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**Chartered
Secretaries**
Southern Africa

Integrated Report

for the year ended 31 December 2018





MARKET BUSINESS

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12%
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37%
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**BUSINESS
STRATEGIES**

60%

55%
Lorem ipsum



Corporate Information

Country of incorporation and domicile:

South Africa

Registered office and business address:

Riviera Road Office Park (Block C),
6 – 10 Riviera Road
Killarney, Johannesburg, 2193

Postal address:

P O Box 3146, Houghton, 2041

Telephone: 011 551 4000

Fax: 011 551 4028

E-mail: info@chartsec.co.za

Website: www.chartsec.co.za

Bankers:

The Standard Bank of South Africa Limited and Nedbank Group Limited

Registered auditors:

Mazars, 54 Glenhove Road, Melrose Estate, Johannesburg, 2196

Nature of business and principal activities:

Non-profit company acting as a professional body

Registration Number: 1972/000007/08

Directors: L Bagwandeem, N Bouwman, B Dialwa, S Giuricich, SAH Kajee, Z Lachporia, R Likhang, S Linford, KE Robinson, S Sadie (CEO), S Smit, KJ Southgate, E Viljoen, CE Wilson.

Company Secretary: Irma Warriner, P O Box 1029, Sundowner, 2151

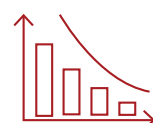
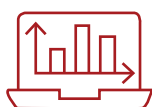






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Company Profile

Chartered Secretaries Southern Africa (CSSA) is the formal professional Institute for company secretaries and governance professionals. The term 'governance professional' encompasses in-house counsel, risk managers, compliance officers, financial managers and others. CSSA is an expert commentator and thought leader in Southern Africa on company secretarial and corporate governance matters. CSSA offers an international qualification recognised in more than 80 countries. The career-long programme of study comprises attainment of professional qualifications and requires continuing professional development (CPD), which ensures that members remain on the cutting edge of developments. CSSA covers Botswana, Lesotho, Namibia, South Africa and Swaziland.

Vision

Our vision is to be the leader in the practice of governance in Southern Africa.

Mission

Our mission is to become the shining beacon in governance. We will be the best explainers, the best advocates, the best educators and the most active organisation in the promotion of good governance in Southern Africa.

Skills

Chartered secretaries and chartered governance professionals are high-ranking professionals with a broad base of skills unique among the professions. Trained in governance, law, accounting, and strategy, chartered secretaries and chartered governance professionals provide a

“Chartered secretaries and chartered governance professionals are high-ranking professionals with a broad base of skills”

VALUES



Stand up:

Challenging. Proud to take a position. Never afraid to do so.



Listen well:

Totally aware. Understanding what's going on in the world. Always mindful of change.



Move forward:

Forever looking at the path ahead.



focal point for independent advice and guidance on the conduct of business, governance and compliance. They are key players with the skills, vision and values to take their organisations and clients forward.

Leaders in governance

Chartered secretaries and chartered governance professionals understand that good governance is fundamental to good business decision-making and organisational performance. Through our influence with Government and regulators, and the work of our Members, CSSA leads in shaping the governance agenda and promoting the best practice essential for organisational performance.

Candidates who have completed the CSSA International Qualifying Board Examination, gained the necessary work experience and who present the requisite character traits will be qualified to apply to be admitted as a Member of CSSA and become a chartered secretary or a chartered governance professional. Continuing Professional Development endeavours to ensure that all of our members are able to remain at the forefront of the governance talent pool.

There is currently a shortage of qualified and experienced chartered secretaries and chartered governance professionals, with demand on the increase in light of the Companies Act (71/2008) and King IV. This means that chartered secretaries and chartered governance professionals can command competitive remuneration packages.

Different levels of membership

Membership of CSSA evidences not only academic qualifications but also practical experience, character, integrity and responsibility. Only on fulfilment of all these criteria may a graduate apply to be admitted as a member of the Institute and become a chartered secretary or a chartered governance professional.

There are two levels of membership - Associates (ACIS) and Fellows (FCIS). On successful completion of the CSSA Board Qualifying Examination, graduates immediately become GradICSA. Once they have gained the necessary practical experience and are deemed to be of appropriate ethical character, they are admitted as members at Associate-level and become an ACIS. On admission as a Fellow, the senior grade of membership granted on more extensive experience, the member may include the prestigious 'FCIS' designation after his/her name.

Membership therefore offers employers 'watchdog' accountability with recourse to the Institute's disciplinary and disbarment proceedings in the case of misconduct and/or breach by a member of the Institute's Code of Professional Ethics and Conduct. Membership of the Institute ensures remaining at the forefront of global developments and best practice in governance. Membership, and therefore qualification as a chartered secretary or a chartered governance professional, involves a career-long relationship with the Institute - from professional qualification through to board certification and beyond via CPD and ongoing technical support packages and tools.

International recognition

CSSA is an integral part of the international Institute of Chartered Secretaries and Administrators, which was founded in London in 1891. Southern Africa is the oldest division, which was established in 1909. There are eight other divisions: Australia, Canada, China, Malaysia, New Zealand, Singapore Ukriat and Zimbabwe, with a total membership of 30 000.

CSSA is also a member of Corporate Secretaries International Association (CSIA), which is a global federation of corporate secretaries and governance professionals. Member organisations include seven of the divisions above and the United States, India, Brazil, Kenya, Bangladesh, Canada and Nigeria. All share a common interest in the promotion of good governance. CSIA represents approximately 100,000 corporate secretaries and governance professionals.

What career choices are there?

Popular career paths that are pursued by chartered secretaries and chartered governance professionals include the following:

- company secretary
- governance professional
- in-house counsel
- compliance officer
- risk manager
- financial manager



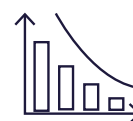
Stay balanced:

A source of ethical conscience.
Never shaken. Standing firm.



Be totally up-to-date:

In tune with the global trends
in governance.



Inspired:

Leading the way so
others will follow.

“ ... our members keep their knowledge and skills current so that they can deliver a high quality of service that safeguards the public and meets the expectations of their employers and the requirements of their profession **”**

No	Amount	In	Out
76	45		45
45	356		356
356	5678		56
5678	4		4
4	456		4
456	578		7
578	78		-67
78	456		56
456	678		45
678	9		356
9	76		56
76	45		789
45	356		
356	56		
56	789		

Charge Card Out
Balance
456
457

Account Number: 098-654
Date: 11/11/2016
Total: 3 654 876 98
234-55-6

No	Amount	In	Out
9	76		76
76	45		45
45	356		356
356	5678		5678
5678	4		4
4	456		456
456	578		578
578	78		78
78	456		456
456	678		678
678	9		9
9	76		76
76	45		45
45	356		356
356	56		56
56	789		789
789	457		457
457	689		689
689	3		3
3	45		45
45	345		345
345	23		23
23	44		44
44	3		3



Executive Committee



President
Sikkie Kajee



Senior Vice President
Robert Likhang



Vice President
Karen Robinson



Past President
Shamida Smit



CEO
Stephen Sadie





CSSA Organogram

Support

- ▶ **Boardroom**
Creamer Media (Pty) Ltd
- ▶ **Events Manager**
C Diamond
- ▶ **Internal Auditor**
BDO
- ▶ **Information Management Systems**
V-Soft Technologies
- ▶ **IT**
R Gibbons
- ▶ **Chartered Secretaries Placements**

Board of Directors

Executive Committee

Chief Executive Officer

Stephen Sadie

Secretariat
Brenda Foster

- ▶ **Appeals Committee**
- ▶ **Assessment and Review Committee**
- ▶ **Disciplinary Committee**
- ▶ **Education and Examinations Committee**
- ▶ **Finance and Risk Committee**
- ▶ **Investigations Committee**
- ▶ **Membership Committee**
- ▶ **Nominations Committee**
- ▶ **Professional Practice Group Committee**
- ▶ **Technical Committee**

Manager Technical Support

Sabrina Paxton

Manager Customer Service

Baldwin Masetlha

Faith Mzoboshowe

Manager Student & Examinations

Sandy van Niekerk

Betty Tsotetsi
Jackie Burds
Ramona Bloem
Linda Sanangurai

Manager Assessment

Vicky Heideman

Manager Finance

Jenny Maybery

Ramogalo Moeng
Peter Tshephe
Andy Perdakis

Manager Training & Universities

Salochanna Golden

Manager Membership & Marketing

Deborah Duncan

Bongiwe Sibanda

DFBVXCWVERDFBGM NM VC XCVCX

Chartered Institute of Business Management

Mentor

Branches

Botswana
Brian Dialwa
KZN
Western Cape
Chris Wilson

Centres

Lesotho
Robert Likhang
Swaziland
Sandile Mbhamali
Namibia
Elize Strauss-Symons



Chief Executive Officer's Report 2018

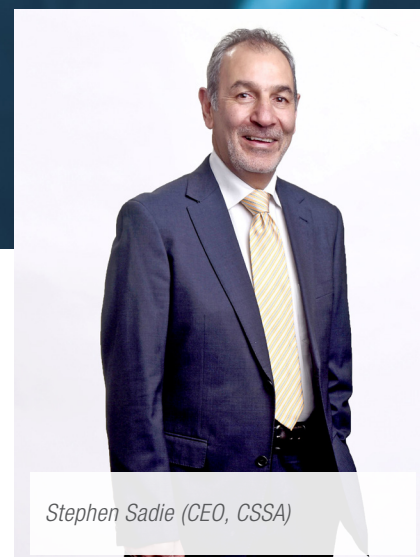
Introduction

It gives me great pleasure to present the Chartered Secretaries Southern Africa (CSSA) integrated report for 2018. It gives me even greater pleasure to do this as we celebrate 110 years in 2019. We are one of the oldest professional bodies in South Africa and we are the oldest division of our international body. We are grateful to the earlier generations who built our institute in Southern Africa. We stand on their shoulders.

At the same time, as events in the past few years have demonstrated, there has never been a greater need for our contribution. It is important to promote good governance with greater urgency after the events of the past few years have demonstrated where we came very close to going over the edge of the precipice. The Zondo Commission continues to reveal on a daily basis the depths to which we plunged. The business community has no choice but to raise the level of corporate governance if there is to be any future for our children. In this regard, it is vital for company secretaries and governance professionals to stand up for good governance. The reputational risk for companies who engage in poor governance is extremely short-sighted and eventually comes back to bite them.

Internationally, we have taken the initiative to create a second designation, the chartered governance professional, to cater for this broader grouping. At CSSA, we

refer to governance professionals as those who are not company secretaries but fulfil other related roles such as legal counsel, risk managers, compliance officers, financial managers, etc. This is how we continue to adapt and change to keep ourselves relevant as the world around us changes. In addition, we have many graduates with LLBs, B Coms among other qualifications, coming to CSSA to add an extra layer to their existing qualifications and become fit for purpose in terms of the corporate governance role. We are committed to building a strong professional body, aligned



Stephen Sadie (CEO, CSSA)

to our international body, dedicated to improving corporate governance. Corporate governance is too important to leave to chance.

Given CSSA's commitment to integrated reporting, this CEO's report is structured around the six capitals of the international integrated reporting framework. The table below presents the outline of the CEO's report.

Six Capitals

Intellectual capital	We express our intellectual capital in the following ways: <ul style="list-style-type: none"> • Strategic plan • Premier corporate governance conference • Integrated reporting awards • Seminars, workshops and webinars • Publications • Technical support
Human capital	We express our human capital in the following ways: <ul style="list-style-type: none"> • Staff • Assessment and accreditation • Awards ceremony • Membership • Chartered Secretaries Placements
Social and Relationship Capital	We express our social and relationship capital in the following ways: <ul style="list-style-type: none"> • Marketing • Representing members • ICSA • CSIA
Financial capital	We express our financial capital in the following ways: <ul style="list-style-type: none"> • Information management system • Finance
Natural Capital	Though our business does not focus on environmental issues, we are cognisant of the environment in our daily activities and we support energy and water saving initiatives.
Manufacturing Capital	We do not have any machinery or manufacturing capital to report on.



INTELLECTUAL CAPITAL

Strategic Plan

We had a one day board strategy session on 31 March 2018 to review our strategic plan for 2017/18. This report deals with the second year of implementation of the two year strategic plan. The board confirmed the four key strategies:

- 1 To finalise the new curriculum
- 2 To set up training programmes and strengthen relations with universities
- 3 To develop and implement a comprehensive marketing strategy
- 4 To improve the financial sustainability of CSSA.

These four strategic objectives are elaborated on in the remainder of the CEO's report.

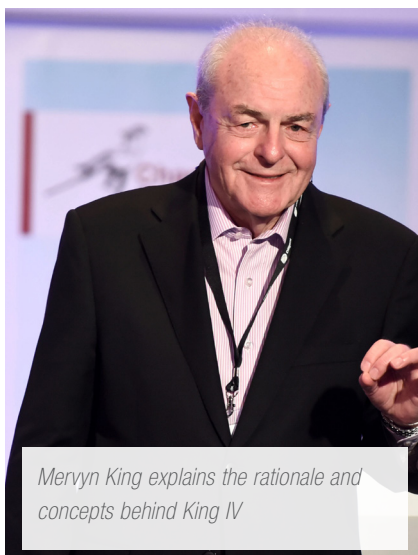
Premier Corporate Governance Conference

The 10th Premier Corporate Governance Conference took place on 22 and 23 August 2018 at the Montecasino Ballroom. The conference, which is the largest corporate governance conference



John Robbie (master of ceremonies)

in SA, showcased CSSA's thought leadership on what was arguably the country's most pressing problem – the lack of corporate governance. The master of ceremonies, John Robbie, entertained delegates with his comedic talent. The fourth industrial revolution was a pressing topic at the conference and a panel debate on the topic sparked interest among all company secretaries with questions being asked as to how artificial intelligence would impact the role of the company secretary.



