The South African Medical Association (Head Office)
(Registration number 1927/000136/08)
Annual financial statements
for the year ended 31 December 2015

Nexia SAB&T

General Information

Directors	Dr. MJ Grootboom (Chairperson) Prof. MW Sonderup (Vice - Chairperson) Dr. MR Abbas Dr. MM Stoltz Prof. A Dhai Dr. S Sham Dr. S Maweya Dr. Y Baldeo Dr. SNE Mazaza Dr. LJ Mphatswe
Registered office	Block F Castle Walk Corporate Park Nossob Street Erasmuskloof Ext 3 Pretoria 0040
Postal address	P O Box 74789 Lynnwood Ridge Pretoria 0040
Bankers	Standard Bank of South Africa Nedbank
Auditors	Nexia SAB&T Registered Auditors
Secretary	Advocate Y Lemmer
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: CH Martin (CA (SA))

Index

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

Index	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6
Statement of Financial Position	7
Statement Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 19
Notes to the Annual Financial Statements	20 - 28

Directors' Responsibilities and Approval

The directors are required in terms of the Association not for gain representing medical professionals 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 basis of accounting described in note 1. 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 basis of accounting described in note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 group's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 28, which have been prepared on the going concern basis, were approved by the board of directors on 24 June 2016 and were signed on its behalf by:

Director **Director**

Nexia SAB&T
accountants | auditors | consultants

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
P O Box 10512
Centurion
0046
Docex 15, Centurion
T: +27 (0) 12 682 8800
F: +27 (0) 12 682 8801
www.nexia-sabt.co.za

Independent Auditor's Report

To the shareholder of The South African Medical Association (Head Office)

Report on the Financial Statements

We have audited the annual financial statements of The South African Medical Association (Head Office), as set out on pages 7 to 28, which comprise the statement of financial position as at 31 December 2015, 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 the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company`s preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The South African Medical Association (Head Office) as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Emphasis of Matter

Without modifying our opinion, we draw attention to note to the annual financial statements, which indicates that the South African Medical Association (Head Office) has not operated as a separate entity. The annual financial statements are therefore not including the results of the South African Medical Association branches. Accordingly, the financial statements might not reflect the results if the branches would have been included in the financial statements.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 28 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Directors: B Adam (CEO), A Aboobaker, Z Abrams, C Chigora, A Darmalingam, T de Kock, J Engelbrecht, Y Hassen, N Hassim, S Ismail, B Jhetam H Kajie, S Kleovoulou, M Kührau, S Makamure, P Mawire, T Mayet, K Rama, M Sindane, Y Soma, Z Sonpra, N Soopal, M F Sulaman I Theron, H van der Merwe, M Wessels

Offices in: Bloemfontein, Cape Town, Centurion, Durban, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
SAB&T Chartered Accountants Incorporated is an independent member firm of Nexia International
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297

Other reports required by Companies Act 71 of 2008

As part of our audit of the annual financial statements for the year ended 31 December 2015, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that Nexia SAB&T has been the auditor of The South African Medical Association (Head Office) for 2 years.

NEXIA - SAB+T

Nexia SAB&T
Registered Auditors
24 June 2016
Per: K Rama
Centurion

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The South African Medical Association (Head Office) for the year ended 31 December 2015.

1. Nature of business

The South African Medical Association (Head Office) is an association not for gain representing medical professionals. The company operates in South Africa.

2. Review of financial results and activities

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

3. Directorate

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

Directors	
Dr. MJ Grootboom (Chairperson)	
Prof. MW Sonderup (Vice - Chairperson)	
Dr. MR Abbas	
Dr. ZO Brey	Resigned 31 May 2015
Dr. PC Ramathuba	Resigned 31 May 2015
Dr. G Reubenson	Resigned 31 May 2015
Dr. MM Stoltz	
Prof. A Dhai	
Dr. S Sham	
Dr. M Pooe	Resigned 31 October 2015
Dr. S Maweya	
Dr. Y Baldeo	
Dr. SNE Mazaza	
Dr. LJ Mphatswe	

4. 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.

