

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

(Association classified as a non-profit company under the Companies Act of South Africa, 71 of 2008)

Trading as Motor Industry Ombudsman of South Africa

**Annual Financial Statements
for the year ended 28 February 2022**

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

Annual Financial Statements for the year ended 28 February 2022

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

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MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

Annual Financial Statements for the year ended 28 February 2022

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To administer dispute resolution between consumers and participants in the motor and related industries
DIRECTORS	DR Terblanche (Non- executive) (Appointed 1 January 2020) JL Krause (Executive) JHL van Vreden (Chief Executive Officer) NM Phosa (Non-executive) (Chairman) PA Opperman (Non-executive) SJ Tleane (Non-executive)
REGISTERED OFFICE	Meiring Naude Road Scientia 627-Jr Pretoria 0184
BANKERS	First National Bank
AUDITORS	MVB Audit and Advisory Sanlynn Office Park East Block Second Floor c/o Sanlam and Alkantrant Roads Lynnwood Manor Pretoria 0081
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
PREPARER	The financial statements were independently compiled by: Martin Lemmer and Associates t/a The Financial House



THE FINANCIAL HOUSE

Martin Lemmer & Associates CK 2003/029397/23

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COMPILATION REPORT

25 March 2022

To the directors of the Motor Industry Ombudsman of South Africa NPC

We have compiled the accompanying financial statements of the Motor Industry Ombudsman of South Africa NPC based on the information that you have provided. These financial statements are presented in accordance with International Financial Reporting Standards. The financial statements comprise the statement of financial position of the Motor Industry Ombudsman of South Africa NPC as at 28 February 2022 and the statement of comprehensive income and retained earnings, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for these financial statements including the adoption of the applicable financial reporting framework and for the accuracy and completeness of the information that was used to compile the financial statements.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements. This Standard requires that we comply with quality control standards and relevant ethical requirements, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of expressing an audit opinion or a review conclusion. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The Financial House
M Lemmer
SAIBA - 0078

In Association with: M. Lemmer Bcom (Hons.) (PU)
Member of: Southern African Institute for Business Accountants: BAP (SA) - SAIBA 0078
Specialising in: Audit, Accounting, Taxation, Consolidation & Business Finance

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SOUTHERN AFRICAN INSTITUTE
FOR BUSINESS ACCOUNTANTS

UNMODIFIED AUDIT REPORT FROM THE INDEPENDENT AUDITORS TO THE DIRECTORS OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

To the directors of The Motor Industry Ombudsman of South Africa NPC

Opinion

We have audited the annual financial statements of the The Motor Industry Ombudsman of South Africa NPC set out on pages 4 to 9, which comprise the Statement of Financial Position as at 28 February 2022, the Statement of Comprehensive Income, the Statement of changes in equity and the 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 annual financial statements present fairly, in all material respects, the financial position of the The Motor Industry Ombudsman of South Africa NPC as at 28 February 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 entity in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors of the Motor Industry Ombudsman of South Africa NPC are responsible for the other information.

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

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the Fund 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 entity'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 of the Motor Industry Ombudsman of South Africa NPC either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Partners: JC Erlank, TJ O'Neil, L Malic, JG de Waal
Assisted by: AF van Tonder GR/CA (SA), JP la Grange GR/CA (SA),
GR Bruni GR/CA (SA), JS du Preez CA (SA)

(Practice no: 903 147)

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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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Motor Industry Ombudsman of South Africa NPC.
- 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 entity'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 entity 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 management of the company 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.
- Report on other legal and regulatory requirements

MVB Audit and Advisory

Registered Auditors

T.J. O'Neil CA(SA)

Partner

Registered Auditor

Per :



12/04/2022

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

Annual Financial Statements for the year ended 28 February 2022

Directors' Responsibilities and Approval

The directors are required by the South African Companies Act 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

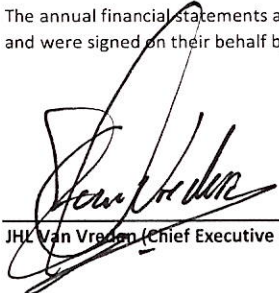
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, Fiducia Financial Services Chartered Accountants Incorporated, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 2.