Mervyn King explains the rationale and concepts behind King IV

Mervyn King addressed the audience on the rationale and concepts behind King IV. He reflected on his time as chairman of the King Committee, a role he assumed in 1992, and his stepping down from the position. Today, he said, success means building a business model that has a positive impact on the economy, society and the environment. King highlighted four outcomes that concluded whether a company, in the public or private sector, is practising good governance – an ethical culture and effective leadership; value creation in a sustainable manner; adequate and effective controls; and trust, good reputation and legitimacy. Deputy Auditor-General of South

Africa, Tsakani Ratsela, spoke about the new Public Audit Amendment bill that would see the Auditor-General receive more power. She noted that the bill was aimed at giving the organisation the "teeth" it required, thereby enhancing its traditional role and enabling the Auditor-General to not just audit a report but follow up on recommendations and findings and investigate matters where needed. The Public Audit Amendment Bill went through both houses of Parliament unopposed in May and June 2018, Ratsela told delegates, noting that it was waiting for President Cyril Ramaphosa's signature.



Tsakani Ratsela (Auditor-General SA) spoke about the role of audit assurance providers

A strong panel debate intrigued the audience on the topic of cleaning up governance in SOCs. The panel noted that South Africa was in a pivotal moment in its history with the unravelling of state capture and the state capture commission of inquiry, chaired by deputy chief justice Raymond Zondo, delving daily into the murky depths of the matter. The panel indicated that the only way the state would govern successfully is if it was honest, had morals, values, ensured merit to get the right people into the right jobs, and governed in the interests of everyone.



*Sneha Shah (Thomson Reuters)
challenged the audience to realise that
disruption is the answer*



Artificial intelligence and the company secretary panel (from left) James Matcher, Ronelle Kleyn, Wessel Oosthuizen, Nerushka Bowan and Karthik Venkataraman



*Zubair Wadee (PwC) highlighted that
we still have a way to go on integrated
reporting*



*Mohamed Adam (ArcelorMittal) discussed
how the current environment influences
how we lead and govern*



“ ... The conference
was a resounding
success and
continues to
consolidate our
thought leadership
role ”

We were grateful to have Edith Shih, ICSA President, who travelled from Hong Kong to speak at the conference. There was a strong line up of speakers such as Mohamed Adam (ArcelorMittal), Christina Pretorius (Norton Rose Fullbright), Sneha Shah (Thompson Reuters), Claudelle von Eck (Institute of Internal Auditors) and Zubair Wadee (PwC).

The conference was a resounding success and continues to consolidate our thought leadership role in corporate governance. This is why CSSA has existed for 110 years.



*Christina Pretorius (Norton Rose Fullbright)
questioned the audience on conflicts of
interest*



*Dr Claudelle von Eck (IIA) gave a thought-
provoking address on the disciplining of
professional bodies*



“... The panel noted that South Africa was in a pivotal moment in its history with the unravelling of state capture.”



Packed audience listen attentively to the speakers as the conference gets underway



Carolynn Chalmers (Candor Governance) guided the audience on governing IT risk the King IV way



Cleaning up governance in SOC's panel (from left) Douglas Gibson, Nuraan Sulaiman, William Gumede, Leanne Govindsamy and Thamsanqa Zikode



Andrej Vladder (Lumi Technologies) gave a presentation on conducting electronic meetings



Devices are used effectively by delegates to vote after each presentation



Integrated Reporting Awards

This was the 62nd anniversary of the reporting awards, which were held at Montecasino on 14 November 2018. The intensive judging process which preceded the event offered companies an opportunity for peer-to-peer comparison and attracted entries from various categories of companies, including JSE categories Top 40, Mid Cap, Small Cap and Fledgling/AltX. There were other categories, including State-owned, Public Sector, Unlisted, NGOs/NPOs and Regional. The judges noted an overall increase in the quality of integrated reports in 2018.



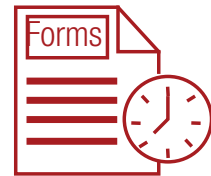
Audience waits in anticipation for the announcement of the winners in each category



Conrad Koch entertains the audience with his famous puppet, Chester Missing



Lukanyo Mnyanda (Business Day) addresses the audience



“...Once again this demonstrates why CSSA has always been a thought leader for the past 110 years.”

The audience were in awe of the long history behind these awards, as the longest standing reporting awards of its kind since 1956. Once again this demonstrates why CSSA has always been a thought leader for the past 110 years. It was also notable that the JSE Ltd had been a co-host of the awards for the past 23 years. Redefine Properties came out on top, as the deserving overall winner of the evening, during which Lukanyo Mnyanda, editor at Business Day – another longstanding partnership for CSSA worthy of accolade – also



Stephen Sadie and Mervyn King sharing a lighter moment



graced the stage. It was inspiring listening to the keynote speaker for the evening International Integrated Reporting Council chairman emeritus Mervyn King giving his address on “well rounded, honest corporate governance”. Along with his wealth of knowledge and experience,

Our thanks go to the judges:

- **Ronel Fourie** – Associate director, PwC, Convenor of judges
- **Leigh Roberts** – CEO, Leigh Roberts Consulting
- **Professor John Ford** – Gordon Institute of Business Science
- **Joanne Matisonn** – Company secretary, Accelerate Property Fund Ltd
- **Pieter Conradie** – Integrated reporting programme director, The Albert Luthuli Centre for Responsible Leadership, University of Pretoria
- **Professor Warren Maroun** – Wits School of Accountancy
- **Dr Nimrod Mbele** – MD, Knowledge Anchors Group
- **Tsvetana Mateva** – Business executive, Auditor-General South Africa
- **Sabrina Paxton** – Technical adviser, CSSA
- **Corli le Roux** – Independent specialist



Gregory Prinsloo (left), (Diligent) presents the top 40 winner award to Bruce Thomas (Nedbank Group Ltd)



Mervyn King presents the overall winner of the integrated reporting awards to Leon Kok (Redefine Properties Ltd)

King, was very conscious of and had a vision for futureproofing the environment.

South Africa's top comedy ventriloquist and double International Emmy nominated comedian Conrad Koch added his unique brand of humour to the event. His most famous puppet, Chester Missing, delighted the audience with how informed he was on corporate

governance. Conrad took great delight in poking fun at Vusi Kabi of the Gordon Institute of Business Science and CSSA president Sikkie Kajee through his other puppet personas. It was another star-studded awards evening, which CSSA hopes will elevate integrated reporting in Southern Africa. The esteemed panel of judges contributed to the overall success of the integrated reporting awards in 2018.



Seminars, Workshops And Webinars

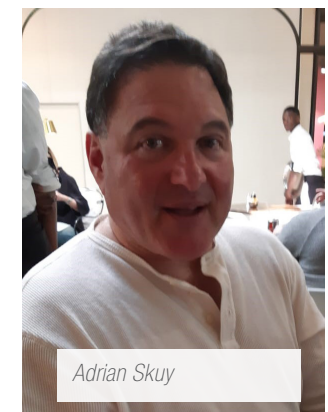
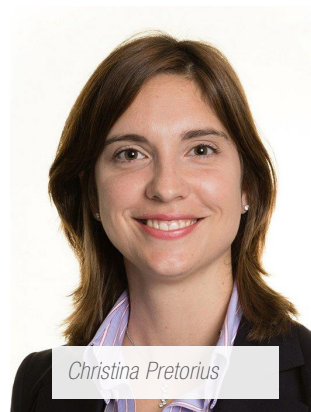
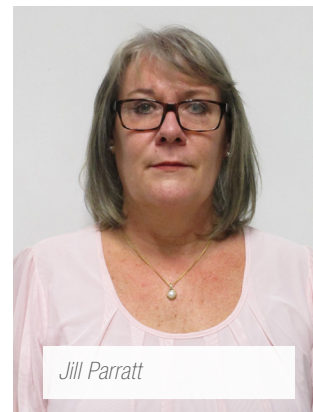
Ongoing training in company secretaryship, governance, accounting and taxation for our members is vital. CPD is required by SAQA, ICOSA, CIPC and SARS and helps to ensure that our members keep their knowledge and skills current so that they can deliver a high quality of service that

safeguards the public and meets the expectations of their employers and the requirements of their profession. These seminars, workshops and webinars also allow students to familiarise themselves with topics that they are studying.

We held a total of 19 seminars and 11 workshops in 2018 on a wide variety of topics. We have also

managed to cover most of the key centres such as Johannesburg, Durban and Cape Town. There is the constant challenge of finding new speakers to keep the CPD programme fresh. General topics such as the role of the company secretary, effective minute-taking, King IV and ethics have been popular. CSSA decided to extend the offering of early morning seminars of

Seminar workshop and webinar presenters





“.. The webinars
have proven
to be hugely
successful.””



Elizabeth de Stadler



Cathie Lewis



Gillian Prestwich

2.5 hours to workshops which lasted for 4 or 8 hours. This meant that CSSA could deal with topics in an in-depth fashion.

The webinars have proven to be hugely successful. Although CSSA only introduced webinars in August 2017, they have become very popular

in 2018. All in all, 28 webinars were presented in 2018.

We conducted 58 seminars, workshops and webinars which have contributed considerably to our public profile and this will increase in importance in 2019. Approximately 1451 delegates attended seminars,

workshops and webinars in 2018. We are happy to report that profit generated from these events in 2018 amounted to R475 000, which contributed to the financial stability of the Company. 2018 was a successful year in the amount of training undertaken, which is illustrated in the tables below.

The seminars conducted in 2018 were as follows:

Speaker	Date	City	Hours	Topic
Natasha Bouwman/Joanne Matisonn/Ronelle Kleyn/Sandi Linford	01-Mar	JHB	2	CSSA best practice guide: minuting meetings
George Williams	02-Mar	JHB	2,5	Introduction to risk management
Caryn Maitland	28-Mar	DBN	2	Practical implementation of corporate governance
Lynelle Bagwandeem	13-Apr	JHB	2,5	King IV and the legal framework
Chris Hodge	25-Apr	JHB	2	Current developments in UK corporate governance
Olga Constantatos/Tarryn Sankar	08-May	JHB	1,5	SOE governance unmasked
Zubair Wadee	24-May	JHB	3	Governance in an evolving environment
Jill Parratt	30-May	JHB	2	The diary of a seasoned company secretary
Cynthia Schoeman	13-Jun	JHB	2,5	Ethical considerations of stakeholder inclusion
Ronelle Kleyn/John Nassel-Henderson	21-Jun	JHB	1,5	King IV – An analysis of the 1st year of disclosure
Cynthia Schoeman	04-Jul	CPT	2,5	Ethical considerations of stakeholder inclusion
Dr Johan Erasmus	07-Aug	JHB	2,5	Practical application of Companies Act for company secretaries
Michael Judin	24-Aug	JHB	3,5	An overview of King IV
Cedric de Beer	04-Sep	JHB	2	Importance of governance for non-profits/SMEs: A personal journey
Tanya Knowles	14-Sep	JHB	1,5	e-Voting: how does it work?
Jonathan Cook	20-Sep	JHB	2	Board evaluation: the importance of self-assessment
Leigh Roberts	26-Sep	JHB	2,5	Integrated reporting: King IV, the international <IR> framework and value creation
Gillian Prestwich	05-Nov	JHB	1,5	Understanding XBRL
Yaniv Kleitman	08-Nov	JHB	2	Companies Act Amendment Bill
Yaniv Kleitman	29-Nov	JHB	2	Companies Act Amendment Bill



The workshops conducted in 2018 were as follows:

Speaker	Date	Hours	Topic
Mario Fazekas	29-Jan	JHB 4	Detecting deception
Caryn Maitland	30-Jan	CPT 4	Legislation update
Linda de Beer	06-Feb	JHB 3,5	An overview of King IV
Karen Robinson	23-Feb	JHB 4	Effective minute-taking
Heather Davies	13-Jul	JHB 8	Effective minute-taking
Rod Charlton	17-Jul	JHB 4	Emotional intelligence for company secretaries
Elizabeth de Stadler	09-Oct	JHB 4	POPIA/GDPR compliance for company secretaries
Elizabeth de Stadler	17-Oct	CPT 4	POPIA/GDPR compliance for company secretaries
Rod Charlton	12-Oct	JHB 8	Creating 'flow'
Cathie Lewis	31-Oct	DBN 4	An overview of King IV & the evolution of governance
John Roberts	21-Nov	JHB 4	Ticked off by risk management uncertainty?