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

6. 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.

7. Going concern

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

8. Secretary

The company secretary is Advocate Y Lemmer.

Statement of Financial Position as at 31 December 2015

	Note(s)	2015 R	2014 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	7,235,077	7,408,412
Intangible assets	3	313,534	19,285
Investments in subsidiaries	4	2,003,100	2,003,100
Loans to group companies	5	4,861,163	79,146
Other financial assets	6	76,722,692	65,313,401
		91,135,566	**74,823,344**
Current Assets			
Trade and other receivables	7	1,947,873	1,205,898
Cash and cash equivalents	8	23,588,139	25,442,898
		25,536,012	**26,648,796**
Total Assets		**116,671,578**	**101,472,140**
Equity and Liabilities			
Equity			
Reserves		36,834,995	26,860,468
Retained income		71,784,049	67,526,595
		108,619,044	**94,387,063**
Liabilities			
Non-Current Liabilities			
Loans from group companies	5	909,739	822,924
Current Liabilities			
Trade and other payables	9	7,142,795	6,262,153
Total Liabilities		**8,052,534**	**7,085,077**
Total Equity and Liabilities		**116,671,578**	**101,472,140**

Statement Comprehensive Income

	Note(s)	2015 R	2014 R
Revenue			
Other income	10	54,730,043	49,771,784
Operating expenses	11	4,252,904	3,142,923
		(57,452,047)	(53,343,932)
Operating profit (loss)		**1,530,900**	**(429,225)**
Investment revenue	12	2,726,610	5,387,846
Finance costs	14	(56)	(4,386)
	15		
Profit for the year		**4,257,454**	**4,954,235**
Total comprehensive income for the year		**4,257,454**	**4,954,235**

The South African Medical Association (Head Office)

(Registration number 1927/000136/08)
Annual Financial Statements for the year ended 31 December 2015

Statement of Changes in Equity

	Scholarship fund	Special purpose fund	Fair value adjustment assets-available-for-sale reserve	Non Distributable Reserve	Total reserves	Retained income	Total equity
	R	R	R	R	R	R	R
Balance at 01 January 2014	**354,318**	**902,570**	**22,752,265**	**1,125,379**	**25,134,532**	**62,572,360**	**87,706,892**
Profit for the year	-	-	-	-	-	4,954,235	4,954,235
Other comprehensive income	(315,749)	146,107	1,895,578	-	1,725,936	-	1,725,936
Total comprehensive income for the year	**(315,749)**	**146,107**	**1,895,578**	**-**	**1,725,936**	**4,954,235**	**6,680,171**
Balance at 01 January 2015	**38,569**	**1,048,677**	**24,647,843**	**1,125,379**	**26,860,468**	**67,526,595**	**94,387,063**
Profit for the year	-	-	-	-	-	4,257,454	4,257,454
Other comprehensive income	(328,097)	146,107	10,117,947	-	9,935,957	-	9,935,957
Total comprehensive income for the year	**(328,097)**	**146,107**	**10,117,947**	**-**	**9,935,957**	**4,257,454**	**14,193,411**
Transfer between reserves	-	38,570	-	-	38,570	-	38,570
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**38,570**	**-**	**-**	**38,570**	**-**	**38,570**
Balance at 31 December 2015	**(289,528)**	**1,233,354**	**34,765,790**	**1,125,379**	**36,834,995**	**71,784,049**	**108,619,044**

Note(s)

Statement of Cash Flows

	Note(s)	2015 R	2014 R
Cash flows from operating activities			
Cash generated from operations	18	2,338,091	822,875
Interest income		2,255,480	1,954,594
Dividends received		471,130	3,433,252
Finance costs		(56)	(4,386)
Net cash from operating activities		**5,064,645**	**6,206,335**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(425,487)	(457,477)
Net proceeds on sale of property, plant and equipment	2	-	5,518
Purchase of other intangible assets	3	(363,950)	(18,589)
Loans (advanced to) / proceeds from group companies		(4,695,202)	686,422
Increase in other financial assets		(1,434,765)	(427,245)
Net cash from investing activities		**(6,919,404)**	**(211,371)**
Cash flows from financing activities			
Scholarship fund utilised		-	(315,749)
Special purpose funds utilised		-	146,108
Net cash from financing activities		**-**	**(169,641)**
Total cash movement for the year		**(1,854,759)**	**5,825,323**
Cash at the beginning of the year		25,442,898	19,617,575
Total cash at end of the year	8	**23,588,139**	**25,442,898**

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008.

