310
Other receivables	21 000	-	-	-
Accrued income	37 795	-	-	-
	<u>933 279</u>	<u>368 857</u>	<u>586 519</u>	<u>366 357</u>

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	5 500	5 500	5 500	5 500
Cash at bank and on hand - National Office	32 793 192	31 805 449	32 793 192	31 805 449
Cash at bank and on hand - SPEBS	2 118 478	1 638 342	2 118 478	1 638 342
Cash at bank and on hand - Branches and Divisions	10 176 683	9 712 482	10 176 683	9 712 482
Cash at bank and on hand - company	759 564	378 209	-	-
	<u>45 853 417</u>	<u>43 539 982</u>	<u>45 093 853</u>	<u>43 161 773</u>

The institution has the following facilities:
Credit card R170 000

Bank and credit rating:

Standard Bank of South Africa Limited	Baa2
Investec Bank Limited	Baa2
Stanlib Bank Limited	Baa2
First National Bank Limited	Baa2

11. Financial assets by category

Available-for-sale financial assets	3 827 767	4 476 795	3 827 767	4 476 795
Loan to related entity	-	-	209 590	561 124
Trade and other receivables	590 115	302 547	503 128	300 047
Cash and cash equivalents	45 853 417	43 539 982	45 093 853	43 161 773
	<u>50 271 299</u>	<u>48 319 324</u>	<u>49 634 338</u>	<u>48 499 739</u>

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand	Group		Institution	
	2023	2022	2023	2022
12. Trade and other payables				
Trade payables	1 878 070	1 374 304	1 699 028	1 293 614
Amounts received in advance	11 283 334	13 786 392	11 095 138	13 606 254
South African Revenue Service - VAT	3 214 177	3 110 951	3 109 761	2 880 703
Accrued expenses - salaries	993 629	778 907	785 051	591 903
Accrued expenses - other	364 061	128 767	164 299	59 662
	17 733 271	19 179 321	16 853 277	18 432 136
13. Financial liabilities by category				
Trade and other payables	1 878 070	1 374 304	1 699 028	1 293 614
14. Revenue				
Branch revenue	1 390 305	1 272 636	1 390 305	1 272 636
Division revenue	733 286	846 052	733 286	846 052
Membership revenue	21 630 791	21 104 703	21 630 791	21 104 703
Alternative Dispute Resolution (ADR) Panel	255 617	449 557	-	-
Book sales	3 071 133	3 108 184	-	-
Bookshop courier fee income	147 260	133 918	-	-
Courses - Income	2 997 502	4 099 383	-	-
Courses - Income SAICE-PDP	2 152 961	1 653 298	-	-
CPD Validations	205 585	105 063	-	-
Magazine - Advertising Income	2 716 151	2 637 682	-	-
Magazine - Other Income	354 206	284 149	-	-
Mentoring programmes	840 000	-	-	-
Other revenue	911 825	1 023 402	659 937	768 073
Sponsorship	723 048	655 681	-	-
Website income	347 424	453 565	-	-
	38 477 094	37 827 273	24 414 319	23 991 464
Branch revenue consists of the following:				
Branch: member income	8,12%	6,46%	8,12%	6,46%
Branch: non-member income	92,49%	93,54%	92,49%	93,54%
	100%	100%	100%	100%
Division revenue consists of the following:				
Division: member income	7,54%	2,30%	7,54%	2,30%
Division: non-member income	92,46%	97,7%	92,46%	97,7%
	100%	100%	100%	100%
15. Cost of sales				
Rendering of services				
Cost of books	1 810 597	1 777 258	-	-