The webinars conducted in 2018 were as follows:

Speaker	Date	Hours	Topic
Carmen Westermeyer	27-Mar	2	Tax Consequences of offshore transactions
Caryn Maitland	28-Mar	2	Practical implementation of corporate governance
Cynthia Schoeman	17-Apr	2	Trust: pursuit ultimate ethics ingredient
Caryn Maitland & Carmen Westermeyer	24-Apr	3	PPE vs capital allowances
Caryn Maitland & Carmen Westermeyer	10-May	3	Revenue
Caryn Maitland	23-May	2	Financial statements: the basics
Caryn Maitland	05-Jun	2	Hot off the press: IRBA inspection findings report
Cynthia Schoeman	11-Jun	2	The corporate culture continuum
Jonathan Lewis	15-Jun	1,5	Do all directors have duty of independence?
Caryn Maitland	18-Jun	2	Financial analysis
Caryn Maitland & Carmen Westermeyer	20-Jun	4	Trusts
Christina Pretorius	28-Jun	1,5	Board committees: composition & function
Jacqueline Arendse	09-Jul	2	Update on latest tax amendments
Caryn Maitland & Carmen Westermeyer	24-Jul	4	Corporate governance & tax evasion
Joanne Matisonn	27-Jul	2	Preparing for an effective AGM
Carmen Westermeyer	01-Aug	2	Wealth taxes: Estate duty, donations and the future
Karen Robinson	08-Aug	4	Effective minute-taking
Nico Theron	27-Aug	2	SARS audits & tax dispute resolution
Richard De La Harpe	11-Sep	2	Directors' duties and liabilities
Caryn Maitland & Carmen Westermeyer	22-Oct	3	Shares
Jonathan Lewis	18-Oct	2	Irregular expenditure
Carmen Westermeyer	23-Oct	3	Income tax: back to basics
Carmen Westermeyer	06-Nov	2	Debt restructuring and dividend stripping
Carmen Westermeyer	09-Nov	3	VAT: back to basics
Richard De La Harpe	19-Nov	2	Uncertificated Securities
Jonathan Lewis	5-Dec	2	Challenges facing audit firms
Cynthia Schoeman	11-Dec	2	Ethics for professionals
Yaniv Kleitman	13-Dec	2	Companies Amendment Bill

Publications

The Company is a thought leader in the corporate governance landscape. One of the ways in which this was achieved was by publishing relevant and informative publications. Four digital issues of boardroom went out in 2018 and were well received by members, students and subscribers. The first issue focused on public sector governance, which was one of the hottest topics in South Africa in 2018. The second issue focused on whistleblowing. The third issue focused on the conference. The fourth issue focused on the integrated reporting awards. The quality and design of boardroom received positive acclaim.

Three issues of the ezine went out during 2018 to the wider CSSA database. The second issue of e-zine included a feature on the conference. The final issue focused on the integrated reporting awards. All issues of the e-zine carry profiles of our students and members. These are useful in attracting new students to CSSA.

After a lull in previous years, two CSSA best practice guides were published. The first guide was on *Minuting Meetings*. This is the bread and butter of all company secretaries. The guide was well received in that many people are asked to take minutes without having any idea of what a good set of minutes looks like. The second guide was on *Artificial Intelligence and the Company Secretary*. This is a very important development in the life of most professionals. The guide was able to deal with the probable impact on the life of company secretaries.

The year ended on a high note in December with "The challenges



facing company secretaries in South Africa today” by Joanne Matisonn, Sabrina Paxton and Stephen Sadie which was published in Juta’s Corporate Report journal. This important academic article was well received.

All of the above items illustrate that CSSA made significant progress in contributing to thought leadership in 2018.

Technical Support

The technical adviser provided strong technical support to our members in the course of 2018. Her duties ranged from advising members on queries, to advising committees and the CEO of changes to legislation, which might affect the Company. The technical adviser prepared a monthly technical newsletter which provided in-depth coverage of governance, legal and accounting matters. Each monthly technical newsletter contained high level information.

The technical adviser provided timeous advice to members on a number of different topics. The technical adviser represented the Company on a number of forums including the SARS RCB Leadership forum and the Integrated Reporting Committee of SA working group. All communication which was received from regulatory bodies, was communicated accordingly. The technical adviser collated comments from members and made detailed submissions to the DTI on the proposed amendments to the 2008 Companies Act and to SARS on problems being experienced with eFiling. CSSA submitted a detailed response to the JSE Ltd on their consultation paper. Two information mailers per week were sent to members on a variety of



Sabrina Paxton (technical adviser)

topics of interest. The technical adviser attended various committee meetings with a view of providing technical support.

The Technical Support Package, which comprises an annual subscription for certain services, was distributed to various persons. This package is available to persons who are not members or students.

With the technical committee being an advisory committee to the JSE when proposed amendments to the listings and debt requirements are made, the technical adviser facilitated timeous comments from members of the technical committee to the JSE as per the mandate. Technical support is a further dimension in CSSA’s thought leadership bag.

The above items under intellectual capital illustrate the major contribution that CSSA made in terms of providing thought leadership.

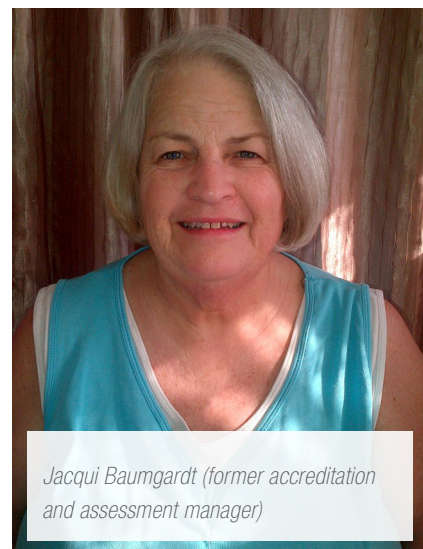
HUMAN CAPITAL

Staff

We have a staff complement of 18, including seven managers. The CEO together with management ensures that students and members receive

the utmost professionalism at all times. External support is sourced where required. Staff meetings were held every Monday morning so that all staff were appraised of what was happening in each department. Staff were encouraged to attend the seminars and webinars, which pertained to their departments. We have a small but very committed staff.

There have been some staff changes. Deborah Duncan, after having stepped in as a temporary placement in 2017 returned on 24 May 2019 permanently as marketing and membership manager. Ramongalo Moeng started as accountant on 1 January 2019. Linda Sanangurai was promoted from receptionist to student administrator on 1 February 2019. After 11 years, Jacqui Baumgardt resigned from



Jacqui Baumgardt (former accreditation and assessment manager)

CSSA on 31 March 2019. Jacqui has been a stalwart as our assessment and accreditation manager. Jacqui played a pivotal role in developing the new curriculum and piloting it through the Quality Council for Trades and Occupations (QCTO). We are indeed indebted to Jacqui’s untiring commitment to CSSA. Vicky Heideman joined us on 6



Vicky Heidemann (assessment manager)

March 2019 as the new assessment manager. Vicky comes with seven years' experience as a law lecturer at Rhodes University. We were also sad to lose Nikita Theodosiou who left us on 31 January 2019. Nikita was our first training and universities manager and in her short time with us, placed the training programme on a strong

Assessment and Accreditation

Developing and finalising the new curriculum was our major strategic priority for 2018. Southern Africa was the first division to offer the new curriculum in January 2019. This was a major achievement as this would have implications for all of our existing students. We would need to be ready with new subjects, new textbooks, new examiners and moderators. Tuition providers would need to be briefed on the changes. And most importantly we would need a smooth transition for our students who had partially completed the old curriculum to transition seamlessly into the new curriculum. We achieved

all of these targets and were ready by February 2019 to implement the new curriculum.

In this regard, two major milestones were reached during the year. First, the international accreditation submission was done and international accreditation was granted for four years. This entailed the writing and revision of a number of policies, which were approved by the education and examinations committee during the year.

Secondly, the revised South African qualifications were finalised during the course of the year with the assistance of Elize van Zyl



Salochanna Golden (training and universities manager)

footing. Salochanna Golden started on 10 April 2019 and has taken over the reins as training and universities manager. Salochanna spent 10 years at the Development Bank of SA. We look forward to the contribution of our new staff.





Governance Practitioner (NQF7)

NQF level 5	NQF Level 6	NQF Level 7
Communication Introduction to Financial Accounting	Managing Information Systems Principles of Business Law	Management Principles Advanced Business Law
Introduction to Law Introduction to Corporate Governance	Advanced Financial Accounting Principles of Corporate Governance	Advanced Corporate Governance

NQF8

Applied Governance
Finance for Decision-Making
Corporate Law
Risk and Compliance

Company Secretary (NQF8)
(Chartered Secretary Route)
Company Secretarial Practice
Development of Strategy

OR

Governance Professional (NQF8)
(Chartered Governance Professional Route)
Enterprise Risk Management
Public Sector Governance

as the qualifications development facilitator, who took the application to finality by 30 April 2018. One of the major developments was that we were advised that the governance professional occupation had been registered on the organising framework for occupations, which was great step forward. This allowed us to register a qualification for governance professionals at the NQF8 level, with the entrance requirement being the governance practitioner part-qualification (contained in the company secretary occupational qualification) or an undergraduate degree or equivalent qualification.

All the documents were refined in terms of Quality Council for Trades and Occupations (QCTO) requirements and the documentation, consisting of almost 500 pages, was submitted timeously. The new qualifications are illustrated in the table above:

The QCTO curriculum committee and board met in July 2018, and, on 4 August 2018, the qualifications were circulated for public comment, a process that took 28 days. The QCTO thereafter approved the new qualifications and, on 12 October 2018, forwarded them to South African Qualifications Authority (SAQA) for uploading to the National Qualifications Framework. SAQA required a few minor changes which were then addressed by the QCTO. This dovetailed very well with the introduction of the new international qualification across all the divisions. Transitional arrangements and new policies were workshopped with all staff and our IT service provider, V-Soft Technologies, to ensure a smooth transition. Other stakeholders such as tuition providers and students were kept updated by a series of circulars. New examiners and moderators were appointed for the new curriculum

subjects and a workshop was held to take them through the processes and procedures required. CSSA remains accredited as a quality assurance partner of the QCTO. Fasset remains responsible for certification. The textbooks for Applied Governance and Company Secretarial Practice were completely revised in 2018 by the authors,



Baldwin Masetlha (customer services manager), who manages textbooks sales, has been with the institute for 48 years



Karen Robinson and Karen Baldwin, respectively.

Having been decided by the education and examinations committee in 2017 to implement continuous assessment at Board level, assignments were set for corporate financial management, corporate secretaryship and corporate governance during 2018. This proved to be beneficial to students, leading to an improvement in the pass rates for these modules.

Awards Ceremony

240 guests attended the awards ceremony at the historic Wits Club on 27 September 2018. Sikkie Kajee, president, addressed all graduates with inspirational words. Kajee and vice president Karen Robinson capped the new graduates and congratulated prize winners for their achievements. CSSA seeks to further the importance of the corporate governance profession and its members which has become imperative with corruption as prevalent as it is within society today. All graduates were encouraged to continue their professional journey and to become members of CSSA in the future.



Build up to the awards ceremony; Sipiwe Hungwe, Charity Musonza, Lilian Pasara, Remember Mubaiwa, Tendai Mubaiwa and Felix Dzvene



Graduate Peter Mazunga with family



Sikkie Kajee (president) addresses the graduates



Graduate Prudence Swarts and family



“..Student numbers continued to increase steadily year-on-year”

As the sun set on yet another successful graduation year, graduates, prize winners and their families were invited to the Wits Club restaurant where a delicious cocktail menu and drinks were served well into the evening. Thanks go to student and examination manager Sandy van Niekerk for the arrangement of the awards ceremony.

Membership

In 2018 our members continued to be affected by the general economic environment as more companies retrenched employees and the increasing cost of living impacted on the ability of members to pay their fees. The pass rate of students has also had a negative impact on the number of potential members. However student numbers continued to increase steadily year-on-year, which should translate into higher member numbers in the coming years.

Two disciplinary cases were handled by the investigations and disciplinary committees. CSSA continued to oversee that members were of requisite character, integrity and accountability as chartered secretaries.



President caps a student



Sandy van Niekerk (left), (student and examinations manager), Fasten Manyika and Jackie Burds (examinations administrator)



Graduates at the 2018 awards ceremony



Graduate Tembakazi Koni with family



Chartered Secretaries Placements

Chartered Secretaries Placements was active this year and established itself as the go to place for companies searching for company secretaries and governance professionals. We continued to experience high levels of unemployment. With the prevailing low economic growth, jobs were being shed at a rapid rate. It is in this context that we attempted to assist our members and students to be first in line to getting jobs.

Chartered Secretaries Placements continued to scan the Sunday Times and SENS for company secretary changes. There was a big marketing drive at the premier corporate governance conference on 22 and 23 August 2018, where Chartered Secretaries Placements had a stand. Targeted emails were sent to some 60 delegates who visited the stand. Overall, Chartered Secretaries Placements got very good coverage and exposure. Chartered Secretaries Placements have a stock of the brochures which they handed out to potential clients, and at seminars. There have been adverts in all editions of Boardroom magazine. Regular mailers were sent to the database. The percentage of the placement fee we received for successful placements helped to increase CSSA's revenue.