The annual financial statements as set out on pages 7 to 17 were approved by the board on 28/04/2022 and were signed on their behalf by:



JHL Van Vredon (Chief Executive Officer)

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MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

Annual Financial Statements for the year ended 28 February 2022

Directors' Report

The directors present their report for the year ended 28 February 2022.

1. Review of activities

Main business and operations

The principal activity of the company is to administer dispute resolution between consumers and participants in the motor and related industries and there were no major changes herein during the year.

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

2. 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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect of the financial position of the company.

4. Directors' interest in contracts

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

5. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

6. Directors

The directors of the company during the year and to the date of this report are as follows:

DR Terblanche (Non-executive) (Appointed 1 January 2020)
JL Krause (Executive)
JHL van Vreden (Chief Executive Officer)
NM Phosa (Non-executive) (Chairman)
PA Opperman (Non-executive)
SJ Tleane (Non-executive)

The directors whose term of serving on the Board came to an end as at 31 December 2021 are as follows:

PA Opperman (Non-executive)
SJ Tleane (Non-executive)
DR Terblanche (Non-executive) (Appointed 1 January 2020)

The newly appointed Non-Executive Board members will be appointed in March 2022

7. Auditors

MVB Audit and Advisory Incorporated were the auditors for the year under review.

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

Annual Financial Statements for the year ended 28 February 2022

Statement of Financial Position

Figures in R	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 569 632	1 428 929
Intangible assets	3	3 173 782	3 434 652
		<u>4 743 414</u>	<u>4 863 581</u>
Current Assets			
Trade and other receivables	5	67 682 380	58 570 648
Other financial assets	4	279 865	282 287
Cash and cash equivalents	6	6 035 888	4 961 126
		<u>73 998 133</u>	<u>63 814 061</u>
Total Assets		<u><u>78 741 547</u></u>	<u><u>68 677 642</u></u>
Equity and Liabilities			
Equity			
Retained earnings		65 064 000	53 157 985
		<u>65 064 000</u>	<u>53 157 985</u>
Non-Current Liabilities			
Other Financial Liabilities	8	2 741 151	4 708 565
Finance Lease Liabilities	9	206 248	-
		<u>2 947 399</u>	<u>4 708 565</u>
Current Liabilities			
Trade and other payables	7	10 673 000	10 811 092
Finance Lease Liabilities	9	57 148	-
		<u>10 730 148</u>	<u>15 519 657</u>
Total Equity and Liabilities		<u><u>78 741 547</u></u>	<u><u>68 677 642</u></u>

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MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

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Statement of Comprehensive Income

Figures in R	Note(s)	2022	2021
Revenue	10.1	47 781 055	38 373 239
Other income	10.2	166 088	22 592
Operating expenses		<u>(35 768 671)</u>	<u>(31 630 484)</u>
Operating profit	11	12 178 472	6 765 347
Investment revenue	14	143 653	119 443
Finance costs	15	<u>(419 852)</u>	<u>(496 679)</u>
Profit for the year		11 902 273	6 388 111
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		11 902 273	6 388 111

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

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Annual Financial Statements for the year ended 28 February 2022

Statement of Changes in Equity

Figures in R	Retained Earnings	Total
Balance at 1 March 2020	46 769 874	46 769 874
Profit for the year	6 388 111	6 388 111
Balance at 28 February 2021	53 157 985	53 157 985
Balance at 1 March 2021	53 157 985	53 157 985
Prior year adjustment	3 742	-
Profit for the year	11 902 273	11 902 273
Balance at 28 February 2022	65 064 000	65 064 000

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Annual Financial Statements for the year ended 28 February 2022

Statement of Cash Flows

Figures in R	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	18	3 602 418	4 051 514
Interest income		143 653	119 443
Finance costs		(419 852)	(496 679)
Net cash from operating activities		3 326 219	3 674 278
Cash flows from investing activities			
Property, plant and equipment acquired	2	(736 364)	(746 542)
Sale of property, plant and equipment	2	97 081	162 330
Other intangible assets acquired	3	-	-
Decrease / (Increase) of financial assets		2 422	(51 998)
Profit / Loss on sale of asset		85 680	(19 330)
Net cash from investing activities		(551 181)	(655 540)
Cash flows from financing activities			
Repayment of other financial liabilities		(1 704 018)	(776 458)
Net cash from financing activities		(1 704 018)	(776 458)
Total cash movement for the year		1 074 762	2 242 280
Cash at the beginning of the year		4 961 126	2 718 846
Total cash at the end of the year	6	6 035 888	4 961 126

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MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

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Annual Financial Statements for the year ended 28 February 2022

Accounting Policies

The directors present their report for the year ended 28 February 2022.