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand	Group		Institution	
	2023	2022	2023	2022
16. Other income				
Bad debts recovered	30 112	42 618	30 112	42 618
Discount received	1 613	2 944	1 199	2 702
Profit on exchange differences	-	362	-	-
Royalties received	8 224	23 828	5 763	7 037
	39 949	69 752	37 074	52 357
17. Expenses by nature				
Accommodation	153 863	260 586	137 414	242 487
Accounting software and support	464 163	315 638	440 955	299 856
Advertising	75 310	61 086	19 724	14 973
Alternative Dispute Resolution (ADR) Panel	37 302	204 771	-	-
Annual return fee	-	450	-	-
Assessor, arbitrator and mediator fees	24 365	8 960	-	-
Auditors remuneration	580 476	217 500	356 076	128 900
Bad debts	638 534	(27 561)	951 506	224 066
Bookshop - other expenses	540 794	209 401	-	-
Branch expenses	2 567 327	2 406 844	2 567 327	2 406 844
Building repairs, maintenance and utilities	1 230 676	1 786 054	1 230 676	1 786 054
Bursaries	415 660	(410 154)	415 660	(410 154)
Catering expenses	201 543	141 677	187 785	133 800
Company secretarial fees	27 150	20 950	4 350	8 050
Consulting fees	266 843	125 215	245 551	107 606
Courier and postage expenses	32 681	29 979	24 001	29 399
Courses expenses	4 025 153	4 700 641	-	-
Depreciation and amortisation charge	659 198	573 640	643 448	567 077
Division expenses	1 639 583	1 225 076	1 639 583	1 225 076
Employee benefit expense	13 684 682	12 276 610	10 729 108	9 452 677
Equipment-rental	-	29 977	32 421	29 977
Events expenses	1 646 264	1 600 258	-	-
HR management expenses	218 232	194 685	218 232	184 172
Impairment of loan to subsidiary	-	-	-	(25 719)
Information Technology expenses	943 856	373 006	943 856	373 006
Infrastructure Report	500 000	2 203 235	500 000	2 203 235
Insurance	75 147	78 419	75 147	78 419
Issmge fees - Geotechnical Division	124 678	97 465	124 678	97 465
Journal expenses	125 428	132 500	125 428	132 500
Legal fees	200 093	-	200 093	-
Loss on foreign transactions	19 260	-	-	-
Magazine expenses	1 342 599	1 312 832	225 854	218 679
Marketing Campaigns	873 430	629 915	873 430	629 915
Mentoring programmes	681 914	-	-	-
Other expenses	1 389 859	900 300	1 285 588	801 024
Printing and stationery	139 780	140 374	136 971	137 434
Promotions	206 185	94 430	198 955	91 077
Software expenses	268 051	217 683	262 819	213 402
Sponsorships	238 261	-	238 261	-
Telephone and fax	194 774	179 101	168 389	156 400
Travel expenses	544 687	431 562	516 708	402 143
Website expenses	430 286	573 155	183 762	207 305
Total operating expenses	37 428 087	33 316 260	25 903 756	22 147 145

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand	Group		Institution	
	2023	2022	2023	2022
18. Investment revenue				
Dividend revenue				
Listed financial assets	128 419	149 345	128 419	149 345
Interest revenue				
Listed financial assets	177 948	100 925	177 948	100 925
Bank	2 351 717	1 316 743	2 270 054	1 270 091
Interest received	743 024	440 098	743 024	440 098
	3 272 689	1 857 766	3 191 026	1 811 114
	3 401 108	2 007 111	3 319 445	1 960 459
19. Finance costs				
Other interest paid	26 145	58 916	26 145	58 916
20. Taxation				
Major components of the tax expense				
Current taxation				
South African normal tax - year	282 020	194 711	-	-
South African normal tax - prior period under estimation	43 319	-	-	-
	325 339	194 711	-	-
Deferred taxation				
Originating and reversing temporary differences	(56 575)	72 404	-	-
	268 764	267 115	-	-
Reconciliation of the tax expense				
Reconciliation between accounting surplus and tax expense.				
Accounting surplus	2 653 322	4 751 702	1 840 937	3 798 219
Tax at the applicable tax rate of 27% (2022: 28%)	716 397	1 330 477	497 053	1 063 501
Tax effect of adjustments on taxable income				
Exempt income				
Exempt income	(497 053)	(1 063 362)	(497 053)	(1 063 501)
	(497 053)	(1 063 362)	(497 053)	(1 063 501)
Other				
Prior period under provisions in current tax	11 696	-	-	-
Change in tax rate	37 724	-	-	-
	49 420	-	-	-
	268 764	267 115	-	-

