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**Consumer Goods & Services Ombud (Non-  
Profit Company)**  
**(Registration number 2014/084742/08)**

**Annual Financial Statements**  
**for the year ended 29 February 2020**

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## General Information

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Country of incorporation and domicile	South Africa
Nature of business and principal activities	Ombud scheme
Directors	ME Mphahlele Executive CJ Johnston Non Executive MJ Lawrence Non Executive GT Mangozhe Non Executive D Muller Non Executive RS Pillay Non Executive TP Zulu Non Executive R Reddy Non Executive O Mathibe Non Executive QE Munyai Executive MS Tonjeni Non Executive
Registered office	292 Surrey Avenue Ferndale Randburg 2125
Postal address	P.O Box 3815 Randburg 2125
Auditor	BDO South Africa Incorporated Registered Auditors
Secretary	Nozuko Mxunyelwa
Company registration number	2014/084742/08
Level of assurance	These financial statements have been audited as required by the Memorandum of Incorporation and Section 30(2)(b)(ii)(aa) of the Companies Act 71 of 2008
Preparer	The annual financial statements were independently compiled by: Lisa Roodt CA (SA)
Published	26 June 2020

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

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# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Directors' Responsibilities and Approval

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

The 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.

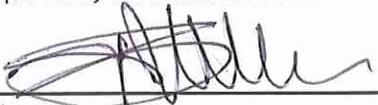
The Directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal controls 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.

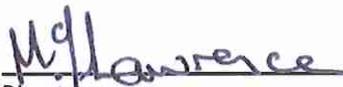
The Directors are of the opinion, based on the information and explanations given by Management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial controls 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 12 months from date of approval of this report and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The company's external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been audited by the company's external auditor and the report is presented on pages 5 to 6.

The annual financial statements set out on pages 4 to 17, which have been prepared on the going concern basis, were approved by the Board on 26 June 2020 and were signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Directors' Report

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The directors have pleasure in submitting their report on the financial statements of Consumer Goods & Services Ombud (Non-Profit Company) for the year ended 29 February 2020.

### 1. Nature of business

Consumer Goods & Services Ombud (Non-Profit Company) was incorporated in South Africa as an Ombud Scheme. The company operates in South Africa.

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

### 2. Review of financial results and activities

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

### 3. Directors

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

Directors		Changes
ME Mphahlele	Executive	
CJ Johnston	Non Executive	
MJ Lawrence	Non Executive	
GT Mangozhe	Non Executive	Resigned 27 May 2020
D Muller	Non Executive	
RS Pillay	Non Executive	
TP Zulu	Non Executive	
R Reddy	Non Executive	
O Mathibe	Non Executive	Appointed 25 February 2020
QE Munyai	Executive	
MS Tonjeni	Non Executive	Appointed 19 December 2019
J van Heerden	Non Executive	Appointed 22 April 2020

### 4. Events after the reporting period

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. Consumer Goods & Services Ombud (Non-Profit Company) considers that these events do not imply an adjustment in the annual accounts for the year ended 29 February 2020, although they could have a significant impact on operations in 2021 and, therefore, on its results and future cash flows. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of preparation to reliably make a quantified estimate of its potential impact on the organisation. The organisation is taking the necessary steps in order to face the situation and minimize its impact.

The directors are not aware of any other significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the financial statements, which significantly affect the financial position of the company or the results of its operations to the date of this report.

### 5. Going concern

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

### 6. Auditor

BDO South Africa Incorporated will continue in office in accordance with Section 90 of the Companies Act 71 of 2008.

### 7. Secretary

The company secretary is Nozuko Mxunyelwa.

## Independent Auditor's Report

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*To the participants of Consumer Goods and Services Ombud NPC*

### **Opinion**

We have audited the financial statements of Consumer Goods and Services Ombud NPC set out on pages 7 to 16, which comprise the statement of financial position as at 29 February 2020, 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 Consumer Goods and Services Ombud NPC as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. 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 "Consumer Goods and Services Ombud NPC Annual Financial Statements for the year ended 29 February 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO South Africa Inc.

BDO South Africa Incorporated  
Happymore Mutiwasekwa  
Director  
Registered Auditor

26 June 2020

52 Corlett Drive  
Illovo  
2196

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Statement of Financial Position as at 29 February 2020

Figures in Rand	2020	2019
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	249 453	131 942
<b>Current Assets</b>		
Trade and other receivables	907 834	575 982
Cash and cash equivalents	18 889 614	16 019 811
	<b>19 797 448</b>	<b>16 595 793</b>
<b>Total Assets</b>	<b>20 046 901</b>	<b>16 727 735</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Retained income	18 693 033	14 911 820
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	793 938	1 013 149
Deferred income	559 930	802 766
	<b>1 353 868</b>	<b>1 815 915</b>
<b>Total Equity and Liabilities</b>	<b>20 046 901</b>	<b>16 727 735</b>

## Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

### Statement of Surplus or Deficit and Other Comprehensive Income

Figures in Rand	2020	2019
Revenue	16 815 996	14 824 390
Other income	10 289	-
Operating expenses	(14 592 930)	(12 430 461)
<b>Operating surplus</b>	<b>2 233 355</b>	<b>2 393 929</b>
Investment income	1 548 114	1 259 208
Finance costs	(256)	(32 512)
<b>Surplus for the year</b>	<b>3 781 213</b>	<b>3 620 625</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>3 781 213</b>	<b>3 620 625</b>

## Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

### Statement of Changes in Funds and Reserves

<b>Figures in Rand</b>	<b>Accumulated Funds</b>	<b>Total funds and reserves</b>
<b>Balance at 01 March 2018</b>	<b>11 291 195</b>	<b>11 291 195</b>
Total comprehensive income for the year	3 620 625	3 620 625
<b>Balance at 01 March 2019</b>	<b>14 911 820</b>	<b>14 911 820</b>
Total comprehensive income for the year	3 781 213	3 781 213
<b>Balance at 29 February 2020</b>	<b>18 693 033</b>	<b>18 693 033</b>

## Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

### Statement of Cash Flows

Figures in Rand	2020	2019
<b>Cash flows from operating activities</b>		
Cash generated from operations	1 551 932	4 511 184
Interest received	1 548 114	1 259 208
Finance costs	(256)	(32 512)
<b>Net cash from operating activities</b>	<b>3 099 790</b>	<b>5 737 880</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(229 987)	(87 268)
Proceeds on disposal of property, plant and equipment	-	2 601
<b>Net cash from investing activities</b>	<b>(229 987)</b>	<b>(84 667)</b>
<b>Total cash movement for the year</b>	<b>2 869 803</b>	<b>5 653 213</b>
Cash at the beginning of the year	16 019 811	10 366 598
<b>Total cash at end of the year</b>	<b>18 889 614</b>	<b>16 019 811</b>

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Accounting Policies

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### 1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

##### Key sources of estimation uncertainty and judgement

There are no significant estimation uncertainties or judgements.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of 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 provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	5 years
Office equipment	3 years
Computer equipment	3 years

The residual value, depreciation method and useful life of each asset is reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

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.

#### 1.3 Financial instruments

##### Classification

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

- Financial instruments at amortised cost

##### Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through surplus or deficit.

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Accounting Policies

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### 1.3 Financial instruments (continued)

#### Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

#### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has legal right to offset the amounts and intends either to settle them on a net basis or to realise and settle the liability simultaneously.

### 1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

### 1.5 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 paid annual leave and sick leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

### 1.6 Revenue

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

Interest is recognised, in surplus or deficit, using the effective interest method.

Annual participant fees are recognised as income when they fall due in the period to which it relates.

### 1.7 Borrowing costs

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

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Notes to the Financial Statements

### 2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	167 697	(90 731)	76 966	113 909	(65 475)	48 434
Office equipment	66 817	(45 744)	21 073	52 536	(26 467)	26 069
Computer equipment	422 301	(270 887)	151 414	257 375	(199 936)	57 439
<b>Total</b>	<b>656 815</b>	<b>(407 362)</b>	<b>249 453</b>	<b>423 820</b>	<b>(291 878)</b>	<b>131 942</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	48 434	56 608	(1 927)	(26 149)	76 966
Office equipment	26 069	8 452	-	(13 448)	21 073
Computer equipment	57 439	164 927	-	(70 952)	151 414
	<b>131 942</b>	<b>229 987</b>	<b>(1 927)</b>	<b>(110 549)</b>	<b>249 453</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	41 867	33 448	-	(26 881)	48 434
Office equipment	19 222	11 099	-	(4 252)	26 069
Computer equipment	67 785	42 721	(7 464)	(45 603)	57 439
	<b>128 874</b>	<b>87 268</b>	<b>(7 464)</b>	<b>(76 736)</b>	<b>131 942</b>

### 3. Trade and other receivables

Trade receivables	716 993	476 586
Prepayments	28 792	4 696
Deposits	94 700	94 700
Other receivables	67 349	-
	<b>907 834</b>	<b>575 982</b>

### 4. Cash and cash equivalents

Cash on hand	378	-
Bank balances	327 602	685 725
Short-term deposits	18 561 634	15 334 086
	<b>18 889 614</b>	<b>16 019 811</b>

### 5. Trade and other payables

Trade payables	80 353	139 299
Value added taxation	212 148	446 650
Payroll accruals	198 339	115 784
Accrued expenses	303 098	311 416
	<b>793 938</b>	<b>1 013 149</b>

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Notes to the Financial Statements