General information

Motor Industry Ombudsman of South Africa NPC is a non profit company incorporated in South Africa.

1. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium- sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

1.1 Revenue recognition

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities, as described below:

1.1.1 Services revenue

The service rendered is recognised as revenue by reference to the stage of completion of the transaction at the reporting date.

1.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include 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.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The useful lives of items of property, plant and equipment have been assessed as follows

Furniture and Fixtures	6 years
Motor vehicles	5 years
Office Equipment	5 years
IT Equipment	3 years

1.3 Intangible assets

Computer software copyright

Separately acquired computer software are shown at historical cost. Amortisation is calculated using the straight-line method to allocate the cost of computer software and customer related intangible assets over their estimated useful lives, as follows:

Computer software copyright	15 years
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MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

Annual Financial Statements for the year ended 28 February 2022

Accounting Policies

Summary of significant accounting policies continued...

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 15 years

1.4 Trade and other receivables

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

1.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

1.6 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.7 Trade payables

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

1.8 Borrowing costs

Borrowing costs are recognised on the basis of the effective interest method and is included in finance costs.

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

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Annual Financial Statements for the year ended 28 February 2022

Notes to the Annual Financial Statements

Figures in R 2022 2021

2. Property, plant and equipment

	Cost or Revaluation	Accumulated depreciation	Carrying value 2022	Cost or Revaluation	Accumulated depreciation	Carrying value 2021
Owned assets						
Furniture and fixtures	849 361	(336 694)	512 667	858 612	(231 519)	627 093
Motor vehicles	910 547	(188 047)	722 500	544 228	(54 402)	489 826
Office equipment & Equipment	191 581	(61 795)	129 786	100 941	(14 123)	86 818
IT equipment	559 075	(354 396)	204 679	520 508	(295 316)	225 192
Total	2 510 564	(940 932)	1 569 632	2 024 289	(595 360)	1 428 929

The carrying amounts of property, plant and equipment can be reconciled as follows for 2022

	Opening Balance	Additions	Disposals	Depreciation	Closing balance
Owned assets					
Furniture and fixtures	627 093	64 670	(42 006)	(137 090)	512 667
Motor vehicles	489 826	475 080	(74 320)	(168 086)	722 500
Office equipment & Equipment	86 818	41 900	32 788	(31 720)	129 786
IT equipment	225 192	154 714	(13 543)	(161 684)	204 679
Total	1 428 929	736 364	(97 081)	(498 580)	1 569 632

The carrying amounts of property, plant and equipment can be reconciled as follows for 2021

	Opening Balance	Additions	Disposals	Depreciation	Closing balance
Owned assets					
Furniture and fixtures	576 117	167 271	-	(116 295)	627 093
Motor vehicles	292 682	435 465	(162 330)	(75 991)	489 826
Office equipment & Equipment	30 102	65 606	-	(8 890)	86 818
IT equipment	294 872	78 200	-	(147 880)	225 192
Total	1 193 773	746 542	(162 330)	(349 056)	1 428 929

3. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation / impairment	Carrying value 2022	Cost	Accumulated amortisation / impairment	Carrying value 2021
Computer software, internally generated	3 913 043	(739 261)	3 173 782	3 913 043	(478 391)	3 434 652
	3 913 043	(739 261)	3 173 782	3 913 043	(478 391)	3 434 652

The carrying amounts of intangible assets can be reconciled as follows - 2022

	Opening Balance	Amortisation / Impairments	Closing balance
Computer software copyright	3 434 652	(260 870)	3 173 782
	3 434 652	(260 870)	3 173 782

The carrying amounts of intangible assets can be reconciled as follows - 2021

	Opening Balance	Amortisation / Impairments	Closing balance
Computer software copyright	3 695 652	(261 000)	3 434 652
	3 695 652	(261 000)	3 434 652

