

a member of the dti group

ANNUAL REPORT 2017



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PART A GENERAL INFORMATION

1. GENERAL INFORMATION

REGISTERED NAME Companies Tribunal

REGISTERED OFFICE The dti Campus **ADDRESS**

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Pretoria, 0002

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Pretoria

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E-mail address: Registry@companiestribunal.org.za

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EXTERNAL AUDITORS Auditor-General of South Africa

BANKERS Standard Bank of South Africa

Corporation for Public Deposits

2. LIST OF ABBREVIATIONS AND ACRONYMS

ADR Alternative Dispute Resolution Adv. Advocate AG Auditor-General of South Africa **AGM** Annual General Meeting **ASB** Accounting Standards Board **B-BBEE** Broad-Based Black Economic Empowerment **BBC** Black Business Council **BCCSA** Broadcasting Complaints Commission of South Africa **BIG** Business Innovation Group **CBD** Central Business District **CIPC** Companies and Intellectual Property Commission **COTII** Council of Trade and Industry Institutions **DPW** Department of Public Works **EDT** Education and Development Trainer **FIFO** First-in first-out FSB Financial Services Board GCSASA General Council of the Society of Advocates of South Africa **GEPF** Government Employees' Pension Fund **GRAP** Generally Recognised Accounting Practice IGRAP Interpretation of the Standards of Generally Recognised Accounting Practice IT Information Technology **NADL** National Association of Democratic Lawyers **NT** National Treasury **NYDA** National Youth Development Agency PAYE Pay-As-You-Earn PFMA Public Finance Management Act, Act No. 1 of 1999 PPPFA Preferential Procurement Policy Framework Act, Act No. 5 of 2000 **REMCO** Remuneration and Human Resources Committee **SACCL** Standing Advisory Committee on Company Law **SAICA** South African Institute of Chartered Accountants **SARS** South African Revenue Services **SAWLA** South African Women Lawyers Association **SCCL** Specialist Committee on Company Law **SCM** Supply Chain Management **SDL** Skills Development Levy **SEC** Social and Ethics Committee **SMME** Small and Medium-Sized Entities the dti Department of Trade and Industry

Tribunal Companies Tribunal

VAT Value Added Tax

UIF Unemployment Insurance Fund



FOREWORD BY THE MINISTER

DR ROB DAVIES, MP
MINISTER OF TRADE AND INDUSTRY

he Companies Tribunal (the Tribunal) is mandated in terms of section 195 of the Companies Act No. 71 of 2008 (the Act) to adjudicate applications made in terms of the Act and resolve disputes through mediation, conciliation or arbitration. The Tribunal remains one of the important institutions contributing to the creation of a just, fair and ethical regulatory business environment that is conducive to sustainable enterprise development and attracts investments. The resolution of company disputes in a fair, transparent and independent manner enhances investor confidence in the country's redress mechanisms thus impacting positively on the economy.

It is therefore critical for the Tribunal's decisions to be delivered speedily and effectively resulting in minimum disruptions to business and thus ensuring that companies are able to focus on their core business, which is productivity. The Tribunal has reduced the costs of doing business normally associated with protracted litigation as a result of the speedy manner in which disputes have been adjudicated and resolved. Furthermore, the Tribunal services are offered free of charge and there are no requirements for parties to be legally represented when appearing before the Tribunal. The establishment of the Tribunal has thus given ordinary South Africans access to justice that would

otherwise have been denied by the prohibitive costs associated with litigation.

The marginal increase in ADR cases and the decline in the overall number of new cases received is concerning. However, the proposed amendments to the Act are intended to increase the powers of the Tribunal as well as promote a culture of resolving disputes through Alternative Dispute Resolution (ADR) as opposed to litigation.

Some of the disputes that the Tribunal handled in the year under review involve applications for exemptions from establishing social and ethics committees, directorship disputes and name disputes.

The establishment of social and ethics committees (SECs), as required in terms of the Act, is intended to promote good corporate governance and safeguard the interests of stakeholders. It is thus encouraging to note that 58% of applications for exemption from establishing social and ethics committees have been declined by the Tribunal. There has been a 31% decrease in the number of new applications for exemptions from establishing social and ethics committees compared to the previous financial year. The reason for the decrease may be due to the fact that most companies applied when the new Act came into operation and were either granted an extension or their

"It is therefore critical for the Tribunal's decisions to be delivered speedily and effectively resulting in minimum disruptions to business and thus ensuring that companies are able to focus on their core business, which is productivity."

applications were refused, which resulted in them having to establish social and ethics committees. Furthermore, the decline may be indicative of the fact that business is starting to recognise the need and significance of having a social and ethics committee in their operations. The responsibilities associated with the social and ethics committee, such as monitoring the companies activities, having regard to any relevant legislation and other legal requirements with regard to matters relating to social and economic development, employment equity, broad-based black economic empowerment (B-BBEE), corruption and the environment, health - and public safety, should not be undermined. A lapse by companies in establishing social and ethics committees may have a detrimental impact on the economy, resulting in harm to the communities, consumers, environment and sustainability of enterprises in the long term.