Figures in Rand	2020	2019
<b>6. Deferred income</b>		
Participation fees 2020/21 financial year	559 930	802 766
Participation fees for the coming financial year are invoiced at the end of the current financial year to facilitate the faster collection thereof.		
These fees are recognised as revenue at the start of the new financial year.		
<b>7. Revenue</b>		
Participation fees	16 815 996	14 824 390
<b>8. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual	607 380	470 509
Equipment		
• Contractual	109 054	102 328
	<b>716 434</b>	<b>572 837</b>
Loss on disposal of property, plant and equipment	1 927	4 863
Depreciation on property, plant and equipment	110 549	76 736
Employee costs	9 806 297	8 392 455
<b>9. Investment income</b>		
<b>Interest received</b>		
Bank	1 548 114	1 259 208
<b>10. Finance costs</b>		
Interest paid	256	32 512
<b>11. Taxation</b>		
No provision has been made for 2020 tax as the company is registered as a public benefit organisation and therefore exempt from income tax on all public benefit activities. All activities are considered to be public benefit activities.		
<b>12. Cash generated from operations</b>		
Surplus before taxation	3 781 213	3 620 625
<b>Adjustments for:</b>		
Depreciation	110 549	76 736
Disposal of property, plant and equipment	1 927	4 863
Interest received	(1 548 114)	(1 259 208)
Finance costs	256	32 512
<b>Changes in working capital:</b>		
Trade and other receivables	(331 852)	1 908 938
Trade and other payables	(219 211)	(271 008)
Deferred income	(242 836)	397 726
	<b>1 551 932</b>	<b>4 511 184</b>

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Notes to the Financial Statements

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### 13. Related parties

The company does not have significant related parties.

Key management

QE Munyai  
ME Mphahlele

### 14. Directors' and prescribed officer's emoluments

#### Directors and prescribed Officers

##### 2020

	Emoluments	Fee	Bonus	Other	Total
CJ Johnston	-	82 383	-	-	82 383
ME Mphahlele	1 129 103	-	360 234	42 464	1 531 801
TP Zulu	-	149 500	-	-	149 500
R Reddy	-	48 117	-	-	48 117
QE Munyai	1 238 085	-	325 419	178 630	1 742 134
MS Tonjeni	-	6 925	-	-	6 925
	<b>2 367 188</b>	<b>286 925</b>	<b>685 653</b>	<b>221 094</b>	<b>3 560 860</b>

##### 2019

	Emoluments	Fee	Bonus	Other	Total
ME Mphahlele	272 292	797 622	323 483	28 605	1 422 002
RS Pillay	-	77 721	-	394	78 115
TP Zulu	-	140 260	-	952	141 212
	<b>272 292</b>	<b>1 015 603</b>	<b>323 483</b>	<b>29 951</b>	<b>1 641 329</b>

#### Prescribed officers

##### 2019

	Salary	Fee	Bonus	Other	Total
QE Munyai (CEO)	1 289 073	-	324 689	22 475	1 636 237

### 15. Commitments

#### Operating leases - as lessee (expense)

##### Minimum lease payments due

- within one year				650 475	602 292
- in second to fifth year inclusive				165 687	816 162
				<b>816 162</b>	<b>1 418 454</b>

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

# Consumer Goods & Services Ombud (Non-Profit Company)

(Registration number 2014/084742/08)

Annual Financial Statements for the year ended 29 February 2020

## Notes to the Financial Statements

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### 16. Going concern

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

### 17. Events after the reporting period

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. Consumer Goods & Services Ombud (Non-Profit Company) considers that these events do not imply an adjustment in the annual accounts for the year ended 29 February 2020, although they could have a significant impact on operations in 2021 and, therefore, on its results and future cash flows. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of preparation to reliably make a quantified estimate of its potential impact on the organisation. The organisation is taking the necessary steps in order to face the situation and minimize its impact.

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## Detailed Surplus or Deficit

Figures in Rand		2020	2019
Revenue	7	16 815 996	14 824 390
<b>Other income</b>			
Other income		10 289	-
Interest received	9	1 548 114	1 259 208
		<b>1 558 403</b>	<b>1 259 208</b>
<b>Operating expenses</b>			
Advertising		347 217	320 521
Assessment rates & municipal charges		22 066	27 446
Auditor's remuneration		194 606	181 348
Bad debts		(10 094)	(40 830)
Bank charges		22 134	26 812
Board fees		302 911	241 477
CRM Hosting		208 488	174 516
Commission paid		317 877	268 406
Consulting and professional fees		1 035 876	682 218
Depreciation, amortisation and impairments		110 549	76 736
Employee costs		9 806 297	8 392 455
Entertainment		1 883	-
IT expenses		303 270	236 139
Insurance		16 272	14 650
Lease rentals on operating lease		716 434	572 837
Levies		-	6 296
Licences		77 446	51 736
Loss on sale of assets and liabilities		1 927	4 863
Municipal expenses		178 156	169 068
Other expenses		50 115	43 400
Placement fees		25 824	121 363
Printing and stationery		58 766	55 116
Public relations		51 675	68 900
Repairs and maintenance		133 648	117 946
Security		9 893	9 078
Staff welfare		87 361	48 630
Subscriptions		23 438	28 492
Telephone and fax		177 054	169 959
Training		145 650	213 162
Transport and freight		11 845	7 021
Travel - local		155 150	130 912
Venue hire		9 196	9 788
		<b>14 592 930</b>	<b>12 430 461</b>
<b>Operating surplus</b>	8	<b>3 781 469</b>	<b>3 653 137</b>
Finance costs	10	(256)	(32 512)
<b>Surplus for the year</b>		<b>3 781 213</b>	<b>3 620 625</b>