

THE SOUTH AFRICAN INSTITUTION OF CIVIL ENGINEERING PROPRIETARY LIMITED
(Registration number 2015/015140/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Mazars
Registered Auditor
Issued 23 April 2024

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

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	<p>SAICE Proprietary Limited derives its income from Training courses, Webinars, Technical book sales, Website, Social and Digital media, Civil Engineering magazine, Career guidance activities and Industry Events</p> <p>SAICE Proprietary Limited provides support to members of The South African Institution of Civil Engineering NPO, as well as non-member Professional Engineers and the Civil Engineering Industry by providing CPD training courses, technical books and the Civil Engineering Magazine.</p> <p>The Company also host events to create awareness of STEM, provide mentorship opportunities, provide support towards professional registration, provide networking opportunities to Civil Engineers and award excellence in the industry.</p>
Directors	GFB Slabbert S Shunmugam MJ Jansen IN Mahlangu T Ramjogi N Bongoza
Registered office	Block 19 Thornhill Office Park Halfway House 1685
Postal address	Private Bag X200 Halfway House 1685
Holding entity	The South African Institution of Civil Engineering NPO incorporated in South Africa
Bankers	First National Bank Limited
Auditors	Mazars Registered Auditor
Company registration number	2015/015140/07
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: Omar Vaid Accountant
Issued	23 April 2024

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Contents

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

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 9
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 17
Notes to the Annual Financial Statements	18 - 23
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	24 - 25

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements 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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

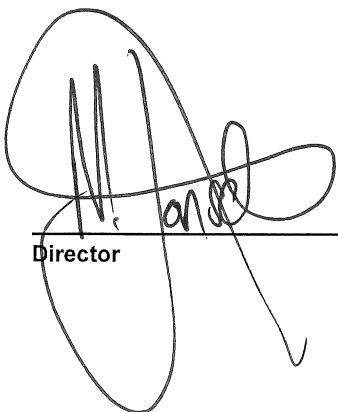
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for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

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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, he are satisfied that the company has or 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 9.

The annual financial statements set out on pages 10 to 25, which have been prepared on the going concern basis, were approved and signed by the directors on 23 April 2024:



Director

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The South African Institution of Civil Engineering Proprietary Limited for the year ended 31 December 2023.

1. Nature of business

The South African Institution of Civil Engineering Proprietary Limited was incorporated in South Africa. The company operates principally in South Africa.

SAICE Proprietary Limited derives its income from Training courses, Webinars, Technical book sales, Website, Social and Digital media, Civil Engineering magazine, Career guidance activities and Industry Events.

SAICE Proprietary Limited provides support to members of The South African Institution of Civil Engineering NPO, as well as non-member Professional Engineers and the Civil Engineering Industry by providing CPD training courses, technical books and the Civil Engineering Magazine.

The Company also hosts events to create awareness of STEM, provide mentorship opportunities, provide support towards professional registration, provide networking opportunities to Civil Engineers and award excellence in the industry.

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 annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 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 annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividends were declared or paid to the shareholder during the year (2022: RNil).

5. Directors

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

Directors	Nationality	Changes
GFB Slabbert	South African	Appointed 01 May 2023
S Shunmugam	South African	Appointed 01 May 2023
MJ Jansen	South African	Appointed 01 May 2023
IN Mahlangu	South African	Appointed 01 May 2023
T Ramjogi	South African	Appointed 01 August 2023
N Bongoza	South African	Appointed 01 August 2023
M Van Veelen	South African	Resigned 01 June 2023
SK Naicker	South African	Resigned 13 February 2023
AM Naidu	South African	Resigned 13 February 2023

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

7. Holding entity

The company's holding entity is The South African Institution of Civil Engineering NPO which was established in South Africa.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Directors' Report

8. Going concern

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

9. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

10. Auditors

Mazars continued in office as auditors for the company for 2023.

11. Secretary

The company had no secretary during the year.

12. Liquidity and solvency

The directors have performed the required liquidity and solvency tests as required by the Companies Act of South Africa and they are satisfied with the financial position and performance of the company.

Independent Auditor's Report

To the Shareholders of The South African Institute of Civil Engineering Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The South African Institute of Civil Engineering Proprietary Limited set out on pages 10 to 23, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The South African Institute of Civil Engineering Proprietary Limited 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 Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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 Limited 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,

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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.