In its endeavours to make the Tribunal accessible to ordinary citizens, the Tribunal has extended its outreach efforts to eight (8) provinces and partnered with business chambers of commerce, municipalities, the law society and academia.

The Companies Tribunal is continuously making good progress in delivering on its mandate of an effective, efficient, independent and impartial regulatory institution as evident from the improved turnaround times in the issuing of decisions and the 75% achievement in relation to its targets. Furthermore, the Tribunal has consistently maintained a good track record with regard to the management of its finances, as reflected in the audited financial statements.

I would like to thank the outgoing Chairperson and Accounting Authority of the Companies Tribunal, Advocate S. Lebala (SC), and other part-time Tribunal Members who served the Tribunal since its inception in 2012. Adv. Simmy Lebala SC as the Accounting Authority of the Tribunal, played a major role in building the Tribunal's capacity to deliver on its mandate. Under his leadership the Tribunal managed to receive an unqualified audit report from the Auditor-General, which demonstrated his commitment to good governance, as well as clean and accountable administration.

I would also like to welcome the incoming Chairperson, Dr Mohammed Alli Chicktay, and other part-time Tribunal members, and am looking forward to their valuable contribution in continuing to build the Tribunal into a leading world-class, credible, smart and efficient adjudicatory and dispute resolution organisation.

Dr Rob Davies, MP Minister of Trade and Industry

4. SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

It gives me great pleasure to present to the Minister the Fifth Annual Report together with the Financial Statements of the Companies Tribunal for the period ended 31 March 2017. The report highlights the Companies Tribunal's achievements for the year under review, which was marked by a significant improvement in the Tribunal's performance. The audited Financial Statements reflect the consistently sound financial management of the Companies Tribunal which is supported by the Tribunal obtaining a clean audit report from the Auditor-General of South Africa.

Dr Mohamed Alli Chicktay

Chairperson
Companies Tribunal



he Tribunal receives its mandate from Section 195 of the Companies Act (2008), which is to adjudicate applications, resolve disputes through ADR (i.e. mediation, conciliation and arbitration) and perform any other function assigned to it by, or in terms of the Act or any law in Schedule 4 of the Act. In delivering on this mandate, the Tribunal is expected to exercise and perform its function in line with the values enshrined in the Constitution of the Republic of South Africa. It must perform its functions impartially, without fear, favour or prejudice, and in a transparent manner.

The Tribunal has been in operation for just over four and a half years. For the year under review, the Tribunal focussed its efforts on maintaining and operating a credible, world-class, efficient and service delivery oriented organisation.

The caseload on adjudication for the year under review was 272 cases of which 246 were finalised. This caseload represents a 39% decrease from the last financial year. The majority of the pending cases remaining at year end were due to the need for compliance with the statutory filing period before a matter can be adjudicated on. 98% of the decided cases were decided within 30 days from the date of allocation and 80% were decided within 30 days from the date of hearing.

The majority of cases handled by the Tribunal related to company name disputes, as was the case in the previous financial year. Most of these company name disputes were lodged on the grounds that the name of the company is either the same as another company name or confusingly similar to a trademark. At the end of the reporting period, 180 company name disputes were handled and 164 finalised. In respect of the company name dispute cases, 53 were granted, 50 refused or dismissed, 2 postponed sine die, 6 withdrawn and 53 closed.

Other applications that were considered related to extensions of time for holding annual general meetings (AGMs), directorship disputes, applications for exemption from establishing an SEC, exemptions in terms of section 6(2), exemptions in terms of section 2(3), extensions of time for preparing annual financial statements, reviewing of Company and Intellectual Property Commission (CIPC) decisions and reviewing of compliance orders or notices issued by the CIPC.

Compared to the previous financial year, there has been a 49% decrease in applications for exemption from appointing an SEC. The majority of the applications for exemption are from the financial sector. The main reason advanced by companies in their application is that, due to the nature and

extent of their activities, it is not in the public interest to establish an SEC.

Although the Tribunal applies High Court rules in its hearings in relation to its adjudication mandate, the Tribunal is mindful of the need for flexibility and responsiveness in order to fulfill its role. The ADR procedures are, however, informal as Tribunal members serve to facilitate the speedy resolution of the disputes between the parties, thus ensuring the preservation of business relationships in the process.

The Tribunal has seen a 25% increase in the number of ADR cases handled compared to the previous financial year. ADR disputes included the payment of dividends, access to company documents including financial statements and payment of remuneration.

Of the total number of applications for adjudication and ADR cases handled during the year under review, 84% were lodged without utilising the services of a legal representative. This percentage represents an increase of 32% of clients not utilising the services of legal representatives over the previous financial year. Approaching the Tribunal without a legal representative is encouraged as it reduces the cost of doing business. In addition, the Tribunal holds ADR facilitation sessions at the area where both parties are located.