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Notes to the Annual Financial Statements

Figures in R	2022	2021
4. Other financial assets		
At amortised cost		
Short term staff loans receivable	57 975	55 833
Burger and Associates Attorneys	221 890	226 454
	<u>279 865</u>	<u>282 287</u>
Current assets		
At amortised cost	<u>279 865</u>	<u>282 287</u>
5. Trade and other receivables		
Trade receivables	67 496 589	58 217 779
Prepayments	-	167 078
Deposits	185 791	185 791
	<u>67 682 380</u>	<u>58 570 648</u>
Trade and other receivables were pledged as security for the loan from First Rand Bank Limited		
6. Cash and cash equivalents		
Favourable cash balances		
Cash on hand	429	2 423
Credit cards	64 361	51 847
Cheque account	260 409	640 556
Savings accounts	5 710 689	4 266 300
	<u>6 035 888</u>	<u>4 961 126</u>
Current assets		
	<u>6 035 888</u>	<u>4 961 126</u>
Sureties and guarantees in favour of FirstRand Bank Limited:		
- Cession and pledge of FirstRand Bank account	1 000 000	1 000 000
- JHL van Vreden	Unlimited	Unlimited
7. Trade and other payables		
Trade payables	4 892	102 801
Value Added Taxation	9 514 930	7 876 951
Debtors with credit balances	530 031	2 536 804
Salaries clearing account	612 928	243 165
Accrued expense	10 219	51 371
	<u>10 673 000</u>	<u>10 811 092</u>
8. Other financial liabilities		
At amortised cost		
First National Bank loan	<u>2 741 151</u>	<u>4 708 565</u>
This loan is secured, repayable in 60 monthly instalments bearing interest at prime plus 3.50% per annum.		
Non-current liabilities		
At amortised cost	<u>2 741 151</u>	<u>4 708 565</u>
9. Finance Lease Liabilities		
Wesbank Vehicle Asset Financing		
Minimum lease payments which fall due		
- within one year	70 123	-
- in second to fifth year inclusive	258 151	-
Less Future finance charges	(64 878)	-
Present value of minimum lease payments	<u>263 396</u>	<u>-</u>
Non-current liabilities		
	206 248	-
Current liabilities		
	<u>57 148</u>	<u>-</u>
	<u>263 396</u>	<u>-</u>

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MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC
(Registration Number 2001/004871/08)
Annual Financial Statements for the year ended 28 February 2022

Notes to the Annual Financial Statements
Figures in R

	2022	2021
10. Income		
10.1 Revenue	47 781 055	38 373 239
Rendering of Services		
10.2 Other income		
Profit on Sale of Non Current Asset	85 680	-
Other income - SDL Refund	80 408	22 592
	166 088	22 592
11. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Equipment		
- Contractual amounts	317 981	270 221
Profit / Loss on sale of vehicle	-	(19 330)
Amortisation on intangible assets	260 870	261 000
Depreciation on property, plant and equipment	498 580	349 056
Employee costs	27 916 130	20 616 640
12. Employee cost		
Employee costs		
Basic	27 916 130	20 616 640
13. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	498 580	349 056
Amortisation		
Intangible assets	260 870	261 000
Total depreciation, amortisation and impairments		
Depreciation	498 580	349 056
Amortisation	260 870	261 000
	759 450	610 056
14. Investment revenue		
Interest revenue		
Bank	143 653	119 443
15. Finance costs		
Bank	419 852	496 679
16. Taxation		
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
Accounting profit	11 902 273	6 388 111
Non-deductible expense: SARS interest and penalties	13 503	-
Taxable income	11 915 776	6 388 111
Tax at the applicable rate of 28% (2021: 28%)	3 336 417	1 788 671
Other		
NPO Relief	(3 336 417)	(1 788 671)
	-	-
17. Auditor's Remuneration		
Fees	15 000	44 400

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC
(Registration Number 2001/004871/08)
Annual Financial Statements for the year ended 28 February 2022