The South African Institution of Civil Engineering NPO and its subsidiary

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand	Group		Institution	
	2023	2022	2023	2022
20. Taxation (continued)				
The institution is registered as a NPO and is exempt from income tax.				
21. Employee benefit expense				
Salaries and wages	12 988 592	11 642 432	10 159 043	8 937 930
Provident fund - defined contribution	696 090	634 178	570 065	514 747
	13 684 682	12 276 610	10 729 108	9 452 677
Number of employees as at 31 December	26	25	22	21
22. Cash (used in) generated from operations				
Surplus before taxation	2 653 322	4 751 702	1 840 937	3 798 219
Adjustments for:				
Depreciation and amortisation	659 198	573 640	643 448	567 077
Dividends received	(128 419)	(149 345)	(128 419)	(149 345)
Interest received	(3 272 689)	(1 857 766)	(3 191 026)	(1 811 114)
Finance costs	26 145	58 916	26 145	58 916
Non-cash movement in loan to shareholder	-	-	(623 721)	-
Special purpose fund movement	619 363	75 050	619 363	75 050
Changes in working capital:				
Inventories	377 406	(3 972)	-	-
Trade and other receivables	(564 422)	462 562	(220 162)	444 528
Trade and other payables	(1 446 050)	(592 231)	(1 578 859)	(877 999)
	(1 076 146)	3 318 556	(2 612 294)	2 105 332
23. Related parties				
Relationships				
Members of the Executive Board				
Steven Kaplan			President 2023	
Marianne Vanderschuren			President 2022	
Key Management				
Sekadi Phayane-Shakhane (Appointed 1 July 2023)			Chief Executive Officer	
Sarlette Vermaak			Chief Financial Officer	
Related party balances and transactions with other related parties				
Related party balances				
Loan to related entity				
The South African Institution of Civil Engineering Proprietary Limited	-	-	209 590	561 124

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Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand	Group		Institution	
	2023	2022	2023	2022
23. Related parties (continued)				
Related party transactions				
Revenue (expenses) from related party				
The South African Institution of Civil Engineering Proprietary Limited	-	-	(126 897)	(909 527)
The South African Institution of Civil Engineering Proprietary Limited	-	-	669 264	1 773 410
The South African Institution of Civil Engineering - PDP	92 808	104 038	-	-
The South African Institution of Civil Engineering - PDP	(1 484 548)	(1 187 184)	-	-
	<u>(1 391 740)</u>	<u>(1 083 146)</u>	<u>542 367</u>	<u>863 883</u>

Key management includes the Chief Executive Officer, Chief Financial Officer and the President. The compensation paid or payable to key management for employee services is shown below.

Salaries and other short-term employee benefits	2 534 256	2 176 935	2 534 256	2 176 935
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24. Directors' remuneration

Key management

2023

Directors' emoluments	Emoluments	Total
Services as director		
Sekadi Phayane-Shakhane	895 547	895 547
Sarlette Vermaak	1 593 569	1 593 569
Steven Kaplan	45 140	45 140
	<u>2 534 256</u>	<u>2 534 256</u>

2022

Directors' emoluments	Emoluments	Total
Services as director		
Vishaal Lutchman	585 041	585 041
Sarlette Vermaak	1 546 754	1 546 754
Marianne Vanderschuren	45 140	45 140
	<u>2 176 935</u>	<u>2 176 935</u>

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Consolidated And Separate Annual Financial Statements for the year ended 31 December 2023

Notes to the Consolidated And Separate Annual Financial Statements

25. Going concern

The Executive Board believes that the group has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the consolidated and separate annual financial statements have been prepared on a going concern basis. The Executive Board has satisfied themselves that the group is in a sound financial position to meet its foreseeable cash requirements. The Executive Board is not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

26. Events after the reporting period

The Executive Board is not aware of any material event which occurred after the reporting date and up to the date of this report.