The Tribunal increased its outreach efforts through print and electronic media as well as engaged business chambers of commerce in Mpumalanga, Northern Cape, Kimberley in Northern Cape, and Bloemfontein. The Tribunal also hosted seminars in Cape Town and Pretoria in partnership with the Cape Law Society and the University of Pretoria respectively.

The Tribunal's annual seminar was hosted in partnership with the Department of Trade and Industry which focused on corporate governance, business ethics, and social and ethics committees. The Tribunal continued to participate in the Specialist Committee on Company Law headed by Prof Michael Katz and makes a contribution to the development of company law in general. The Tribunal held a meeting with the Acting Judge President of the Free State Division of the High Court in its effort to reach out to the judiciary.

To ensure continuous improvement in delivering on its mandate, the Tribunal undertook research to assess the impact of the Tribunal in delivering on its mandate. Furthermore, proposals for amendments to the Companies Act were submitted to the dti with a view to enhancing the effectiveness of the Tribunal's mandate.

Attention was also focused on maintaining effective systems of internal control and sound financial management. These measures ensured that no irregular, fruitless and wasteful expenditure was incurred during the financial year under review, which is a significant improvement on previous financial years.

All issues raised by the Auditor-General during the previous financial year's audit have been addressed.

The annual financial statements fairly represent the Tribunal's financial position and performance

"The Tribunal's annual seminar was hosted in partnership with the Department of Trade and Industry which focused on corporate governance, business ethics, and social and ethics committees.

for the year under review. There are no material facts or circumstances that materially affect or could affect the financial position of the Tribunal as a going concern. However, the Tribunal's funding has proved insufficient to carry out its mandate, resulting in a deficit of R2.8 million for the year under review. The Tribunal will continue its efforts to engage with the dti on increasing the baseline funding. The Tribunal supports the development of SMME and B-BBEE enterprises with 58% of its procurement sourced from B-BBEE level 1, 2 and 3 contributors. Furthermore, the Tribunal paid 99% of suppliers within 30 days of which 92% were paid within 15 days.

The Tribunal encountered some challenges during the year under review. Major challenges included inappropriate hearing rooms and the budgetary constraints resulting in the Tribunal incurring a budget deficit. The development and implementation of the case management system took longer than anticipated as the tender had to be re-advertised due to bidders not meeting the required threshold, and the protracted discussion on the conclusion of the service level agreement. The inability of the Tribunal to fill the vacant posts continues to have a negative impact on the performance of the organisation as well as placing undue strain on current resources.

Despite these challenges, I am confident that the Tribunal has delivered on its mandate. I would like to thank the outgoing Chairperson, Adv. Simmy Lebala (SC) for the foundation he has laid in building the Tribunal into an effective and efficient organisation. I am also confident that the Tribunal will continue to enhance its efforts in striving to be

a world-class adjudicatory and dispute resolution body that will contribute to the promotion of a fair, ethical and transparent regulatory business environment.

I would like to take this opportunity on behalf of the Tribunal to also thank the Executing Authority, the Minister of Trade and Industry, Dr Rob Davies MP, and the Director General of the Department of Trade and Industry, Mr Lionel October, and his team for their continued leadership and support. A word of thanks also to my fellow Tribunal members, outgoing Tribunal Members, the Audit and Risk Committee members, Remuneration and Human Resources Committee (REMCO) members, the Internal Auditors (BIG) and the Tribunal staff for their commitment and outstanding contributions.

I am committed to building a credible, world-class organisation that places service delivery, efficiency and excellence at the core of its values.

Dr Mohammed Alli Chicktay

Chairperson

Companies Tribunal



6. STRATEGIC OVERVIEW

6.1 VISION

The Companies Tribunal vision is to be a world-class adjudicatory and dispute resolution organisation that contributes to the promotion of fair and ethical business practices.

6.2 MISSION

- To adjudicate applications made in terms of the Companies Act (2008); and
- To provide voluntary dispute resolution through conciliation, mediation and arbitration.

6.3 VALUES

- Accountability
- **Impartiality**
- Transparency
- Equitability
- Efficiency
- Accessibility
- Professionalism
- Respect
- Ethical

7. I FGISI ATIVE MANDATE

The Companies Tribunal is established in terms of Section 193 of the Companies Act, Act No. 71 of 2008, as a juristic person. In terms of the Act, the Tribunal has jurisdiction throughout the Republic. It is independent and subject only to the Constitution and the law.

The Tribunal's mandate, in terms of Section 195 of the Companies Act, is to:

- a) Adjudicate in relation to any application that may be made to it in terms of the Act and make any order provided for in the Act in respect of any such application.
- b) Assist in the resolution of disputes as contemplated in Part C of Chapter 7 of the Act.
- c) Perform any other function assigned to it by or in terms of the Act or any law in Schedule 4.