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 Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Intangible assets	2	75 967	34 717
Deferred tax	3	227 398	170 823
		303 365	205 540
Current Assets			
Inventories	4	624 973	1 002 379
Trade and other receivables	5	346 760	2 500
Current tax receivable		-	104 468
Cash and cash equivalents	6	759 564	378 209
		1 731 297	1 487 556
Total Assets		2 034 662	1 693 096
Equity and Liabilities			
Equity			
Share capital	8	-	-
Accumulated profit		928 406	384 785
		928 406	384 785
Liabilities			
Non-Current Liabilities			
Loan from shareholder	9	209 590	561 124
Current Liabilities			
Trade and other payables	10	879 996	747 187
Current tax payable		16 670	-
		896 666	747 187
Total Liabilities		1 106 256	1 308 311
Total Equity and Liabilities		2 034 662	1 693 096

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 form an integral part of the annual financial statements.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Statement of Comprehensive Income

Figures in Rand	Notes	2023	2022
Revenue	12	14 062 775	13 835 809
Cost of sales	13	(1 810 597)	(1 777 258)
Gross profit		12 252 178	12 058 551
Other income	14	2 875	17 395
Operating expenses	15	(11 524 331)	(11 169 115)
Operating profit		730 722	906 831
Investment revenue	16	81 663	46 652
Profit before taxation		812 385	953 483
Taxation	17	(268 764)	(267 115)
Profit for the year		543 621	686 368
Other comprehensive income		-	-
Total comprehensive income for the year		543 621	686 368

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 form an integral part of the annual financial statements.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated profit	Total equity
Balance at 01 January 2022	-	(301 583)	(301 583)
Profit for the year	-	686 368	686 368
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	686 368	686 368
Balance at 01 January 2023	-	384 785	384 785
Profit for the year	-	543 621	543 621
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	543 621	543 621
Balance at 31 December 2023	-	928 406	928 406
Note	8		

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 form an integral part of the annual financial statements.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Statement of Cash Flows

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash generated from operations	18	1 536 148	1 213 224
Interest income	16	81 663	46 652
Tax paid		(204 201)	(503 446)
Net cash from operating activities		1 413 610	756 430
Cash flows from investing activities			
Purchase of intangible assets	2	(57 000)	(41 280)
Repayment of loan from shareholder		(975 255)	(814 195)
Net cash from investing activities		(1 032 255)	(855 475)
Total cash movement for the year		381 355	(99 045)
Cash at the beginning of the year		378 209	477 254
Total cash at end of the year	6	759 564	378 209

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 form an integral part of the annual financial statements.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

General information

The South African Institution of Civil Engineering Proprietary Limited is a private company incorporated in South Africa. The address of its registered office and principal place of business is Block 19, Thornhill Office Park, Halfway House, 1685. 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 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 Companies Act of South Africa. The annual 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.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the 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 annual financial statements.

Key sources of estimation uncertainty

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 company assesses its trade receivables for impairment on an ongoing basis. In determining whether an impairment loss should be recorded in profit or loss, the company makes 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 company 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.

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 company 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 company'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 company's ability to obtain tax deductions in future periods. Assets are only raised where the company will be able to utilise these losses.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

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 company 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 company 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 company 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 company 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 company continues to adopt the going concern basis in preparing its annual financial statements.

1.2 Intangible assets

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

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

Item	Average useful life
Computer software	2 years
Online Course Development	

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.

1.3 Financial instruments

Initial recognition and measurement

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

The company 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.

Trade and other receivables

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

Cash and cash equivalents

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

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.3 Financial instruments (continued)

Trade and other payables

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

Loan from shareholder

The loan from shareholder is classified as a basic financial liability at amortised cost.

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 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 asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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.

1.5 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.

1.6 Share capital and equity

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

Ordinary shares are classified as equity and are shown at no par value.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.7 Revenue

Revenue is recognised to the extent that the company 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 company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.8 Cost of sales

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

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.

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.

1.10 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.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

2. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	31 500	(22 313)	9 187	31 500	(6 563)	24 937
Online course development	66 780	-	66 780	9 780	-	9 780
Total	98 280	(22 313)	75 967	41 280	(6 563)	34 717

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	24 937	-	(15 750)	9 187
Online course development	9 780	57 000	-	66 780
	34 717	57 000	(15 750)	75 967

3. 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)
At end of year	227 398	170 823

4. Inventories

Inventories	997 417	1 002 379
	997 417	1 002 379
Inventories (write-downs)	(372 444)	-
	624 973	1 002 379

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

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
5. Trade and other receivables		
Trade receivables	266 947	573 658
Provision for doubtful debts	(203 460)	(573 658)
	<u>63 487</u>	<u>-</u>
Deposits	2 500	2 500
Prepayments	221 978	-
Other receivables	21 000	-
Accrued income	37 795	-
	<u>346 760</u>	<u>2 500</u>
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>759 564</u>	<u>378 209</u>
The company has the following facility: FNB Credit card facility: R170 000		
Bank and credit rating:		
First National Bank Limited: Baa2		
7. Financial assets by category		
Trade and other receivables	65 987	2 500
Cash and cash equivalents	759 564	378 209
	<u>825 551</u>	<u>380 709</u>
8. Share capital		
Authorised		
1 000 Ordinary shares of no par value	<u>-</u>	<u>-</u>
Issued		
120 Ordinary shares of no par value	<u>-</u>	<u>-</u>
9. Loan from shareholder		
Holding entity		
The South African Institution of Civil Engineering NPO	<u>209 590</u>	<u>561 124</u>

The loan is unsecured, interest free and has been subordinated in favour of other creditors for the shorter of when the assets, fairly valued, exceed the liabilities or 365 days after year end. A letter of continued financial support has also been obtained from the holding company.