SOCIAL AND RELATIONSHIP CAPITAL

Marketing

Our profile in the market place continued to grow with an active marketing strategy. The business sector has become increasingly aware of CSSA. New campaigns were developed for the conference, seminars and integrated reporting



Elise Waldeck, Anzebet Allardye, Kim Reeder and William Somerville (Chartered Secretaries Placements)

awards. CSSA had a stand at the tax indaba between 10 – 13 September 2018. Extensive marketing was conducted across various platforms and to different target audiences. For students, various forms of marketing took place including posters being delivered to universities and tuition providers; adverts were placed in the JSE magazine and Without Prejudice magazine. A LinkedIn profile was created for CSSA and a closed group for members was also created on LinkedIn. Various social media platforms were used throughout 2018 including Facebook, Twitter, LinkedIn and Instagram. All events were marketed via

these social media platforms and through online banners and print advertisements. Seminar, workshop and webinar reminder mailers went out throughout 2018. CSSA received extensive coverage for the premier corporate governance conference and the integrated reporting awards in Business Day, Financial Mail, Business Live, and the Sunday Times. These are the key business publications in SA. This was due to a long standing service level agreement that CSSA has with Tiso Blackstar. There were 56 A4 colour adverts and numerous online banners with a market value of R3.5 million. This is by far the best coverage that CSSA has had in recent years and gave us an important competitive edge over other professional bodies.

Representing members

We continued to represent our members on a range of bodies such as the King Committee, Integrated Reporting Committee of SA, Fasset, the Companies and Intellectual Property Commission (CIPC) and the South African Revenue Service (SARS). Our members were also represented on the JSE Ltd with the technical committee of CSSA having



Deborah Duncan (marketing and membership manager)



been appointed as an advisory committee on the amendment of the JSE's listings requirements.

ICSA

CSSA is a division of the international Institute of Chartered Secretaries and Administrators (ICSA). The Honorary Officers for 2018/2019 are Ms Edith Shih from Hong Kong as President, Peter Turnbull from Australia and Jill Parratt from Southern Africa as Vice-Presidents. John Heaton from the United Kingdom has been



Jill Parratt (ICSA vice president)

seconded to serve on the exco. Jill Parratt follows a good tradition of Dr Gavin Barnett, Marshall Murton and Bob Lees serving as honorary officers of ICSA. In addition, Karen Robinson serves on the professional standards committee and Natasha Bouwman on the thought leadership committee.

There were notable developments in 2018. In March 2018 the Institute received Royal Assent to the charter & byelaw changes that had been approved by members at the October 2017 Annual General Meeting (AGM). The changes came into effect on 1 May 2018. Existing members that met the agreed criteria, could be awarded the chartered governance professional designation. The new category of affiliated member also came into effect on 1 May 2018.

The institute introduced a new qualifying programme across all divisions, at the same professional level as the current qualifying programme, with substantially revised content and leading to the designations of chartered secretary and chartered governance professional. Some divisions propose to examine students so that they can acquire the designations individually whilst other divisions will examine students so that they acquire both designations concurrently. Southern Africa was the first division to offer the new curriculum beginning in January 2019.

At the AGM in Toronto in September 2018, members approved that the name of the international institute be changed to the Chartered Governance Institute. The institute is repositioning the international institute's brand to be more encompassing and reflective of governance, which is at the core

of what we do. The change in the institute's name only applies to the institute in the 'international' sense, but divisions are being encouraged to consider changing their local title or the name of their local service company. The methodology of using the brand will be made available to all divisions.

Her Majesty has approved the supplemental charter that reflected the new name of the institute. It is being printed and signed off and then a seal will be placed on it and it will come into effect. The new name for the international institute can be used from when it is sealed. That will give the Council time to decide on the appropriate event to launch the new brand, expected to be in the second half on 2019.

The council is of the view that the international institute can redefine its role to be the leader in the practice of governance around the world. We know we can be the best explainers, the best advocates and the best educators in the promotion of good governance internationally. In doing so, the international institute can demonstrate to our stakeholders that members are prepared to stand up for what they believe, stay balanced in their thinking, be focused on what is ethically appropriate and inspire others to follow. The council further believes that the new name and focus will attract to the institute those who work in the wider world of governance, in addition to those that act as company secretaries. The institute's core will continue to be chartered secretaries, but the new name will also allow all of our members to more easily explain what they do and which organisation they belong to.



Edith Shih (ICSA president)



“...We are hopeful that training on the toolkit will provide members and students with greater insight..”

A significant portion of all council meetings is devoted to longer term strategic issues, in particular how to create greater synergy within the nine divisions and what activities the international institute can undertake to support the new brand.

Whilst there is some way to go to get these ideas off the ground, the council is looking at, amongst other things, the pros and cons of holding an international governance conference, the introduction of an award for outstanding individuals working in global governance and partnering with other leading organisations on thought leadership.

At the council meeting in Toronto a new international on-line learning community was proposed that could build a community of practitioners, generate revenue and assist divisions. The set up and first two years' maintenance would be paid for by sponsorships. The final indicators of success would be increased awareness of the institute and increased membership.

The thought leadership committee (TLC) was set up in 2016 to provide a forum for the international institute to develop ideas and thinking on governance issues of global

importance. The TLC is looking at future projects on board diversity, director diversity, sustainability and corporate governance, and non-public companies

CSIA

CSSA is also a member country of the Corporate Secretaries International Association (CSIA). An exco meeting was held in Hong Kong in April 2018, where a lot of effort went into consolidating the transfer of the company's domicile from Geneva to Hong Kong. The exco also approved the appointment of auditor and company secretarial firms based in Hong Kong. A bank account was also opened in Hong Kong. The annual council meeting was held on 27 September 2018 via teleconference where the following persons were elected to take office on 1 January 2019:

President – Tom Omariba (Kenya)

Vice President - Karen Southgate (Southern Africa)

Treasurer– Paradza Paradza (Zimbabwe)

Secretary – Makarand Lele (India)
Karen Southgate, vice president, assists with the strategic direction of CSIA. CSIA consists of 14 member countries. Seven ICSA divisions are part of CSIA. However the other member countries, which are outside of the ICSA fold include India, USA, Canada, Kenya, Nigeria, Brazil and Bangladesh. These are important national associations for CSSA to remain in contact with. CSIA has 100 000 corporate secretaries and governance professionals around the world. Zahra Cassim is the part-time CEO and is based in Pretoria.

CSIA published quarterly professional editions of Global

Governance Voice, which provided important insights into other national bodies of company secretaries and governance professionals. A board evaluation report was published and launched in Johannesburg in March 2018. The website has been substantially upgraded. CSIA canvassed its member countries on a comparative analysis of the legislation affecting company secretaries in 2018 and their recognition by stock exchanges. A final report should be published in 2019.

One of our members Sibani Mngomezulu (ex-Barloworld) attended a train-the-trainer workshop on the company secretaries toolkit, which was meant to be held in 2018 but was postponed to January 2019 in India. We will roll out the training in Southern Africa in 2019. We are hopeful that training on the toolkit will provide members and students with greater insight into the role of the company secretary and the various duties associated with this role.

FINANCIAL CAPITAL

Information Management System

CSSA continues to invest substantially in developing its information management system. CSSA has worked with V-Soft Technologies over the past years in developing a capable and reliable information management system. To this end, an online project organiser is utilised to keep track of all support and development tasks. Staff have access to this platform and can add tasks when required. They also receive feedback through this platform and mark tasks as complete. A total of 131 tasks, some major and some minor, were completed during 2018.



Due to the VAT change from 14% to 15%, the system had to be upgraded and fully tested. This change was quite far reaching as it touched a large portion of the system. The divisional reports required by ICOSA were built into the system for student and member departments to run when they need it. Optimisation of the SAQA upload process which is necessary to maintain, was undertaken to ensure timely uploads according to the schedule.

There were numerous other improvements throughout the system, which all went towards improving our service to members and students such as retrieving archive data made easier, CPD log in-detail reports, upgrades to existing reports, upgrades of existing screens, Fasset optimisation, student web portal notice board updates, NQF level and credit legacy update, new functionality to pass statuses to Evolution, new RPL screen and upgrades to how RPL works and new integrations with Evolution.

However the biggest part of the year was spent on the new curriculum project. As a

completely new curriculum was to be implemented in January 2019, major work had to be undertaken to prepare for a seamless transition. Critical software upgrades to the infrastructure had to be done in order to be ready for January 2019. Existing students had to be moved from the old to the new curriculum, for which a rule engine was built to ensure a seamless transition. The project involved upgrades and new additions to the following modules: qualifications, programmes, subjects, routes, academic record rule engine, new academic credit screen, reports, exam registrations, advancement and many others. Everything was completed although the implementation date was moved from January to February 2019. Hundreds of students were transitioned successfully into the new curriculum without error.

Although a substantial amount was spent on developing and maintaining the information management system, this is necessary if CSSA is to remain competitive.

Finance

The finance department has optimised where possible the



Jenny Maybery (financial manager)

information management system and Evolution, constantly making improvements to the systems. Statements are still being sent out every month but outdated contact information hinders this process. It is crucial that members and students provide the institute with current email and physical or postal addresses.

The finance and risk committee met quarterly and discussed the state of CSSA's finances and the major risks facing the institute. Student exemption and board examination income exceeded our expectations in 2018 and with the implementation





of the new curriculum in early 2019, additional growth is forecast. The seminars, webinars and workshops held during the year were well received and students were able to attend pre-exam webinars for the first time. Chartered Secretaries Placements income from the placement of our students and members in new employment has also seen a nice increase. Our two major events namely the premier corporate governance conference and the integrated reporting awards dinner were very successful and both recorded a profit in 2018. However we continue to face financial challenges.

Over the past few years we have improved the salaries of our staff in order to compete effectively in a difficult environment. Although we have continued to invest heavily in our systems, our new curriculum, and our staff in order to grow the institute, the good news is that we made a profit for the 2018 financial year.

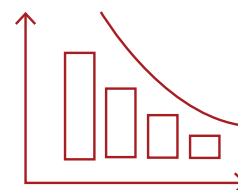
Mazars were re-appointed as external auditors and BDO Advisory Services (Pty) Ltd were re-appointed as internal auditors for the 2018 financial year. The annual financial statements have been prepared in

accordance with the International Financial Reporting Standards for Small and Medium Enterprises.

Conclusion

As can be seen from the above, the key priorities of the new curriculum, the information management system, our investment in staffing, and our training programme are laying firm foundations on which to take our institute forward in the years to come. The premier corporate governance conference and the integrated reporting awards continue to be world class and highly subscribed. We are attracting a younger cohort of professionals which will give the institute a strong pipeline to improve on the troubled corporate governance that is so evident all around us. Our profile has grown as many more people become aware of CSSA. Our resolve to build the Institute continues to drive our actions.

Our achievements during the year would not have been possible without the hard work and commitment of our president Sikkie Kajee, the executive committee, the board of directors and all our staff. We are a small staff with limited resources and a high level of commitment. I thank everyone



As mentioned at the start of this report, we have successfully implemented the four key strategies.

for their invaluable input and contribution to the affairs of the institute. The year ahead promises to be another challenging and rewarding one and I look forward to working together as we take CSSA, and the profession, to new heights.

Our guiding purpose is to best serve our students and members, and on behalf of CSSA, I thank them for their loyal support.

Stephen Sadie
(MBA, M. Ed)
Chief Executive Officer
20 May 2019





Corporate Governance Report 2018

Introduction

Chartered Secretaries Southern Africa, the trading name of The Southern African Institute of Chartered Secretaries and Administrators, a non-profit company in terms of the Companies Act No. 71 of 2008 ("the Companies Act"), is fully committed to applying sound corporate governance principles, policies and processes. The Company continues to assess the impact of the King IV principles and welcomes the move towards an outcomes-based approach to corporate governance. In line with the 'apply and explain' approach set out in King IV, the directors will endeavour to state the extent to which the Company has applied the King Code, having regard to the perceived impact of its operations on its main stakeholders. The structure of the corporate governance report follows the structure of the 16 principles of King IV.

The Company operates under a delegation agreement with the international Institute of Chartered Secretaries and Administrators and the Committee for Southern Africa. In terms of this delegation agreement, certain rights and obligations are transferred to the Committee for Southern Africa. In turn, certain of these rights and obligations are transferred to the Company.

The Company is the professional qualifying body for chartered secretaries and chartered governance professionals offering an international qualification recognised in more than 80 countries. The Company was reaccredited by SAQA as a professional body in



2017 for a further five years. The new curriculum proposed by the Company was approved in 2018 and was implemented in January 2019. As a professional body, compliance with Regulators such as SAQA and QCTO is of paramount importance. CSSA is also quality assured by ICOSA, in particular by the Professional Standards Committee (PSC).

KING IV

The outcomes of King IV being the attainment of an ethical culture; adequate and effective control; performance and value creation; and trust, good reputation and legitimacy, are the core focus of the Company. The Company continues to be seen as a responsible corporate citizen and ensures the appointment of competent executive management and the effective governing of risk and opportunity to achieve its strategic objectives. The Company understands that good governance is fundamental to good business decision-making and organisational performance. Through our influence with government and regulators, and the work of our members, the Company plays a leading role in shaping the governance agenda and promoting best practice essential for organisational performance.

“...The board strives to act in the best interests of the Company at all times.”

The Company strives to apply the recommended practices as contained in the NPO sector supplement in the King IV report. The board is the governing body of the Company.