In delivering on this mandate, the Tribunal is expected to exercise and perform its functions in line with the spirit, purpose and objects of the Constitution, International Law and the Companies Act, and in a manner which is transparent, impartial and without fear, favour or prejudice.

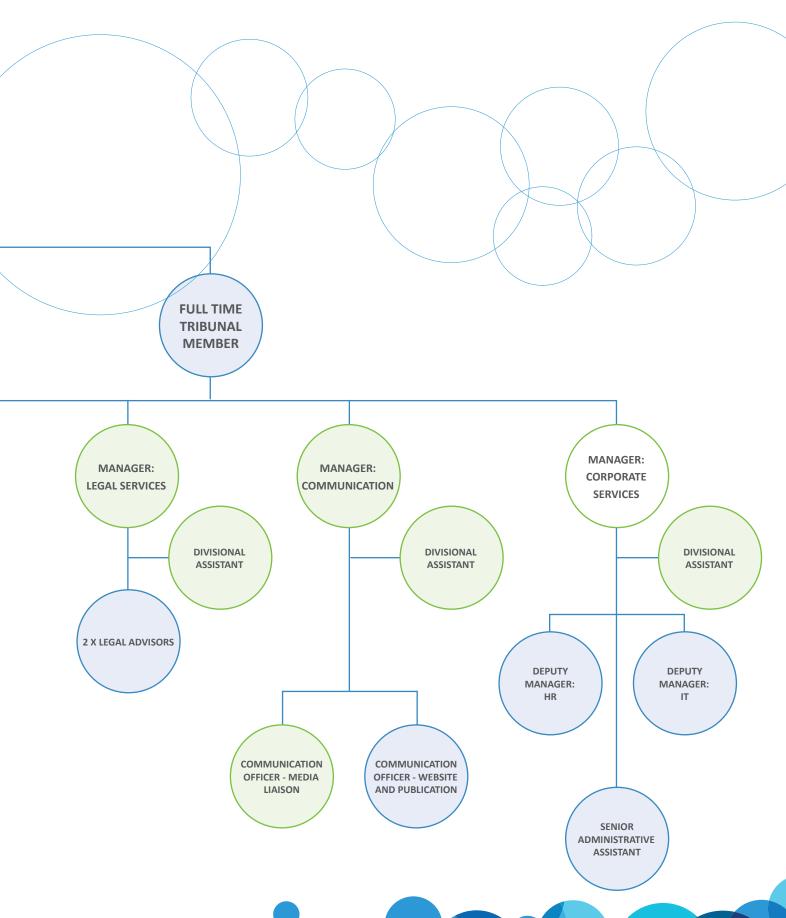
In addition to the founding legislation, i.e. the Companies Act as well as the Tribunal's Guidelines, the Tribunal considers the legislation and policy prescripts, including the Constitution, in addressing the purpose and policy of the Act. The role of the Constitution in the Tribunal's processes is discussed below.

THE CONSTITUTION OF THE REPUBLIC OF SOUTH **AFRICA**

Through its adjudicative mandate, the Tribunal plays a significant role in upholding and preserving the principles enshrined in the Constitution's Bill of Rights. The Tribunal has a direct impact on the following areas within the Constitution of the country under the Bill of Rights Section:

- Sub-section 9: Equality.— By remaining accessible to diverse groups of individuals and businesses, the Tribunal plays a role in ensuring that parties have the right to equal protection and benefits of the law. Additionally, the Tribunal strives, through its value system, to respect human diversity and ensure that no form of discrimination is tolerated.
- Sub-section 10: Human dignity. Through the adjudication process, the Tribunal ensures that prohibited conduct, as well as the relevant action thereto, does not impair human dignity.
- Sub-section 14: Privacy. While adhering to its founding legislation, and as part of its adjudicative role, the Tribunal ensures that the privacy of persons is protected.
- Sub-section 33: Just administrative action. The Tribunal ensures it hears both sides to a dispute and that it issues reasons for its decisions.

8. ORGANISATIONAL STRUCTURE **CHAIRPERSON DEPUTY EXECUTIVE CHAIRPERSON ASSISTANT** 9 X **PART TIME TRIBUNAL MEMBERS MANAGER: MANAGER: CFO REGISTRY RESEARCH** DIVISIONAL DIVISIONAL ASSISTANT ASSISTANT DEPUTY DEPUTY MANAGER: MANAGER: **4 X RESEARCHERS FINANCIAL REGISTRY** ACCOUNTING ASSISTANT MANAGER: REGISTRY CLERK FINANCIAL **ACCOUNTING** Filled funded positions Vacant funded positions Vacant unfunded positions



9. MEMBERS OF STAFF



Seated (left to right): Mulalo Nengudza, Ntombi Hlumbana, Lydia Mabele, Tebogo Mputle, Irene Mathatho, Charmaine Wessels and Mpho Ratya.