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
10. Trade and other payables		
Trade payables	343 897	260 830
Amounts received in advance	23 342	-
Accrued expenses	199 762	69 105
Accrued leave pay	159 500	129 490
Payroll liabilities	49 079	57 514
Value added taxation	104 416	230 248
	879 996	747 187
11. Financial liabilities by category		
Trade and other payables	543 659	329 935
Loan from shareholder	209 590	561 124
	753 249	891 059
12. Revenue		
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 Income	251 888	255 329
Sponsorship	723 048	655 681
Website income	347 424	453 565
	14 062 775	13 835 809
13. Cost of sales		
Rendering of services		
Cost of books	1 810 597	1 777 258
14. Other income		
Discount received	414	242
Profit on exchange differences	-	362
Royalties received	2 461	16 791
	2 875	17 395

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
15. Expenses by nature		
Accommodation	16 449	18 099
Accounting software support	23 208	15 782
Advertising	55 586	55 609
Alternative Dispute Resolution (ADR) Panel	37 302	204 771
Amortisation of intangible asset	15 750	6 563
Annual return fee	-	450
Assessor fees	24 365	8 960
Auditors remuneration	224 400	88 600
Bad debts	(312 972)	(251 627)
Bookshop expenses	540 794	209 401
Catering expenses	13 758	7 877
Company secretarial fees	22 800	12 900
Consulting fees	21 292	17 609
Courier and postage expenses	8 680	580
Courses expenses	4 025 153	4 700 641
Employee costs	2 955 574	2 823 933
Events expenses	1 646 264	1 600 258
HR management expenses	-	10 513
Impairment of group loan	-	25 719
Loss on exchange differences	19 260	-
Magazine expenses	1 116 745	1 094 153
Mentoring programmes	681 914	5 600
Other expenses	71 850	84 180
Printing and stationery	2 809	2 940
Promotions	7 230	3 353
Software expenses	5 232	4 281
Telephone and fax	26 385	22 701
Travel expenses	27 979	29 419
Website expenses	246 524	365 850
Total operating expenses	11 524 331	11 169 115
16. Investment revenue		
Interest revenue		
Interest received	81 663	46 652
17. 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

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Taxation (continued)		
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	812 385	953 483
Tax at the applicable tax rate of 27% (2022: 28%)	219 344	266 975
Other		
Prior period under provisions in current tax	11 696	-
Non-deductible expenses	-	140
Change in tax rate	37 724	-
	268 764	267 115
18. Cash generated from operations		
Profit before taxation	812 385	953 483
Adjustments for:		
Amortisation on intangible assets	15 750	6 563
Investment revenue	(81 663)	(46 652)
Non-cash movement in loan from shareholder	623 721	-
Changes in working capital:		
Inventories	377 406	(3 972)
Trade and other receivables	(344 260)	18 034
Trade and other payables	132 809	285 768
	1 536 148	1 213 224
19. Related parties		
Relationships		
Holding entity	The South African Institution of Civil Engineering NPO	
Directors	GFB Slabbert S Shunmugam MJ Jansen IN Mahlangu T Ramjogi N Bongoza	
Related party balances		
Loan from related entity		
The South African Institution of Civil Engineering	209 590	561 124
Related party transactions		
Revenue (expenses) from related party		
The South African Institution of Civil Engineering	126 897	909 527
The South African Institution of Civil Engineering	(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)
	(1 934 107)	(1 947 029)

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

20. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2022: RNil).

21. Going concern

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

22. Events after the reporting period

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

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Rand	Notes	2023	2022
Revenue			
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
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Magazine - Other Income		354 206	284 149
Mentoring programmes		840 000	-
Other Income		251 888	255 329
Sponsorship		723 048	655 681
Website income		347 424	453 565
	12	14 062 775	13 835 809
Cost of sales			
Opening stock		(1 002 379)	(998 407)
Purchases		(1 805 635)	(1 781 230)
Closing stock		997 417	1 002 379
	13	(1 810 597)	(1 777 258)
Gross profit		12 252 178	12 058 551
Other income			
Discount received		414	242
Profit on exchange differences		-	362
Royalties received		2 461	16 791
		2 875	17 395
Expenses (Refer to page 25)		(11 524 331)	(11 169 115)
Operating profit		730 722	906 831
Investment income	16	81 663	46 652
Profit before taxation		812 385	953 483
Taxation	17	(268 764)	(267 115)
Profit for the year		543 621	686 368

The South African Institution of Civil Engineering Proprietary Limited

(Registration number: 2015/015140/07)

Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Rand	Notes	2023	2022
Operating expenses			
Accommodation		16 449	18 099
Accounting software support		23 208	15 782
Advertising		55 586	55 609
Alternative Dispute Resolution (ADR) Panel		37 302	204 771
Amortisation of intangible asset		15 750	6 563
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Website expenses		246 524	365 850
		11 524 331	11 169 115