The set of financial information is an extract of costs incurred by the South African Medical Association in respect of the Head Office. The Head Office has not operated as a separate entity and the results reported in this special purpose annual financial statements are not necessarily indicative of the results that would have occurred if the Head Office had operated as a separate stand alone entity during the year presented.

The annual financial statements have been prepared on the historical cost basis, except for the cash flow information which is measured on a cash 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 estimates and assumptions that affect the amounts represented in the annual 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 annual financial statements. Significant judgements include:

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. 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 from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Available-for-sale financial assets

The company follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Fair value estimation

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment testing

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 indications 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 tangible assets are inherently uncertain and could materially change over time.

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Taxation

The company is exempt from taxation in terms of Section 10(1)(d)(ii) of the Income Tax Act of 1962.

Residual values and useful lives of property, plant and equipment

The residual values and useful lives of property, plant and equipment are based on management estimates.

1.2 Property, plant and equipment

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

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably. Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5.5 years
Office equipment	Straight line	10 years
IT equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

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

Accounting Policies

1.2 Property, plant and equipment (continued)

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

1.3 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Useful life
Computer software	3 years

1.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.5 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Accounting Policies

1.5 Financial instruments (continued)

Initial recognition and measurement

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

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Accounting Policies

1.5 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial instruments designated as available-for-sale

All purchases and sales of investments are recognised on the trade date, which is the date that the company commits to purchase or sell the asset. Cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value, whilst loans and receivables are carried at amortised cost using the effective yield method.

Unrealised gains and losses arising from changes in the fair value of the available-for-sale investments are included in the available-for-sale fair value reserve and not taken to the income statement. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as net realised gains or losses on financial assets.

The fair value of quoted investments are based on current bid prices.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries and subsidiaries and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss - held for trading.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the company has the positive intention and ability to hold to maturity are classified as held to maturity.

Accounting Policies

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

1.8 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 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.

Accounting Policies

1.10 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 vacation leave 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.

Defined contribution plans

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

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

1.11 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised, but will be disclosed in a separate note where applicable.

1.12 Revenue

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

Revenue from membership fees, management fees and administration fees are measured at fair value of the consideration received or receivable and represents the amounts receivable for the services provided in the normal course of business, net of trade discounts and value added tax.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

Notes to the Annual Financial Statements

	2015 R	2014 R

2. Property, plant and equipment

	2015			2014		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	8,065,412	(2,222,592)	5,842,820	8,065,412	(2,066,387)	5,999,025
Furniture and fixtures	1,716,885	(1,411,968)	304,917	1,618,592	(1,392,045)	226,547
Motor vehicles	163,847	(103,254)	60,593	193,793	(103,707)	90,086
Office equipment	967,445	(511,908)	455,537	855,775	(460,941)	394,834
IT equipment	2,420,297	(1,849,087)	571,210	2,259,196	(1,561,276)	697,920
Total	**13,333,886**	**(6,098,809)**	**7,235,077**	**12,992,768**	**(5,584,356)**	**7,408,412**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Buildings	5,999,025	-	(156,205)	5,842,820
Furniture and fixtures	226,547	98,641	(20,271)	304,917
Motor vehicles	90,086	507	(30,000)	60,593
Office equipment	394,834	110,815	(50,112)	455,537
IT equipment	697,920	215,524	(342,234)	571,210
	7,408,412	**425,487**	**(598,822)**	**7,235,077**