Standing (left to right): Keikanetswe Sebokoane, Douglas Mokaba, Tebogo Mohasoa, Curtis Mbhalati, Simukele Khoza, Mandla Zibi, Selby Magwasha, Sammy Ramaphoko and Dumisani Mthalane.



PART B PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. The audit conclusion on performance is measured

against predetermined objectives and is included in the report to management. Material findings are reported under the predetermined objectives heading in the other legal and regulatory requirements section of the auditor's report.

SITUATIONAL ANALYSIS

2.1 SERVICE DELIVERY ENVIRONMENT

The Tribunal operates in an environment characterised by active citizenry that enforces its rights in terms of service delivery. There is, however, still a need to protect the rights of vulnerable persons such as those who are illiterate and historically disadvantaged. The majority of new entrants into the economy are not aware of their rights and therefore need assistance from institutions such as the Tribunal to enforce their rights. There is thus a need for the Tribunal to make citizens aware of its existence and the services it provides. It is against this backdrop that the Tribunal's advocacy services were significantly extended to eight provinces. Outreaches and exhibitions were prioritised during the year under review.

2.2 ORGANISATIONAL ENVIRONMENT

The Tribunal operated under severe budgetary constraints and, as such, has not been able to fill key posts which are necessary for service delivery, such as the Managers of Communication, Corporate Services and Legal Services. There has been one resignation of a legal adviser. In line with the Skills Development Act No. 97 of 1998 requirements, 3 interns responsible for human resources, supply chain management and research were appointed. There has been no new appointment in the year under review. The Tribunal continues to experience challenges with regard to suitable space for hearing rooms.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Tribunal submitted a proposal to the dti for the amendment of the Companies Act relating to its mandate. Key among the changes was the amendment of the ADR Framework to ensure that it is effective as a mechanism for resolving disputes. The other proposal was the extension of the powers of the Tribunal to include, for instance, adjudication of directorship disputes of companies involving more than 2 directors

2.4 STRATEGIC OUTCOME-ORIENTED GOALS

Adjudicate and make orders in relation to any application

The Tribunal has made good progress in achieving this goal. The Tribunal managed to maintain the 80% performance achieved in the previous financial year in respect of decisions issued within 30 workings days from the date of hearing. Furthermore, the Tribunal achieved 98% performance in respect of decisions issued within 30 working days after the date of allocation. The 98% represents a 10% improvement from the previous financial vear. It must be noted that these turnaround times are significantly shorter than the Courts' processes.

Resolution of disputes in terms of Alternative Dispute Resolution (ADR)

The Tribunal achieved 79% performance in respect of cases finalised in terms of ADR after the date of the final hearing or final submission by parties, whichever is applicable.

operational effectiveness Ensure and efficiency of the Tribunal

The Tribunal has managed to attain 50% of the targets set under this goal. The delay in finalising the case management system was beyond the Tribunal's control and thus affected the budget spent.

Effective stakeholder engagement

The Tribunal has exceeded all targets set in terms of ensuring effective stakeholder engagement. Furthermore, three seminars instead of one were hosted. The seminar on corporate governance, business ethics and social and ethics committees was attended by about 120 delegates.

2.5 TRIBUNAL MEMBERS



Adv Simmy Lebala, SC (Former Chairperson)

BJuris; LLB; LLM; Diploma in Trial Advocacy; Certificate in Mediation.



Matshego Ramagaga

BProc; LLB; LLM (Commercial Law); Certificate in Forensic Auditing and Fraud Examination; Diploma in Insolvency Law Practice; Certificate in International Trade Law.



Agnes Tsele-Maseloanyane

Bluris; LLB; LLM (Mercantile Law); Advanced Diploma in Labour Law; Advanced Taxation Certificate.



Khatija Tootla

BA; LLB; Certificate in Labour Law; Certificate in Management (first year MBA); Certificate in Intellectual Property Law; LLM (Corporate/Commercial); Postgraduate Certificate in Advanced Taxation.



Maake Francis Kganyago

BProc; LLB; LLM; Certificate in Deceased Estate; Certificate in Pension Funds Law; Insolvency Law and Practice.

*Resigned effective 24 January 2017



Prof Kasturi Moodaliyar

BProc; LLB; LLM; MPhil (Criminological Research); Programme in Economics and Public Finance; Programme in Legislative Drafting.



LUCIO GIOSS

LLM; BProc; BA (Law).



Rrandall Williams
BProc; LLB; LLM.



LLB; LLD; Higher Diploma in Tax Law.



RA; LLB; LLM (Commercial Law); LLM (Tax Law); Masters of Business Leadership.



BCompt; Postgraduate Diploma in Accounting; Certificate in Forensic Auditing and Fraud Examination; CA (SA); Registered Auditor; Professional Accountant (SA); CD (SA).