Value

The Company is committed to creating value through its operations. The Company adds value to various stakeholders in the following ways:

(a) Members

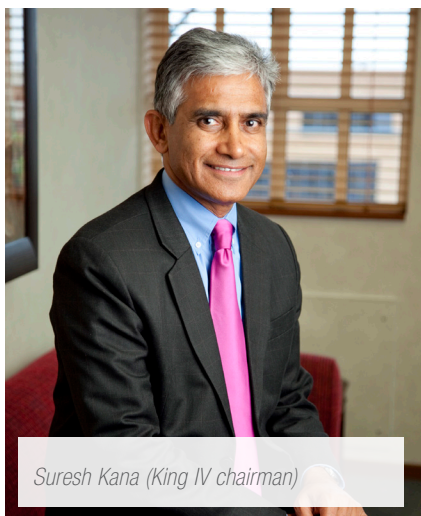
The Company provides value to its members by bestowing certain benefits upon them. These benefits include access to the Company's technical adviser for assistance with queries; access to the *boardroom* publication of the Company as well as the e-zine and the technical newsletter, which count towards non-verifiable CPD hours. Members receive a discounted rate on all seminars, webinars, workshops and conferences. The company strives to take the voices of members into account and called for comments from members on the amendments to the 2008 Companies Act, which were submitted by the Company timeously. The Company also aims to continuously educate its members through weekly informative mailers and articles. The Company



protects its reputation through the professional code of conduct.

(b) Students

The Company strives to ensure all students receive support as they proceed through the different levels of the qualification. Assignments, counting 30%, were introduced to assist students with their final marks with the aim of improving the pass rate. Chartered Secretaries Placements continues to advertise relevant job opportunities, which are available to the Company's members and students. Additional study material will be the focus of the assessment manager in 2019 through online platforms.



Suresh Kana (King IV chairman)

(c) Employees

Employees are encouraged to attend seminars, webinars and workshops free of charge and to further their studies with the Company's qualification at no cost to employees. The Company creates an environment with an "open door" policy wherein employees may express their opinions and receive valuable feedback.

(d) Public at large

The Company strives to create value to the public by providing information

on critical corporate governance topics. The annual premier corporate governance conference is open to the public as are the Company's seminars, webinars and workshops. The public may also subscribe to the boardroom publication of the Company at a minimal fee. The e-zine is also sent to interested members of the public at no charge. The Company's annual integrated reporting awards strive to create value by encouraging all companies, regardless of their size, to enter and submit an integrated report thereby showing their commitment to integrated reporting.

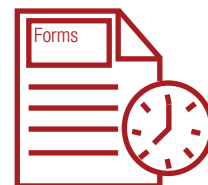
LEADERSHIP

1 The board should lead ethically and effectively

The board strives to act in the best interests of the Company at all times. Conflicts of interest are declared by board members, and where a conflict exists, the board is responsible for managing the conflict. Notice and information of board meetings are sent to members timeously to allow for adequate preparation time. Directors have the necessary competence to discharge their responsibilities and to provide strategic direction and control of the Company. Directors are expected to act with due care, skill and diligence. Any member may stand for election to the board of directors as per the Mol. The majority of board members are company secretaries in large companies and are conversant with best practice in corporate governance.

ETHICAL CULTURE

2 The board should govern the ethics of the Company in a way that supports the establishment of an ethical culture



“...The Company is committed to creating value through its operations.”

The code of ethics of the Company aims to facilitate the enforcement of ethical standards through disciplinary procedures. Adherence to the code is a condition of membership. The employees of the Company must adhere to the internal policies and procedures of the Company. The code of ethics is published on the website of the Company.

The very nature of the Company's operating model requires surveillance of members' compliance with professional ethics. With all the corporate scandals, which have been dominating the media, the Company is happy to report that none of its members have been implicated. As company secretaries and governance professionals, it is critical to maintain a high ethical standard and to report any irregularities. Adherence to the code is a condition of membership. Overall, the Company requires its members to perform their duties and responsibilities with objectivity, transparency, honesty, integrity, diligence and with courtesy towards others. The code requires members not to act in conflict with the legitimate interest of their employer or client or to act in any way which may detract from the reputation of the Company. The code outlines the commitment to sound and ethical



business practices and stipulates the operational standards to which all members are required to subscribe. It further supports good corporate governance and responsibility.

According to the code, members are obliged to maintain current knowledge through Continuous Professional Development (CPD) initiatives. Annually, members are required to undertake 20 CPD hours of which seven may be non-verifiable. Practising members are required to retain professional independence, ensure confidentiality when dealing with sensitive information, and deliver professional work.

Procedures exist whereby allegedly errant members not following the provisions of the code may be investigated by the investigations committee, which would in turn forward its findings to the disciplinary committee. Any member using a title or designation without authorisation is advised to desist.

RESPONSIBLE CORPORATE CITIZEN

3

The board should ensure that the Company is, and is seen to be, a responsible corporate citizen

The Company's practices and processes are in line with legislative and regulatory requirements. The Company is not in breach of any of its statutory duties and all directors have complied with their fiduciary duties as provided for in legislation. The board is responsible for ensuring that the values and strategy of the Company are representative of being a responsible corporate citizen. A strategy session is held once every two years to review the Company's

strategic plan and to ensure that management are aware of their respective duties delegated to them by the board. The Company is active through the annual conference, the integrated reporting awards and numerous seminars and webinars, whereby responsible corporate citizenship is advocated.

VALUE CREATION PROCESS

4

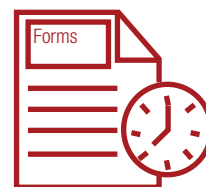
The board should appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

The Company has adopted a strategic plan and risk register which specify all short, medium and long-term initiatives of the Company. The strategic objectives of the Company are monitored via the Company's strategic plan, as is the performance of these objectives. The board oversees and monitors, with the support of its committees, the implementation and execution by management of the policies and priorities and ensures that the Company accounts for its performance by, amongst others, reporting and disclosure. Management of the Company have undergone training on risk through interactive workshops. A board strategic planning session was held on 31 March 2017, which devised a comprehensive 2017-2018 strategic plan. A mid-term review was held on 27 March 2018. The next strategic planning session took place on 5 April 2019.

The inherent vision and mission on which the business model of

the Company is predicated, is the maximisation of its student and member numbers and the retention of existing members, its two main stakeholder groups. In addition the Company conducts robust advocacy amongst the relevant regulatory and professional bodies to endeavour to enhance the reputation and employment credentials of its members.

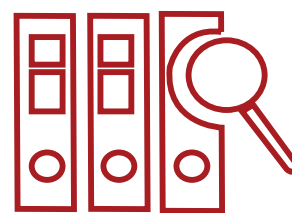
The four key strategies in the strategic plan for 2017-2018 are:



To finalise the new curriculum



To set up training programmes and strengthen relations with universities



To develop and implement a comprehensive marketing strategy



To improve the financial sustainability of CSSA.



This report covers the second year of the two year strategic plan.

The Company's qualification plays a unique role in the upliftment of the educationally disadvantaged. The qualification provides a valuable alternative to those who are not accepted into university.

The future vision of the Company remains that of being a world class professional institute which, via its influence with government and regulators, as well as the work of its members and students, continues to endeavour to shape the corporate governance and company secretarial practice agenda so as to enable the implementation of best practice, in alignment with responsible corporate citizenship, in its field of operations. The Company strives to be seen as the thought leader in the corporate governance landscape. In an effort to achieve this, the Company has published two best practice guides in 2018, namely the best practice guide on minute-taking, and the best practice guide on artificial intelligence and its impact on the role of the company secretary. These two guides have subsequently been published on the international body's website. The Company also published an article in the Juta's Corporate Report titled "the challenges facing company secretaries in South Africa today" written by Stephen Sadie, Joanne Matisonn and Sabrina Paxton.

The financial results of the focused range of activities undertaken by the Company in meeting its objectives manifest themselves in the annual financial statements and the integrated report.

STAKEHOLDER REPORTING

5

The board should ensure that the reports issued by the Company enable stakeholders to make informed assessments of the Company's performance and its short, medium and long-term prospects

The Company is committed to transparent reporting and disclosure practices. The Company ensures the integrity of its annual financial statements and its integrated report. The finance and risk committee oversees the integrated reporting process and reviews the audited financial statements. The integrated report and annual financial statements of the Company are contained on the Company's website. The publications of the Institute such as *boardroom* and the e-zine provide regular reports on the Company's progress. The integrated report is comprehensive and complete and there are no supplementary reports.

Annual general meetings

The annual general meeting is held for the purposes of:



Sikkie Kajee received the president's medallion from the outgoing president, Shamida Smit



“...Southern Africa was the first division to offer the new curriculum beginning in January 2019.”



AGM held in June at CSSA



Member, Robert Likhang and Geoffrey Watrus

- receiving and considering the audited financial statements for the past year, the report of the board of directors on the business of the Company, the report of the finance and risk committee, and the report of the auditors;
- the appointment of the auditors;
- announcing the result of the election of members to the board of directors for the following year; and
- the consideration of any other matter of which due notice has been given.

The results of all decisions taken at the annual general meeting are communicated promptly to members.



Ronald Heiden, PPG member and Sydwell Vushemakota

Board meetings

The board meets four times per year and every effort is made by directors of the Company to attend all board meetings as these meetings are vital to discussing and resolving pertinent issues relating to the Company's performance and sustainability. The attendance of directors at board meetings, for the 2018 financial year, are reflected in the table below.

PERTINENT ROLE OF THE BOARD

6 The board should serve as a focal point and custodian of corporate governance in the Company

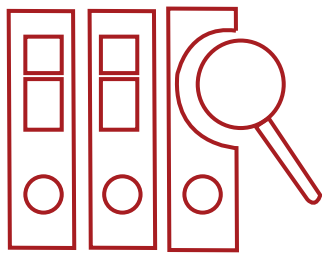
Board members are aware of their responsibilities and duties owed to the Company in terms of the Company's internal policies and also statutory legislation. Board members are aware of the importance of investing their time in the affairs of the Company to ensure its long-term success. The board as well as any committee may obtain



Natasha Bouwman, Nikita Theodosiou and Lynelle Bagwandeem



independent, external professional advice at the Company's expense concerning matters within the scope of their duties. Most board members are company secretaries of large companies, which means that they are already conversant with corporate governance best practice.



Board members
are aware of their
responsibilities
and duties



Shamida Smit gives the president's report



Sonia Giuricich (director) and Nic Benson (PPG chairman)





Attendance and composition of the board was as follows:

Board of Directors	
Bagwande L – from 20 June 2018	2/2
Bouwman N	3/4
Dialwa MB	4/4
Giuricich S – from 20 June 2018	2/2
Kajee, S – Chair from 20 June 2018	3/4
Kocks H – until 20 June 2018	0/2
Lachporia Z	2/4
Likhang R	4/4
Linford S	3/4
Neethling J – until 13 March 2018	0/0
Pillay R – until 11 June 2018	0/1
Robinson K	0/4
Sadie S	4/4
Smit S – Chair until 20 June 2018	4/4
Southgate K	1/4
Viljoen E – from 20 June 2018	2/2
Wessels C – until 8 March 2018	0/0
Wilson C	3/4

In line with the new Mol of the Company adopted on 31 March 2017, a number of changes were made to the board to reduce its size. The Mol provides that after nine years, board members must retire. The branch representatives of the Company were limited to the three largest branches.

The Committee for Southern Africa has the same members as the board of directors and is the divisional committee of ICOSA.

Committee for Southern Africa	
Bagwande L – from 20 June 2018	1/2
Bouwman N	2/4
Dialwa MB	4/4
Giuricich S – from 20 June 2018	2/2

Kajee S	3/4	3/4
Kocks H – until 20 June 2018	0/2	0/2
Lachporia Z		2/4
Likhang R		4/4
Linford S		2/4
Neethling J – until 13 March 2018	0/0	0/0
Pillay R – until 11 June 2018	0/1	0/1
Robinson K		0/4
Sadie S		4/4
Smit S – Chair from 20 June 2018	2/4	2/4
Southgate K – Chair until 20 June 2018	1/4	1/4
Viljoen E – from 20 June 2018	2/2	2/2
Wessels C – until 8 March 2018	0/0	0/0
Wilson C		2/4

The membership committee and the three disciplinary committees report directly to the Committee for Southern Africa.

BOARD COMPOSITION

7

The board should ensure that it comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The Company has clear and formal processes for monitoring, electing and appointing members of the board in line with the Company's Mol. There is a clear distinction drawn between the roles of the CEO and the chairman and these positions are occupied by separate individuals. The nominations committee assists in the appointment process of directors to the board in line with diversity policies, skill and expertise required.

All directors, save for the chief executive officer (CEO), are non-executive and are elected in terms of the Company's Memorandum of Incorporation ("Mol") The Mol codifies the board's composition, appointment, authorities, responsibilities and processes. The Mol of the Company provides in clause 6.2(1) that the Company will have a minimum of ten and a maximum of 15 directors elected by the members and each director must also be a member. At least one third of the directors (excluding the office bearers, the directors elected by the branches and the chief executive officer) must retire at the Company's annual general meetings or other general meetings on an annual basis. These retiring members of the board may be re-elected, provided they are eligible. The board retains effective management over the affairs of the Company and monitors the performance of management.

The president of the Company acts as chairman of the board. The roles of president and chief executive officer (CEO) are separate in accordance with the recommendations of King IV so as to endeavour to ensure that no single person can exercise unfettered powers of decision-making.