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Buildings	6,155,230	-	(156,205)	5,999,025
Furniture and fixtures	215,972	31,809	(21,234)	226,547
Motor vehicles	119,578	-	(29,492)	90,086
Office equipment	408,149	37,209	(50,524)	394,834
IT equipment	673,207	388,459	(363,746)	697,920
	7,572,136	**457,477**	**(621,201)**	**7,408,412**

Details of properties

Land and building comprises:
Portion 6 Erf 688 Erasmuskloof, Pretoria, Extension 3, Registration Division JR, Gauteng, in Extent 1778 Square Metres

- Purchase price: 1 August 2001	7,537,011	7,537,011
- Additions since purchase	528,400	528,400
	8,065,411	**8,065,411**

Notes to the Annual Financial Statements

3. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	2,679,951	(2,366,417)	313,534	2,316,001	(2,296,716)	19,285

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software	19,285	363,950	(69,701)	313,534

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software	59,408	18,589	(58,712)	19,285

4. Interests in subsidiaries

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

The carrying amounts of subsidiaries are shown net of impairment losses. There were no impairment of subsidiaries.

Name of company	% holding 2015	% holding 2014	Carrying amount 2015	Carrying amount 2014
Health and Medical Publishing Group (Pty) Ltd	100.00 %	100.00 %	1,000	1,000
Foundation for Professional Development (Pty) Ltd	90.00 %	90.00 %	2,001,000	2,001,000
Ujambi Medical Enterprises (Pty) Ltd	100.00 %	100.00 %	100	100
SAMA Cape Property Holdings (Pty) Ltd	100.00 %	100.00 %	1,000	1,000
			2,003,100	2,003,100

5. Loans to (from) group companies

Subsidiaries

SAMA Benevolent Fund	(909,739)	(822,924)
Health and Medical Publishing Group (Pty) Ltd	4,739,508	-
Ujambi Medical Enterprises (Pty) Ltd	121,655	79,146
	3,951,424	**(743,778)**
Non-current assets	4,861,163	79,146
Non-current liabilities	(909,739)	(822,924)
	3,951,424	**(743,778)**

Notes to the Annual Financial Statements

5. Loans to (from) group companies (continued)

Credit quality of loans to group companies

The credit quality of loans to group companies are assessed with reference to the repayment history of the companies. The companies have not defaulted on any contractual obligations in prior periods, a credit rating of high has been ascribed to the companies. The cash is receivable only at managements request as the company is a 100% controlled subsidiary and thus the risk that the subsidiary would not repay the funds at the insistence of management is remote. The companies maximum exposure to credit risk with regards to the loans to group companies are as detailed above.

Fair value of loans to and from group companies

As no repayment terms exists, therefore the group loans are short term in nature. The carrying values of the loans to group companies approximates their fair values. The loans to the group companies have not been pledged as security for any other financial obligations.

Reconciliation of provision for impairment of loans to group companies

Opening balance	12,464,733	12,464,733

6. Other financial assets

Available-for-sale

Allan Gray	47,688,306	38,328,486
Sasfin	6,274,064	5,977,500
Coronation Capital Plus Fund	7,203,853	6,887,611
Investec Asset Management - Cautious Managed Fund Class A	7,876,524	7,064,823
ABSA Bank - AIMS Investment Account	7,679,945	7,054,981
	76,722,692	**65,313,401**

Non-current assets		
Available-for-sale	76,722,692	65,313,401

Fair value information

Available-for-sale financial assets are recognised at fair value, unless they are unlisted equity instruments and the fair value cannot be determined using other means, in which case they are measured at cost. Fair value information is not provided for these financial assets.

Fair values are determined annual at financial position date.

The fair values of the financial assets are determined as follows:

- The fair values of listed or quoted investments are based on the quoted market price.
- The fair values on investment not listed are estimated using discounted cash flows.