Adv. Lizelle Haskins

LLB; LLM (Corporate Law); Advanced
Certificate in Tax Practice; Advanced
Corporate Law.



BRroc; Advanced Diploma in Corporate Law; Certificate in Mergers and Acquisition Law and Regulations; Advanced Diploma in Banking Law; Advanced Diploma in Insolvency Law.



Peter Velchuizen

BProc; Certificate in Taxation; MBA; LLM.

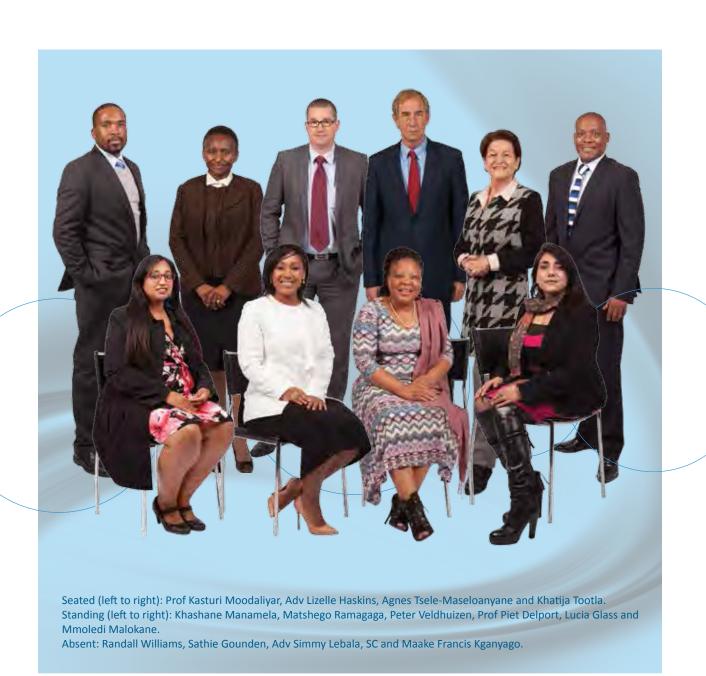
3. PERFORMANCE INFORMATION BY PROGRAMME

The Tribunal comprises two programmes, viz. adjudication and administration.

3.1 PROGRAMME 1: ADJUDICATION

Adjudication: To adjudicate and make orders in relation to any applications as well as the resolution of disputes in terms of ADR.

Members of the Tribunal are appointed by the Minister of Trade and Industry to adjudicate applications and resolve disputes on papers filed with the Tribunal. Where necessary and depending on the nature of the case, hearings are held.



3.1.1 STRATEGIC OBJECTIVES, OUTPUTS, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

			PROGR	PROGRAMME: ADJUDICATION	ATION			
STRATEGIC GOAL/ OUTCOME	STRATEGIC OBJECTIVE	ООТРОТ	PERFORMANCE INDICATOR/ MEASURE	ACTUAL ACHIEVEMENT 2015/16	11 EB	ACTUAL ACHIEVEMENT 2016/17	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/17	COMMENTS ON DEVIATIONS
Adjudicate and make orders in relation to any application	Adjudicate applications timeously, fairly and in a transparent manner	Adjudicated applications	Percentage of decisions and orders issued¹ within 30 working days of the final date of the hearing²	80% of decisions and orders issued within 30 working days of the final date of the hearing	%06	%08	Target not met 10%	Of all the cases that were heard, three were decided outside the agreed timeline as the members hearing the cases were hospitalised while in the process of writing decisions or having commenced with the matter and, as a result, they needed more time to finalise the decision
Adjudicate and make orders in relation to any application	Adjudicate applications timeously, fairly and in a transparent manner	Adjudicated applications	Percentage of decisions and orders issued within 30 days of the date of allocation ³	%888	%06	%86	Target exceeded	Reminders send to Members and few applications received compared to the previous financial year
Resolution of disputes in terms of Alternative Dispute Resolution (ADR)	Resolve disputes in a cost-effective, informal and timeous manner	Resolved	Percentage of cases finalised ⁴ in terms of Alternative Dispute Resolution (ADR) within 25 working days after the date of final hearing or final submission by parties whichever is applicable	100%	75%	%62	Target exceeded	Voluntary nature of ADR in terms of the Companies Act No. 71 of 2008

Decisions and orders issued are as prescribed by the Companies Act, 2008. Issued means formal communication of the decision and order to the client

Final date of hearing refers to the last day of a hearing of a matter of a Tribunal sitting

Date of allocation refers to the date of sending an e-mail allocating a case to a Tribunal Member

Finalised refers to instances where certificate of failed ADR has been issued, consent order issued or withdrawal of the matter by either party, settlement agreement reached by both parties or mediation report issued by the Tribunal Member(s)

3.1.2 PURPOSE OF THE PROGRAMME

One of the Tribunal's main objectives is to adjudicate matters timeously and expeditiously. Cases are adjudicated by either a single member or a panel of at least three members based on the papers filed with the Tribunal and, where necessary and depending on the nature of the case, hearings may be held.