The board is made up of members who have the necessary skill, knowledge and experience to govern the Company effectively. In accordance with King IV and The Independent Code for Non-Profit Organisations, the board focuses on the following aspects to ensure its effectiveness:

- A clearly defined vision, purpose and values
- Ensured commitment to accountability and transparency



- Monitoring membership and student statistics to ensure that sustainability and risk are monitored
- Constructive collaboration
- Maintaining a board structure
- Upholding procedural governance

The board deliberates over a range of key issues to ensure proper direction for and management of the Company. The president provides the board with leadership and guidance and encourages proper deliberation of all matters requiring the board's attention and solicits relevant input from the other directors. Within defined levels of authority, the CEO has the responsibility to implement all decisions of the board. Further, he is accountable to the board for the effective functioning of the Company within board-determined policy guidelines.

Key focus areas during the year under review included:

- Reviewing and approving the 2018 annual financial statements and integrated report
- Reviewing and approving the external auditor's report
- Reviewing the strategy and reports from board committees and various departments within the Company
- Approving and monitoring compliance with the annual budget

Directors are comprehensively briefed well in advance of board meetings to facilitate meaningful deliberation

and contribution. Where possible the board aims to unanimously approve board decisions. All directors have unhindered access to all Company records, information, documents and property.

Nominations and appointments

The board is responsible for appointing new directors in a formal and transparent process. Nomination for the office of director requires nomination by two members of the Company and the consent of the nominated member as per the Mol. The nominations committee prepares a shortlist of candidates which is then presented to members for voting at an AGM.

The CEO is responsible for the informal but comprehensive induction programme, which provides new directors with a strategy and operational briefing. As part of the induction programme, new directors are furnished with copies of the Company's most recent financial results and integrated report, the charter and byelaws, the Company's Mol, board minutes and the Company's strategic plan.

All directors are obliged to disclose any conflict or potential conflicts of interest at each board and committee meeting.

The following board members left the board in 2018:

- H F Kocks – 20 June 2018
- J Neethling – 13 March 2018
- R D Pillay – 11 June 2018
- C H Wessels – 8 March 2018

The following board members, who were appointed to fill vacancies in 2017, were appointed to the board in 2018:

- S F Linford – 20 June 2018
- K E Robinson – 20 June 2018

The following persons were appointed to the board in 2018:

- L Bagwandeem – 20 June 2018
- S Giuricich – 20 June 2018
- E Viljoen – 20 June 2018

All directors are required to execute their duties independently and in the best interests of the Company. All directors of the Company are highly skilled and equipped to effectively discharge their duties.

Profile of directors as at 31 December 2018



L Bagwandeem
FCIS, BSc, LLB, LLM

Lynelle is the company secretary and general counsel or head of legal of Netcare Limited. She has held this position since 1 March 2011 and was promoted to the company's executive committee in 2012. She was appointed as a director to the board of the Hospital Association of South Africa (HASA) in 2015. Her background includes providing corporate governance and legal advice to two large national banks and an international mining house which included work on foreign listings in London in respect of the AIM. She completed her



articles at a large national law firm and was admitted as an attorney in 2002. Her area of expertise remains corporate governance and enhancing compliance with due regard to health legislation and the Companies Act. Her masters dissertation was on corporate governance and was invited to be published as a book entitled The Role of Disclosure in enhancing Corporate Governance.



N Bouwman
FCIS, LLB, LLM

Natasha is the global governance partner at Naspers. She serves on the CSSA Technical and the Membership Committees. Natasha has been appointed to the ICOSA Thought Leadership Committee and is actively involved in research and drafting of best practice guides for the Institute. Natasha occupied the following positions: (a) head: secretariat at the National Empowerment Fund; (b) company secretary and legal specialist at the Institute of Directors in Southern Africa and (c) practised as an attorney in the areas of commercial law and commercial litigation at Blakes Maphanga Incorporated. She has corporate governance advisory experience across the private, public, profit and non-profit sectors in South Africa and Africa.



B Dialwa
FCIS, ACIBM, Acc-Tech (Botswana)

Brian is self-employed. He is chairman of the Botswana Branch. He was financial controller of SOS Children's Villages and financial manager of the Botswana National Sports Council. He serves on the boards of the Botswana Institute of Accountants and the Botswana Accountancy College.



S Giuricich
FCIS

Sonia runs an accounting and tax practice which has some large clients. She also manages an Italian NPO - Asilo Mondo Magico consisting of two community-based nursery schools. She worked for 6 years at Anglo American and for 3 years at Total SA in accounting and internal auditing. She is a PPG member and serves on the CSSA Finance and Risk Committee.



Z Lachporia
FCIS, National Diploma: Company Administration

Zemobia was assistant group secretary, Liberty Holdings Ltd. She serves on the CSSA Nominations and Investigations Committees. She was previously assistant company secretary at Gold Fields Ltd and Astral Foods Ltd, and company secretary at Brait South Africa Ltd.



R Likhang
FCIS, ACMA, CA (Lesotho)

Robert is head of RL Consulting (Pty) Ltd, which provides virtual CFO and company secretarial services, as well as providing consultancy and corporate training in the areas of finance and governance. Robert is senior vice president and serves on the CSSA Executive and Disciplinary Committees. Robert has



finance, governance and general management experience having held senior positions at executive level and as non-executive board member across many industries in Lesotho and the region. These include being CEO of Paragon Business Products, Lesotho Institute of Accountants, Basotho Enterprise Development Corporation, as well as group finance director FSBP (Pty) Ltd South Africa, chief of strategic planning Lesotho Communications Authority, amongst others. Robert is highly engaged in his profession wherein he is a vice president of the Lesotho Institute of Accountants. Robert has been appointed as chair of the Lesotho Revenue Authority.

S A H Kajee

FCIS, B Compt (Hons), MBA, CIA,



Professional Accountant (SA), AGA (SA), Chartered Director (SA)

Sikkie is a corporate governance consultant. Sikkie is president of CSSA. He serves on the CSSA Executive, and Finance and Risk Committees. Sikkie was a partner at KPMG for approximately 5.5 years in the internal audit unit, before moving to the management consulting unit for 3 years. He serves on the boards of the following organisations: the Automobile Association of South Africa NPC (non-executive chairman); Powertech Transformers (Pty) Ltd (alternate

director); Altec UEC (Pty) Ltd; Dorper Wind Farm (Pty) Ltd (alternate director); the DTI audit committee (chairman); the Audit Committee of the Government Printing Works (chairman); and the Audit committee of the National Regulator for Compulsory Specifications (chairman).

S Linford

FCIS, PMD, Dip in HR Management



Sandi is the group company secretary of Vodacom Group Limited which she joined in December 2008 against the backdrop of a corporate action driven by Telkom and Vodafone which would culminate in the listing of Vodacom on the JSE. Sandi serves on the CSSA Technical Committee. Sandi developed her early career in Durban as a company secretary with the Frame Group under the guidance of Mervyn King who was chairman of Frame at the time. After spending some four years at Frame, Sandi relocated to Johannesburg and joined Bill Venter's Altron Group. As group secretary of Altron, Sandi had overall responsibility for 7 listed companies. Sandi spent 12.5 years with Altron where she was exposed to a variety of disciplines, in particular corporate finance documentation, investor relations, human resources and employee

benefits. Sandi is also the former group company secretary of Murray & Roberts and Telkom SA.



K E Robinson

FCIS, LLB, LLM

Karen is the company secretary of The Huge Group. Karen is vice president and serves on the CSSA Executive and Education and Examinations Committees. Karen is a member of the Professional Standards Committee of ICOSA. Karen is an experienced company secretary, having worked in both the listed and unlisted environment. She has experience in the construction, mining, financial services and telecommunications industries and previously served as the company secretary of Aveng Ltd, Gold Fields Ltd and FedGroup.

K J Southgate

FCIS, B Com (Hons)





Karyn runs an accounting practice called TidySum Accounting Solutions CC. She is also financial director at Flanagan and Gerard Property Investment and Development which manages numerous shopping malls around the country. Karyn serves on the CSSA PPG and Nominations Committees and the Mentor Board. Karyn is the international representative to CSIA. She was management accountant at Amalgamated Beverage Industries and a financial lecturer at Varsity



S Smit
FCIS, B Com (Acc), LLB

Shamida is the company secretary (Sub-Saharan Africa Delegation) for Saint-Gobain Construction Products, which is the head office for the Africa based businesses of Saint-Gobain. She serves on the Executive, Education and Examinations, and Nominations Committees. Shamida started her career within the accounting and finance industry and worked for smaller accounting firms before going on to Fisher Hoffman Sithole (now PKF Worldwide) where she advanced to senior company secretarial assistant. She moved on to Mazars Inc. as company secretary and subsequently, Ernst and Young in the position of supervisor, company secretarial team. Upon moving to Standard Bank Properties division, she took up the position as company secretary of the division and then moved around internally for 9 years within banks in various governance and credit related departments for Corporate and Investment Banking. She has also lectured a CSSA Board subject part-time at Wits University. After a stint in the insurance industry at MMI Holdings Limited, she spent 3 years at Anglo American, Zimele division until the division disbanded.



E Viljoen
FCIS, B Com

Elizna joined Anglo Operations Proprietary Limited in May 2013 where she is heading up the corporate secretariat department overseeing the company secretarial teams of Anglo American Platinum Limited and Anglo American South Africa Limited and reporting into the Group General Counsel of Anglo American plc based in London. Prior to joining Anglo Operations, Elizna was group company secretary at Blue Label Telecoms Limited where she was responsible for establishing the secretariat function including a compliance function. With over 20 years' experience in the company secretarial and corporate governance fields in consulting and in-house positions, Elizna has been exposed to various corporate transactions across the industrial, mining, information technology and telecommunications sectors.

C E Wilson
FCIS

Chris is the managing director at Kilgetty Statutory Services. He is chairman of the Western Cape Branch and serves on the mentor Board. Chris is well known in South Africa as one of the leading company secretarial consultants and will often be consulted by other practitioners on complex company



S Sadie
MBA, M. Ed, BA (Hons), H DipEd PG, BA
Stephen is CEO of CSSA. Stephen is a member of the King Committee. He serves on the International Council of ICSA and was Secretary of CSIA from 2010-2012. Stephen has held a number of senior positions in the education sector. He was Director: Strategic Support at the South African Qualifications Authority and Director: Research and School Improvement at the Matthew Goniwe School of Leadership and Governance. Prior to that, Stephen was Chief Education Specialist: Curriculum Delivery and Support of the Johannesburg East District of the GDE. Stephen regularly presents at various corporate governance conferences.



secretarial services issues. Chris is a non-executive director of a number of clients and furthermore acts as the public officer and local representative of foreign-based organisations that have opened offices in South Africa.

COMPANY SECRETARY

The company secretary is Irma Warriner. The board has evaluated the qualifications of the company secretary and is satisfied that the requirement in the Companies Act has been satisfied in that the company secretary is suitably qualified to effectively discharge her duties. The company secretary is independent of the board and is not a director of the Company. All directors have access to the company secretary. The company secretary provides valued guidance and advice to the board and the board is satisfied that an arm's length relationship is present between the company secretary and the board.

COMMITTEES OF THE BOARD

8

The board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and effective discharge of its duties

The Company has various committees each with its own terms of reference which must be adhered to. Committees have been established to assist the board in discharging its responsibilities.

The president is an ex-officio member of all committees. Certain committees have the right to co-opt such persons as they may think fit as members of the relevant committee to assist in their deliberations. The majority of members of such committees shall be members of the Company. Co-opted members do not have a right to vote. Senior members of staff attend committee meetings to provide relevant input, but are not members of the committees.

The directors recognise that they are ultimately accountable and responsible for the performance and the affairs of the Company and that the delegation of any powers to a committee in no way absolves the board of the obligation to carry out its duties and responsibilities. The auditors are given unrestricted access to the president and other members of the board and attend all meetings of the finance and risk committee by invitation. The board is of the opinion that its interests, and those of the Company, are suitably served by inviting the auditors to attend these meetings.

The terms of reference of committees were amended in November 2018 to state that members of committees may not serve for more than 12 years in total. This is to ensure that the company maintains diversity in its committees, which is of paramount importance to the Company. Where committee members serve for too long a period, the risk of a lack of independence is heightened.

Executive committee

The executive committee comprises the president, two vice-presidents and the immediate past president. The executive committee holds a minimum of four meetings per annum. The executive committee attends to the operational management of the Company between board meetings. The executive committee considers matters referred to it by the board and also matters which have not yet been referred to the board. The executive committee serves to further its commitment to achieving best practice standards of corporate governance based on locally and internationally acceptable standards, which includes compliance with King IV. In order to fulfil its mandate, the committee may call upon any of the directors of the Company or any employee of the Company to provide it with information.

The succession plan of the executive committee allows an honorary officer two years of preparation before becoming president. The president remains on the executive committee for a further year as immediate past president. This structure has provided stable leadership to the Company.

Attendance and composition of the executive committee was as follows:

Executive Committee	
Kajee S – Chair from June 2018	4/4
Likhang, R	3/4
Robinson K	2/2
Sadie S	4/4
Smit S	3/4
Southgate K	0/2



Finance and risk committee

This committee considers matters pertaining to good corporate governance arising from the Company's business, covering areas such as internal controls, integrated and statutory reporting, compliance with laws and regulatory and supervisory codes, external audit, risk management and appropriate and timely disclosure to the board. The chief executive officer, the secretary, the technical adviser, the internal auditor and external auditor shall be in attendance. The committee has adopted terms of reference that deal with the committee's role and responsibilities.