Notes to the Annual Financial Statements

Figures in R	2022	2021
18. Cash generated from operations		
Profit before taxation	11 902 273	6 388 111
Adjustments for:		
Depreciation and amortisation	759 450	610 056
(Profit) / Loss on sale of assets	(85 680)	19 330
Interest received	(143 653)	(119 443)
Finance costs	419 852	496 679
Changes in working capital:		
Trade and other receivables	(9 111 732)	(1 692 552)
Trade and other payables	(138 092)	(1 650 667)
	<u>3 602 418</u>	<u>4 051 514</u>
19. Related parties		
Relationships		
Directors	Refer to info page	
Related party balances and transactions with entities with control, joint control or significant influence over the company		
Related party transactions		
Chairman fees paid to (received from) related		
MN Phosa	120 000	120 000
Compensation paid to key management		
Short term employee benefits	4 987 789	3 872 877
20. Directors' and prescribed officers remuneration		
Executive - Directors' emoluments		
Services as director or prescribed officer		
JL Krause	2 014 604	1 568 315
JHL van Vreden	2 973 185	2 304 562
	<u>4 987 789</u>	<u>3 872 877</u>
21. Categories of financial instruments		
Debt instruments at amortised cost		
Loans and receivables	279 865	282 287
Trade and other receivables	67 682 380	58 403 570
Cash and cash equivalents	6 035 888	4 961 126
	<u>73 998 133</u>	<u>63 646 983</u>
Financial liabilities at amortised cost		
Bank loans	2 741 151	4 708 565
Trade and other payables	1 158 070	2 934 141
	<u>3 899 221</u>	<u>7 642 706</u>

MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

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Annual Financial Statements for the year ended 28 February 2022

Detailed Income Statement

Figures in R	Note(s)	2022	2021
Revenue			
Rendering of services	10.1	<u>47 781 055</u>	<u>38 373 239</u>
Other income			
Other income	10.2	<u>166 088</u>	<u>22 592</u>
Expenses (Refer to page 19)			
Operating profit	11	<u>12 178 472</u>	<u>6 765 347</u>
Investment income	14	143 653	119 443
Finance costs	15	<u>(419 852)</u>	<u>(496 679)</u>
		<u>(276 199)</u>	<u>(377 236)</u>
Profit for the year		<u>11 902 273</u>	<u>6 388 111</u>

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MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA NPC

(Registration Number 2001/004871/08)

Annual Financial Statements for the year ended 28 February 2022

Detailed Income Statement

Figures in R	Note(s)	2022	2021
Operating expenses			
Accounting fees		-	(21 500)
Advertising		(111 668)	(79 416)
Auditors' remuneration	17	(15 000)	(44 400)
Bad debts		(867 487)	(4 388 663)
Bank charges		(142 454)	(131 245)
Chairman fees		(120 000)	(120 000)
Cleaning		(20 124)	(32 299)
Computer expenses		(282 552)	(389 592)
Conferences		(1 220)	(1 139)
Consulting fees		(158 209)	(1 124 460)
Contract Termination Fee		-	(11 446)
Depreciation, amortisation & impairments		(759 450)	(610 056)
Donations		(3 094)	(7 694)
Employee costs		(27 916 130)	(20 616 640)
Entertainment		(269 057)	(139 467)
Gifts		-	(955)
Goodwill and bereavement		(22 654)	(3 872)
Insurance		(257 294)	(263 839)
Interest and penalties to SARS		(13 503)	-
Internet expenses		(75 143)	(60 053)
Lease rental on operating lease		(1 947 134)	(1 808 092)
Legal fees		(644 971)	(901 642)
Motor vehicle expenses		(542 644)	(450 493)
Postage		(9 484)	(6 376)
Printing and stationery		(167 549)	(114 023)
Profit and Loss on sale of asset		-	(19 330)
Protective clothing		(8 428)	(9 738)
Repairs and maintenance		(413 845)	(295 809)
Staff welfare		(120 867)	(96 820)
Storage and Archiving		(35 478)	(37 500)
Subscriptions		(96 422)	(59 716)
Telephone and fax		(445 355)	(611 565)
Training		(134 168)	(109 665)
Travel - local		(186 038)	(86 849)
Vat Expense account		-	1 023 870
Write off of obsolete assets		18 751	-
		<u>(35 768 671)</u>	<u>(31 630 484)</u>

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