7. Trade and other receivables

Trade receivables	1,328,471	848,027
Provision for bad debts	(276,032)	(236,036)
Prepayments	259,222	123,382
Deposits	57,148	25,048
Sundry receivables	579,064	445,477
	1,947,873	**1,205,898**

Notes to the Annual Financial Statements

7. Trade and other receivables (continued)

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information. None of the financial assets that are fully performing have been renegotiated in the last year, therefore the credit rating of the trade and other receivables are assessed as medium. Trade receivables are non-interest bearing.

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of trade and other receivables

Due to the short term nature of the trade and other receivables the carrying value approximates the carrying value of trade and other receivables.

Trade and other receivables impaired

As of 31 December 2015, trade and other receivables of R 276,032 (2014: R 236,036) were impaired and provided for.

The ageing of these loans is as follows:

3 to 6 months	276,032	236,036

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	408,025	186,299
Bank balances	395,116	8,261,701
Short-term deposits	22,784,998	16,994,898
	23,588,139	**25,442,898**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. None of the financial institutions with which bank balances are held defaulted in prior periods and as a result a credit rating of high are ascribed to the financial institutions. The company's maximum exposure to credit risk as a result of the bank balances held is limited to the carrying value of these balances as detailed above.

9. Trade and other payables

Trade payables	489,599	698,291
Accrued leave pay	1,708,821	1,549,531
Amounts received in advance	1,791,619	1,444,928
Deposits received	17,308	17,308
Other accrued expenses	1,868,504	1,551,210
Other payables	1,174,310	930,244
VAT	92,634	70,641
	7,142,795	**6,262,153**

Fair value of trade and other payables

Trade and other payables, are short term in nature. The carrying amount of trade and other payables represents the fair value.

Notes to the Annual Financial Statements

	2015 R	2014 R
10. Revenue		
Membership fees	51,669,566	47,218,059
Administration annd management fees	3,060,477	2,553,725
	54,730,043	**49,771,784**
11. Other income		
Online product sales	2,065,842	492,260
Profit and loss on sale of assets and liabilities	4,211	607,429
Rental income	371,917	340,577
SAMA conference income	1,408,371	1,153,253
Sponsorships	287,438	444,991
Sundry income	115,125	104,413
	4,252,904	**3,142,923**
12. Operating profit (loss)		
Operating profit (loss) for the year is stated after accounting for the following:		
Income from subsidiaries		
Dividends	-	3,000,000
Operating lease charges		
Equipment		
• Contractual amounts	86,017	122,213
Amortisation on intangible assets	69,701	58,712
Depreciation on property, plant and equipment	598,822	621,201
Employee costs	26,328,823	23,656,002
Profit on sale of other financial assets	-	601,916
Profit on sale of property, plant and equipment	-	5,513
Net gains (losses) on financial instruments:		
Available-for-sale financial assets recognised in equity through other comprehensive income	10,117,947	1,895,578
13. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	598,822	621,201
Amortisation		
Intangible assets	69,701	58,712
Total depreciation, amortisation and impairments		
Depreciation	598,822	621,201
Amortisation	69,701	58,712
	668,523	**679,913**

Notes to the Annual Financial Statements

	2015 R	2014 R
14. Investment revenue		
Dividend revenue		
Other financial assets	471,130	3,433,252
Interest revenue		
Other financial assets	2,255,480	1,954,594
	2,726,610	**5,387,846**
15. Finance costs		
Bank	-	331
Other interest paid	56	4,055
	56	**4,386**

16. Taxation

The company is exempt from taxation in terms of Section 10(1)(d)(ii) of the Income Tax Act of 1962.