Attendance and composition of the finance and risk committee was as follows:

Finance and Risk Committee	
Giuricich S	4/4
Kajee S - Chair	3/4
Khangale B	0/1
Kocks H	1/2
Rufetu B	2/2
Roberts J	3/4

Nominations Committee

The chairman of this committee shall be the immediate past president. The nominations committee has the responsibility of considering nominations received from members, taking into account the skills, experience, age, gender and diversity criteria required for a high performance board, and providing a short list of candidates for election at the AGM. The nominations committee also recommends candidates to chair the various committees, and to assume the roles of international representatives and honorary officers. The Company echoes the principles of race and gender diversity at board level.

Attendance and composition of the nominations committee was as follows:

Nominations Committee	
Lachporia Z	2/2
Southgate K – Chair	2/2
Sadie S	2/2
Smit S	2/2
Neethling J	1/1
Pillay R	0/1

Professional Practice Group (“PPG”)

This committee considers matters pertaining to PPG activities and communicates with and assists members by providing seminars and technical information. The majority of PPG members are accountants. The PPG ensures practising members of the Company conduct themselves in a professional manner so as to create public awareness of, and demand for, the professional service available from practising members. The committee is tasked with ensuring the interests of its members. The committee holds an annual general meeting where the committee members are elected.

Attendance and composition of the PPG committee was as follows:

Professional Practice Group Committee	
Benson N – Chair	5/5
Jeffries Y	5/5
Mina P	3/5
Mpye T	5/5
Piyose T	1/5
Zurlinden L	2/4

Technical committee

This committee considers how changes or proposed changes in legislation and regulation may impact

corporate governance and company secretarial practice. It also considers the interpretation of legislation and regulation, including the listings requirements of the JSE Ltd, and related matters that may affect members of the Company. The committee focuses on enhancing the legislative and governance knowledge of its members in relation to complex areas pertinent to the company secretarial function.

The committee has adopted terms of reference that deal with the committee's role and responsibilities. Members of the committee have provided articles for various technical publications and conducted continuing professional development seminars, focusing on challenging areas of company secretarial practice. The committee has been appointed by the JSE Ltd as an advisory committee to the JSE Ltd on the amendments to the listings requirements.

Attendance and composition of the technical committee was as follows:

Technical Committee	
Bouwman N	2/4
Defillo E	4/4
Foster R	0/3
Goldstone-Hoffman K	2/4
Khangale B	0/1
Khumalo Z	0/3
Kirsten E	4/4
Kleyn R	2/4
Linford S – Chair	4/4
Mathew A	2/4
Matisonn J	4/4
Nana M	2/4
Pinto M	2/4
Sadie S	4/4
Somerville W	3/4



Education and examinations committee

All educational and examination matters fall under the brief of this committee. The issues dealt with by the committee include the standard of the examination question papers, the examination marking process, tuition providers to assist the Company's students, and any policy matters relating to students. The committee also deals with reports from the international professional standards committee and develops remedial action plans where appropriate. The committee has focused on the implementation of the new curriculum due in 2019.

Attendance and composition of the education and examinations committee was as follows:

Education and Examinations Committee	
Clarke S	1/1
Kocks H	0/1
Rissik M	1/2
Robinson K – Chair	2/2
Saunders S	1/1
Smit S	2/2
Sadie S	2/2

Assessment and review committee

This committee, as a sub-committee of the education and examinations committee, manages the Company's overall assessment process and ensures compliance by all role players with the Company's requirements. Further, it reviews all examination question papers and examination results to endeavour to ensure that both international and local standards are maintained. Law, financial and general review groups have been established and subject moderators serve on these review groups. The moderators review all question papers and examination results for purposes of quality assurance.

Attendance and composition of the assessment and review committee was as follows:

Assessment and Review Committee	
Clarke S	2/2
Kocks H	0/1
Rissik M	2/2
Robinson K – Chair	2/2
Saunders S	2/2
Smit S	1/2
Sadie S	2/2

Membership committee

This committee decides on applications for admission as associate or fellow members of the Company. It is accountable to the Committee for Southern Africa, but has to adhere to international standards and practices. The membership committee is tasked with dealing with all matters involving members.

Attendance and composition of the membership committee was as follows:

Membership Committee	
Akosah-Bempah O	3/4
Arnison R	3/4
Bagwandeen L – Chair from November 2018	1/1
Bouwman N – Chair until November 2018	4/4
Carpenter C	2/2
Maduna A	2/2
Roberts J	3/4
Russell V	0/2
Sadie S	4/4
Sello A	0/3

Disciplinary committees

There are three disciplinary committees.

1 Investigation Group

This body is required to investigate all matters relating to alleged misdemeanours of members. Any member of the public can lodge a written complaint against any member of the Company. There were two cases investigated in the year under review.

2 Disciplinary Tribunal

This body has the responsibility of reviewing the findings of the investigation group. As part of its function, this committee considers disciplinary and other matters and dismissals, and implements appropriate penalties. This committee will evaluate the evidence provided and, if necessary, decide upon an appropriate sanction. Two cases were dealt with by the disciplinary tribunal in the year under review.

3 Appeals Tribunal

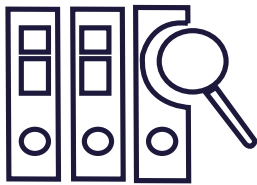
This body deals with any appeals lodged against the findings of the disciplinary tribunal.

Given the state capture enquiries in 2018 and the increased focus on the need for good corporate governance in South Africa, there has been an increased awareness of the issue of discipline of professional body members. CSSA has joined other professional bodies as part of the Anti-intimidation and Ethical Practices Forum.

BOARD EVALUATION

9

The board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness



“The finance and risk committee is responsible for identifying and addressing the management of all operational, reputational and financial risks”

The Company conducted an evaluation of its board as a whole as opposed to the individual directors of the board. An evaluation of the entire board was required to assess the effectiveness and size of the board and to streamline the board. There is open discussion at board level on its effectiveness. The committees submit reports to all board meetings where their performance is discussed.

The Company did not conduct an evaluation in 2018, and will focus on this area in 2019 to ensure that all board members are performing their duties with the necessary skill, care and diligence and that any conflicts are resolved adequately.

MANAGEMENT

10 The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

The CEO's performance is evaluated annually against agreed performance measures and targets. Key functional

areas of the Company are headed by competent managers, whose performance is evaluated annually by the CEO. Management submit comprehensive reports to the board and to exco on the tasks accomplished and those which still need to be tackled as per the strategic plan of the Company.

Staff meetings were held every week to discuss critical issues. The CEO had regular individual meetings with managers to discuss their work.

RISK GOVERNANCE

11 The board should ensure that risk is governed in a way that supports the Company in setting and achieving its strategic objectives

The Company has a documented risk register which is reviewed by

the finance and risk committee as well as the board. Management is formally required to address any intolerable residual risks. Management's risk responses are monitored by the finance and risk committee

The finance and risk committee is responsible for identifying and addressing the management of all operational, reputational and financial risks. The committee is satisfied that all key business risks are being addressed.

The CEO presents a risk report to every board and finance and risk committee meeting. Risks faced by the Company are updated by management on a quarterly basis.

The major risks facing the Company as at 31 December 2018 are as follows, together with the relevant risk mitigation processes:





Key risks	Risk analysis	Mitigating controls
Financial sustainability	There is insufficient revenue from student and member fees. Additional sources of revenue need to be found to ensure that a deficit at year end is prevented.	The Company generated a profit as reported at the end of 2018. Training in 2018 generated a profit of approximately R450 000 through webinars, seminars and workshops. Student enrolment continues to increase year-on-year. However financial sustainability of the Company remains a key risk as members struggle to pay their membership fees due to the economic environment. The finance department follows up regularly on bad debts. With the implementation of the new curriculum in 2019, providing for two routes namely, the chartered secretary route or the governance professional route, the Company hopes to attract more students in light of the increased focus on corporate governance as a whole in South Africa.
Thought leadership	The Company needs to be seen as the thought leader in the corporate governance landscape. Increased awareness of the Company needs to be created to attract more students, and ultimately increase the member base.	In 2018, two best practice guides were published: best practice guide on minute-taking and best practice guide on artificial intelligence and its impact on the role of the company secretary. The company has in 2018, provided detailed comments to the Department of Trade and Industry on the proposed amendments to the 2008 Companies Act, and has also submitted comments to the JSE on the publication of its consultation paper. The company will focus on creating more recognition of the Company among various regulatory bodies and the public at large by, inter alia, commenting on various public platforms.
Tuition Providers	The ability of students to pass depends on receiving quality education. The CSSA qualification is at an NQF 8 level (honours equivalent). Therefore, it is important for universities to provide tuition. Historically, only a few universities have offered our qualification.	CSSA approached a number of tuition providers. There are some distance learning providers. In terms of universities, the processes are lengthy and require continuous followup. This will require further attention in 2019.
New curriculum	The new curriculum needed to be approved by the QCTO. The transition to the new curriculum could pose a number of interrelated problems with an increase in the number of board subjects and the addition of completely new subjects. New textbooks, examiners and moderators will be required, and the assessment processes may be disrupted. Tuition providers will need to prepare themselves for the changes. Existing students need to transition smoothly to the new curriculum.	The QCTO approved the new curriculum and everything was in place to implement the new curriculum in February 2019. The information management system was updated in 2018 to cater for the new curriculum's requirements as new administrative processes needed to be in place prior to registration in 2019. There was a smooth transition to the new curriculum
International accreditation	We need to maintain international standards to maintain the reputation of the Institute and its qualifications. Quality assurance of assessments are conducted to meet international requirements.	We continue to improve on the quality assurance processes on our assessment. All the policies for submission for the international accreditation were submitted on 30 November 2018. Southern Africa subsequently received accreditation in February 2019 for the next four years.
Textbooks	Textbooks must be kept up-to-date which is challenging in an evolving environment. The new curriculum will also impact heavily on the development of new textbooks.	Textbooks needed to be ready by January 2019, with the implementation of the new curriculum. The assessment manager appointed two authors for Company Secretarial Practice and Applied Governance. The textbooks were published in time for the 2019 enrolment. Appropriate textbooks were prescribed for the new subjects.
High failure rate	The high failure rate leads to many students ending their studies prematurely. Students' lack of access to affordable and excellent tuition opportunities may lead to an exacerbation of the low pass rate. Many of our students have come through the public education system which has not prepared them well for tertiary studies.	An in-depth examination of the pass rates for each subject over the past 5 years was undertaken. The student and assessment managers arranged the following: Pre-examination seminars and webinars, providing access to past papers on website, advising students to study through tuition providers. Assignments were introduced in 2018 to assist in increasing the pass rate. The proportion of students enrolling with degrees has increased which should increase the pass rate.



INFORMATION TECHNOLOGY GOVERNANCE

12

The board should ensure that technology and information is governed in a way that supports the Company in setting and achieving its strategic objectives of authority and responsibilities

The board is ultimately accountable for the governance of information and technology management. Internal audit provides assurance to management and to the finance and risk committee. The Company considers technology and the management of information when approving strategy and policy.

The overseeing of information technology governance continues to vest in the finance and risk committee which:

- considers the efficiency of IT controls, policies and processes to the extent that these may pose a risk to the financial reporting process, and the effectiveness of financial controls
- monitors the efforts of management to ensure that IT risks are contained and regulated to prevent damage to the Company

The Company uses the services of an external service provider, V-Soft Technologies, for managing the Company's information management system. Meetings between the Company and V-Soft take place every two weeks to monitor progress on all system developments and/or challenges. Management of the Company are in attendance at these meetings. An experienced

IT consultant has been engaged to provide assurance of the IT processes.

The information management system has been updated significantly to cater for the new curriculum, which will bring new subjects and codes to the fore. The old system needed to be overhauled so that all student related activities would run smoothly in preparation for when the new curriculum is implemented in 2019.

COMPLIANCE

13

The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen

The Company has complied with all legislative and regulatory requirements, which is overseen by the board. Policies and procedures are in place to monitor compliance and to mitigate risks. During the year under review, there were no material violations of any laws or regulations, nor were any material penalties or fines imposed on the Company or its directors for contraventions of any laws or regulations.

The CEO, under the guidance of the Company's executive committee is responsible for ensuring compliance with relevant legislation and regulations. The CEO and the technical adviser are responsible for continually updating the board on legislative and/or regulatory developments pertinent to the Company's activities. In light of the fact that most directors are also employed in the corporate

governance/company secretarial/accounting and tax consulting fields, they are regarded as being aware of relevant regulatory imperatives and requirements and, as such, regularly provide guidance to the Company. The company secretary also provides advice to the board.

REMUNERATION

14

The board should ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term

The Company remunerates fairly and transparently. Non-executive directors of the Company are not remunerated for their services. The Company has not prepared a remuneration report due to the small size of the Company. Staff members all receive a CPI linked increase plus a zero, one or two percentage increase based on performance.

ASSURANCE

15

The board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the Company's external reports

The Company ensures adherence to its policies and procedures using sources of assurance such



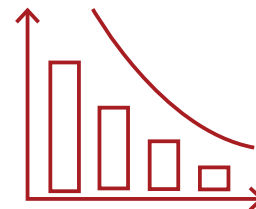
as management, internal auditors and external auditors. The board, supported by the finance and risk committee, ensures an effective control environment. The finance and risk committee assessed the adequacy and the effectiveness of controls as adequate through the confirmation of management and reports from the internal and external auditors.