As at the end of the financial year the Tribunal comprised 12 part-time Tribunal Members, including the Chairperson and Deputy Chairperson as well as one full-time Member appointed by the Minister of Trade and Industry. These Members have expertise in the different areas envisaged in the Act such as law, economics, commerce, industry or public affairs. Some of the members also serve as Acting Judges of the High Court. Among the Members are Senior Advocates and Attorneys, two Law Professors and a Chartered Accountant. One Member, Mr Maake Kganyago, resigned after his appointment as a Judge of the High Court of South Africa Limpopo Division.

The Registry is responsible for, among others, the management of cases, assisting the Chairperson with the allocation of cases to Tribunal Members, as well as communicating and informing parties on the progress and outcome of their cases. The Registry is also responsible for the management of all enquiries made to the Tribunal and is the custodian of all Tribunal cases, documents and record management systems.

The Tribunal strives to be accessible to the public and matters are brought before it at no cost. For the year under review, the Tribunal's caseload consisted of 272 cases and 246 of these cases were finalised. The majority of cases that have not been finalised could not be considered as the statutory filing period had not yet closed.

The table below shows a comparison of cases handled during the reporting period and previous financial years.

Comparison of cases handled in 2013/14, 2014/15, 2015/16 and 2016/17 financial years

Nature of cases	2016/2017	2015/2016	2014/2015	2013/2014
Access to records	0	1	1	2
Change to the financial year end	0	0	6	5
Company restoration	0	0	0	1
Review of Compliance notice	9	5	2	0
Directors' dispute	27	13	10	8
Extension of time to prepare annual financial			_	
statements	3	3	5	0
Extension of time to convene the AGM	14	14	9	7
Holding of an AGM	0	3	2	1
Name disputes	180	273	233	190
Outstanding information	0	0	1	0
Review of CIPC decision	6	2	2	3
Social and Ethics Committee (s 72)(5)	29	57	36	76
S 2(3) exemption	1	0	0	1
S 6(2) exemption	2	1	4	0
Substituted service	1	5	4	1
Variation of an order	0	0	1	0
TOTAL	272	377	316	295

The Tribunal's turnaround times for issuing decisions are within 30 working days after the final date of hearing and 30 working days after the date of allocation of a matter to a Member. 98% of the decisions were issued within 30 working days after the date of allocation compared to 88% in the previous financial year. This performance with regard to the allocated cases shows an increase of 10% in the turnaround times compared to the previous financial year. The percentage of cases decided within 30 working days after the date of hearing is 80%, which is similar to the two previous financial years.

Decided Cases

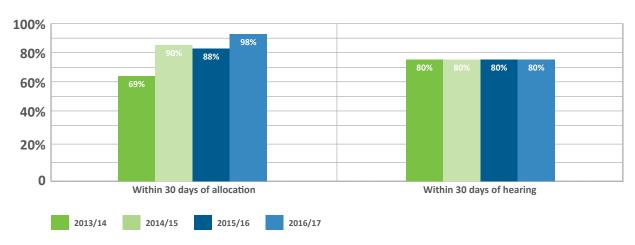


Figure 1: The chart above is a comparison of cases decided within the 30 working-day period of allocation and hearing (2013/14, 2014/15, 2015/16 and 2016/17).

Decided Categorised Type of Cases

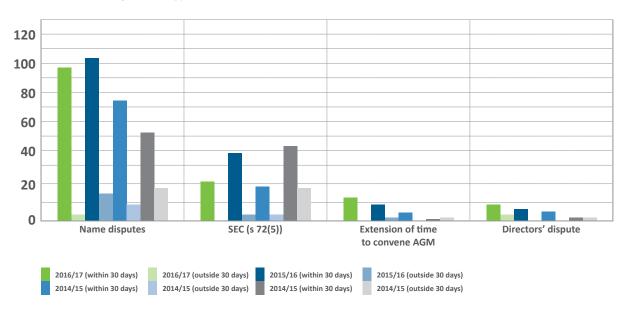


Figure 2:The graph above is a comparison of various cases categorised according to their nature and resolved within and outside the 30 working day period between the 2013/14, 2014/15, 2015/16 and 2016/17 financial years.

3.1.3 HIGHLIGHTS OF SOME OF THE CASES

This section provides details of some of the cases the Tribunal handled during the year under review.

(a) Name dispute

COMAIR LIMITED (Applicant) versus KELULA ENTERPRISES (PTY) LIMITED (First Respondent and THE COMMISSIONER OF COMPANIES (Second Respondent)

COMAIR is a proprietor of well-known trademarks: KULULA and KULULA.COM. Both trademarks are registered in various classes, spanning a wide variety of goods and services. COMAIR submitted that it became aware of the existence of KELULA in May 2015 through its attorneys. In terms of the Companies and Intellectual Property Commission (CIPC) records, KELULA was registered on the 16 January 2015 with its registered office address in Mahikeng, North-West Province.