17. Auditors' remuneration		
Fees	436,215	580,152
18. Cash generated from operations		
Profit before taxation	4,257,454	4,954,235
Adjustments for:		
Depreciation and amortisation	668,523	679,913
Loss on sale of non-current assets and disposal groups	-	(607,429)
Dividends received	(471,130)	(3,433,252)
Interest received - investment	(2,255,480)	(1,954,594)
Finance costs	56	4,386
Changes in working capital:		
Trade and other receivables	(741,974)	(244,862)
Trade and other payables	880,642	1,424,478
	2,338,091	**822,875**

Notes to the Annual Financial Statements

		2015 R	2014 R
19. Related parties			
Relationships			
Subsidiaries	Refer to note 4		
Related party balances			
Loan accounts - Owing (to) by related parties			
SAMA Benevolent Fund		(909,739)	(822,924)
Ujambi Medical Enterprises (Pty) Ltd		121,654	79,146
Health & Medical Publishing Group		4,739,508	-
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Foundation for Professional Development (Pty) Ltd		(200,082)	(126,502)
Health & Medical Publishing Group (Pty) Ltd		159,204	(258,676)
SAMA Cape Property Holdings (Pty) Ltd		613,704	(3,679)
Related party transactions			
Dividends received from related parties			
SAMA Cape Property Holdings (Pty) Ltd		-	3,000,000

Notes to the Annual Financial Statements

	2015 R	2014 R

20. Directors' emoluments

Executive

2015

	Emoluments	Committee fees	Total
Dr. MJ Grootboom (Chairperson)	212,167	13,685	225,852
Prof. MW Sonderup (Vice - Chairperson)	71,395	33,804	105,199
Dr. MR Abbas	38,248	2,110	40,358
Dr. ZO Brey	15,901	120	16,021
Dr. PC Ramathuba	31,010	18,339	49,349
Dr. G Reubenson	19,340	726	20,066
Dr. MM Stoltz	33,985	3,150	37,135
Prof. A Dhai	21,247	1,812	23,059
Dr. S Sham	25,630	9,185	34,815
Dr. S Maweya	37,315	6,258	43,573
Dr. Y Baldeo	25,463	1,291	26,754
Dr. SNE Mazaza	114,644	12,703	127,347
Dr. LJ Mphatswe	125,022	16,237	141,259
	771,367	**119,420**	**890,787**

2014

	Emoluments	Committee fees	Total
Dr. MJ Grootboom (Chairperson)	371,217	10,784	382,001
Prof. MW Sonderup (Vice - Chairperson)	63,898	11,333	75,231
Dr. M Adam	-	442	442
Dr. MR Abbas	35,912	1,486	37,398
Dr. ZO Brey	24,868	820	25,688
Dr. A Coetzee	9,965	792	10,757
Dr. M Dombo	1,993	-	1,993
Dr. M Mbokota	42,495	5,099	47,594
Dr. PC Ramathuba	84,506	56,476	140,982
Dr. G Reubenson	26,001	2,934	28,935
Dr. MM Stoltz	82,574	7,483	90,057
Prof. MM Sathekge	2,926	105	3,031
Prof. A Dhai	27,994	1,988	29,982
Dr. S Sham	3,026	1,333	4,359
Dr. TE Maleka	554	-	554
Dr. M Pooe	1,993	396	2,389
Dr. S Maweya	29,801	12,093	41,894
Dr. Y Baldeo	19,016	3,048	22,064
Dr. SNE Mazaza	44,588	5,848	50,436
Dr. LJ Mphatswe	67,819	11,236	79,055
	941,146	**133,696**	**1,074,842**

Notes to the Annual Financial Statements

	2015 R	2014 R

21. Risk management

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2015

	Less than 1 year
Loan to and from group companies	(146,831)
Trade and other receivables	1,688,650
Other financial assets	76,722,692
Cash and cash equivalents	23,180,144
Trade and other payables	7,142,796

At 31 December 2014

	Less than 1 year
Loan to and from group companies	(747,457)
Trade and other receivables	1,082,566
Other financial assets	65,313,401
Cash and cash equivalents	25,256,599
Trade and other payables	4,742,908

Interest rate risk

The company's interest rate risk arises from other financial assets. Other financial assets issued at variable rates expose the company to cash flow interest rate risk. Other financial assets issued at fixed rates expose the company to fair value interest rate risk.

Cash flow interest rate risk

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2015	2014
Cash and cash equivalents	23,588,139	25,442,895
Other financial assets	76,722,692	65,313,401