Internal control

The Company maintains systems of internal control over its operations and functions such as membership records, examination papers, examination results and the award of certificates, financial reporting, as well as the safeguarding of assets against unauthorised use or disposition. These systems are designed to provide reasonable assurance to the Company's management and the board regarding internal control, the preparation of reliable financial statements and the safeguarding of the Company's assets, including personal information.

Any identified deficiencies in the system of internal controls are corrected immediately to improve these systems. An effective internal control system can provide only reasonable, but not absolute assurance with respect to financial statement preparation and the safeguarding of assets. Therefore, there are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Furthermore, effectiveness of an internal control system changes with circumstances. The finance and risk committee regularly receives reports on and reviews the effectiveness of

“The Company is committed to timely, consistent, open and transparent communication with all relevant stakeholders.”



internal controls and the exercise of delegated authority. As part of the finance and risk committee's responsibilities an assessment of various internal control functions across the Company was carried out during the year under review and changes were implemented.

External audit

It is the responsibility of the external auditor, currently Mazars, to report on whether the annual financial statements are presented in compliance with International Financial Reporting Standards (IFRS) for SMEs. The external auditor performs an assessment of internal controls as part of the audit, but the preparation of the annual financial statements remains the responsibility of the directors.

Where the external auditor is appointed for non-audit purposes, such as tax compliance services, the finance and risk committee must pre-approve these services in line with guidelines designed to ensure that the external auditor remains independent.

Internal audit

The internal audit function is the ongoing responsibility of the finance and risk committee. BDO was appointed as the internal audit service provider. The internal auditor provides a report at every finance and risk committee meeting. The finance and risk committee has

the responsibility of monitoring risk, the accuracy of information within the Company, compliance with standard operating procedures, regulatory compliance by the Company and its employees, and the economic and efficient use of resources.

SOCIAL AND RELATIONSHIP CAPITAL

16

The board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time

The Company has identified key stakeholders and ensures that the interests of stakeholders are considered when implementing policies and processes and when developing strategies. The board is the ultimate custodian of stakeholder relationships and has delegated to management to proactively deal with stakeholder relationships and to provide feedback where necessary

The Company is committed to timely, consistent, open and transparent communication with all relevant stakeholders. The table below indicates the various stakeholders, engagement with them and the outcome.



STAKEHOLDER	HOW WE ENGAGE	OUTCOME
Members	Emails, electronic boardroom magazine, e-zine, continuing professional development seminars and webinars, support from technical adviser, technical committee, Professional Practice Group, annual general meeting, maintenance of professional body accreditation with SAQA, annual integrated reporting awards, annual premier corporate governance conference	<ul style="list-style-type: none"> • Continuous improvement in the standard of company secretarial and corporate governance practice • Cultivation of a loyal membership base • Reliable, accessible and relevant information and advice available from the Company throughout the year
Students	Examinations, assignments, course material, pre-exam seminars and webinars, syllabuses, tuition providers, comprehensive information on website.	<ul style="list-style-type: none"> • Maintenance of international standards of education • Graduates are equipped to enter the employment market and have a sound knowledge base across different facets of the corporate governance and company secretarial fields
Business and industry	Representation on various forums such as King committee, CIPC, SARS, RCB Forum, JSE and Integrated Reporting Committee Working Group.	<ul style="list-style-type: none"> • Collaboration on matters that benefit business and industry
Board	Quarterly board meetings	<ul style="list-style-type: none"> • Satisfactory disclosure to the board to enable it to fulfil its fiduciary duties
Employees	Weekly staff meetings, Informal and formal interactions, one-on-one discussions with management on matters affecting individual departments.	<ul style="list-style-type: none"> • Staff are kept informed of the Company's activities • Cultivation of a committed team • Open door policy
Examiners and moderators	Monitor quality of examination material Evaluation of examination papers Review of examination results Evaluation and assessing of assignments Review groups are set up prior to the examinations to assess all examination papers thoroughly	<ul style="list-style-type: none"> • Maintenance and enhancement of international standards in relation to the Company's qualification • Compliance with SA regulatory requirements • Improved pass rate
Tuition providers	Ongoing interaction, provide support materials and ensure quality of tuition meets satisfactory standards. Evaluation of tuition providers	<ul style="list-style-type: none"> • Students obtain the best tuition and support materials to achieve their qualifications
Government	Engage with various arms of government on legislative matters	<ul style="list-style-type: none"> • The Company influences legislation and policy making which is in the best interests of its membership • The Company provides input into proposed amendments taking into account the views of members
Media	Advertising and editorial in numerous magazines, social media – Facebook, LinkedIn and Twitter. Collateral – banners, pamphlets, posters Articles written in various publications	<ul style="list-style-type: none"> • The Company's high profile is maintained • A credible and visible brand is built • New marketing campaigns keep the public interest • The Company to be seen as the thought leader in the corporate governance landscape
Professional bodies	Representation on various forums such as Fasset. Close co-operation with like minded professional bodies. All meetings held by the Professional Bodies Forum are attended	<ul style="list-style-type: none"> • Collaboration where our interests are aligned • MOU signed with professional bodies to help prevent corrupt practices
Regulators and policy makers	Representation on various bodies, cultivate relationships with key decision makers The technical adviser sits as an observer on the Integrated Reporting Committee Working Group The technical adviser attends all leadership forums held by SARS	<ul style="list-style-type: none"> • The Company remains abreast of legislative and governance developments and trends • The Company remains abreast of legislative and governance developments and trends



“...The Company is committed to a safe and healthy working environment.”

HUMAN CAPITAL

The Company prioritises ongoing training to facilitate continual development of staff by requiring them to attend relevant seminars, conferences and workshops. Staff are encouraged to attend seminars which are held at our office. Staff are also encouraged to pursue the CSSA qualification. There is no charge for staff. Our staff receive numerous benefits including, medical aid membership, provident fund and a guaranteed 13th cheque.

Ramongalo Moeng was appointed accountant on 1 January 2019. The training and universities manager resigned on 31 January 2019. Salochanna Golden was appointed on 10 April 2019. The assessment and accreditation manager retired on 31 March 2019 after many years of valued service to the Company and who played a vital role in having the new curriculum approved. Vicky Heideman was appointed on 6 March 2019. Linda Sanangurai was promoted from receptionist to student administrator on 1 February 2019.

The Company is committed to a safe and healthy working environment and ensures strict compliance with relevant legislation. Matters of employee health and safety are addressed as part of the responsibilities of management.



Back: Baldwin Masetlha, Sandy van Niekerk Front: Betty Tsotetsi, Ramona Bloem, Nikita Theodosiou and Deborah Duncan



Bongiwe Sibanda
(membership co-ordinator)



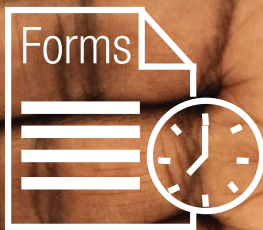
Linda Sanangurai
(student administrator)



Ramongalo Moeng
(accountant)



CSSA staff at Premier Corporate Governance Conference



“ We are a small staff with limited resources and a high level of commitment. I thank everyone for their invaluable input and contribution to the affairs of the Institute”

- Stephen Sadie



Summary Financial Information

The annual financial statements are available on the Company's website <http://www.chartsec.co.za/> and have been prepared under the supervision of Jennifer Maybery, ACIS, Financial Manager, CSSA. The Annual Financial Statements with the exception of the Detailed Income Statement have been audited in compliance with the Companies Act of 2008.



Detailed Income Statement

for the year ended 31 December 2018

	2018	2017
	R	R
REVENUE		
Sales - Physical Stock	410 527	368 441
Administration Fees Received	304 840	546 414
Corporate Governance Conference	1 533 419	1 517 873
Integrated Reporting Awards	606 655	721 077
Member Income	5 395 327	5 775 049
Professional Practice Group Income	460 381	476 564
Royalties Received	40 699	46 654
Advertising Income	4 290	-
Placements Income	368 950	254 016
Seminar, Workshop & Webinar Income	847 404	580 739
Student Income	7 507 940	5 842 191
Technical Support Package	33 071	19 658
Total revenue for the year	17 513 503	16 148 676
Other income		
Investment income	584 530	599 144
Insurance claim payout	5 138	(1 842)
Profit on foreign exchange	4 800	-
Sundry Income	45 810	40 973
Total Income	18 153 781	16 786 951

The information presented does not form part of the Annual Financial Statements and is unaudited.

**EXPENSES**

	2018 R	2017 R
Advertising	600 956	659 733
Amortisation - Intangible assets	314 241	459 586
Annual Bonus	547 218	480 474
Auditors' remuneration	233 035	162 513
Bank charges	151 991	137 869
Boardroom and Technical newsletter	290 658	178 920
Branch expenses	1 771	7 741
Catering expenses	17 802	22 222
Cleaning	20 324	21 756
Computer expenses	368 900	379 391
Consulting fees	310 073	303 122
COS Physical Stock	61 347	47 488
Courier & Postage	128 678	307 037
Depreciation - Tangible assets	26 844	34 061
Discount allowed	62 216	60 686
Employee benefits	72 523	67 353
Finance costs	101 486	104 387
Gifts	17 750	20 002
Hire - Equipment	107 299	108 117
Insurance	66 461	51 498
Integrated Reporting Awards and Corporate Governance Conference	1 665 418	1 742 903
International Capitation Fees	370 009	347 666
International Council Expenses	153 693	72 802
International Initiatives	122 009	97 307
Lease rental on operating lease	1 334 698	1 556 853
Legal expense	43 148	25 127
Loss on foreign exchange	-	4 376
Meeting expenses	39 089	38 322

The information presented does not form part of the Annual Financial Statements and is unaudited.



EXPENSES

	2018 R	2017 R
Motor vehicle expense	14 550	18 685
PPG Expenses	7 056	5 499
Printing and stationery	132 661	120 788
Prior year expenses	-	70 037
Repairs and maintenance	251 916	56 240
Retired Medical Aid	-	72
Salaries	7 916 200	6 958 010
Security	(4 068)	63 912
Seminar, Workshop & Webinar expenses	365 145	366 663
Small Assets below R5000	35 515	4 672
Staff recruitment	65 764	222 937
Student expenses	1 217 333	984 019
Subscriptions	38 248	23 415
Technical Support Services	2 100	444 068
Telephone and fax	215 471	204 413
Temp Staff	302 003	18 670
Training	45 418	103 664
Travel - local	41 421	64 993
Travel - overseas	34 233	46 942
Workmans compensation	16 913	21 080
Total expenditure for the year	17 927 516	17 298 091
Surplus / (deficit) for the year	226 265	(511 140)
Other comprehensive income		
Revaluation - PR Medical Liability	(31 000)	(23 000)
Total comprehensive surplus / (deficit) for the year	195 265	(534 140)

The information presented does not form part of the Annual Financial Statements and is unaudited.



Statement of Financial Position

for the year ended 31 December 2018

	2018 R	2017 R
ASSETS		
Non-current assets		
Property, plant and equipment	39 508	44 933
Intangible assets	454 402	394 850
	493 910	439 783
Current assets		
Inventories	89 872	70 555
Loans receivable	67 520	90 569
Trade and other receivables	630 617	811 374
Cash and cash equivalents	6 767 057	5 860 126
	7 555 066	6 832 624
Total assets	8 048 976	7 272 407
EQUITY AND LIABILITIES		
Equity		
Other reserves	361 000	392 000
Retained income	2 544 567	2 318 302
	2 905 567	2 710 302
Non-current liabilities		
Post-retirement medical aid liability	448 076	435 460
Current liabilities		
Trade and other payables	4 230 174	3 808 251
Loans payable	172 292	-
Post-retirement medical aid liability	64 400	58 600
Operating lease liability	228 467	259 794
	4 695 333	4 126 645
Total equity and liabilities	8 048 976	7 272 407



Statement of **Changes in Equity**

for the year ended 31 December 2018

	Post - retirement medical aid reserve	Retained Surplus	Total
	R	R	R
Balance at 1 January 2017	415 000	2 829 442	3 244 442
Deficit for the year -	-	(511 140)	(511 140)
Total other comprehensive income	(23 000)	-	(23 000)
Total comprehensive surplus / (deficit) for the year	(23 000)	(511 140)	(534 140)
Balance at 31 December 2017	392 000	2 318 302	2 710 302
Surplus for the year -	-	226 265	226 265
Total other comprehensive income	(31 000)	-	(31 000)
Total comprehensive surplus / (deficit) for the year	(31 000)	226 265	195 265
Balance at 31 December 2018	361 000	2 544 567	2 905 567



Statement of Cash Flows

for the year ended 31 December 2018

	2018	2017
	R	R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	689 260	(399 472)
Investment revenue	467 890	445 572
Finance costs	(55 486)	(104 387)
Net cash generated by /(utilised in) operating activities	1 101 664	(58 287)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(21 419)	(251 349)
Intangible assets acquired	(373 793)	-
Insurance pay out	5 138	-
Net cash utilised in investing activities	(390 074)	(251 349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans raised / (repaid)	195 341	(356 726)
Net cash generated by/(utilised in) financing activities	195 341	(356 726)
Increase/(decrease) in cash and cash equivalents	906 931	(666 362)
Cash and cash equivalents at beginning of the year	5 860 126	6 526 488
Cash and cash equivalents at end of the year	6 767 057	5 860 126

110  **YEARS**
Chartered Secretaries Southern Africa



**Chartered
Secretaries**
Southern Africa

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