The Applicant did not state as to how the attorneys became aware of KELULA's existence, which is always necessary for determining whether good cause has been shown as contemplated in section 160(2) (b) of the Act. COMAIR, through its attorney, dispatched a letter of demand to KELULA in May 2015; there were also other engagements with KELULA before the Applicant launched an application with the Tribunal. KELULA reacted to some of the correspondence by COMAIR's attorneys; there was a concession by KELULA that the name in question ought to be changed.

COMAIR submitted that KELULA's name is confusingly similar to COMAIR's KULULA trademark and may also lead members of the public to incorrectly associate KELULA with COMAIR's business or its trademark KULULA. Furthermore, COMAIR submitted that the name KELULA is "visually confusingly similar and phonetically virtually identical" to its KULULA trademark as contemplated in section 11(2) (b) (iii) of the Act. The Applicant could not provide evidence that shows confusing similarity in phonetics. Therefore, the Tribunal could not accept that there is similarity in phonetics, let alone confusing similarity.

COMAIR also submitted that there is visually confusing similarity between KULULA and KELULA. The Tribunal agreed with the submission that it is possible that a member of the public may confuse the two words or even denote association. The Tribunal found that the inclusion of the word KELULA in the First Respondent's name does not satisfy the requirements of the Act. The circumstances of this matter were not convincing for the Tribunal to make a costs order as KELULA did not persist in the use of the name when the existence of the possible contravention was brought to the First Respondent's attention.

The Tribunal found that the First respondent's name "KELULA ENTERPRISES" does not satisfy the requirements of the Act. Therefore the First Respondent was directed to choose a new name and file a notice of amendment to its Memorandum of Incorporation within three months of service of the order.

ORDER: Granted.

(b) Social and Ethics Committees (SECs)

SOCIAL AND ETHICS COMMITTEE

COMMISSIONER STREET NO.6 (RF) LTD (Applicant)

The Applicant is a ring-fenced, bankruptcy-remote special purpose company which is used as part of a securitisation programme authorized as such by the South African Reserve Bank in terms of the Securitisation Regulations under the Banks Act 94 of 199.

The Applicant brought an application for exemption to appoint Social and Ethics Committees (SEC's) in terms of Section 72(5) of the Companies Act 71 of 2008 and Regulation 142. This provision stipulates that a company that falls within a category of companies that are required in terms of this section and regulations to appoint a SEC, may apply to the tribunal in the prescribed manner and form for an exemption from the requirement. There are two grounds on which the Tribunal can grant an exemption, namely:

- The company is required in terms of other legislation to have, and does have, some form of formal mechanism within its structures that substantially performs the functions that would otherwise be performed by the SEC in terms of this section and the regulations; or
- It is not reasonably necessary in the public interest to require the company to have a SEC, having regard to the nature and extent of the activities of the company.

The Applicant submitted that it issues notes to investors to raise funding from the debt capital markets and these notes are secured by assets that were originated by ABSA Bank and subsequently duly sold to the Applicant. It is restricted to trade and has no employees. The Applicant mentioned in the application that the only stakeholders of the Applicant are sole shareholders and that the activities of the Applicant do not reside within the interests of the greater public. No further information was provided to elaborate on the nature and extent of its activities to indicate that it is not in the public interest to have SEC despite such information being requested by the Tribunal.

The Tribunal found the following:

- The application was defective in that it had not calculated the Public Interest Score nor had applied its mind to the extent of the activities which would assist the Tribunal in the consideration of this application.
- The authority to make the application was not sought in accordance with the requirements of the Act.
- The fact that the company is a ring-fenced company is not decisive in the determination of whether a SEC must be appointed or not.
- The Applicant failed to meet other requirements as stipulated in Regulation 43(5) such as good corporate citizenship, anti-corruption and consumer regulations.

ORDER: Refused.

(c) **Directorship Disputes**

Gretha Terblance v Gerrit Christo Greyling

In this directorship dispute case, the Applicant is Ms Gretha Terblance, one of two directors of CX Sand and Stone (Pty) Ltd ('the Company'), and the Respondent is Mr Gerrit Christo Greyling, the second director of the company. The Applicant, in this case, brought an urgent application to the Tribunal for the removal of the Respondent as director of the Company, in terms of section 71(8) of the Companies Act ('the Act').

The Respondent was personally served with a copy of the Application but he failed to file a Notice of Intention to oppose the application or any indication whatsoever that he has any interest in the proceedings. The basis for the application to remove the Respondent as director of the Company included lengthy periods of absence from the workplace, diversion of funds due to the Company to himself, threats of physical violence and intimidation towards the Applicant and other staff, and failure to perform his duties as director in good faith in the best interests of the Company and with the expected due care and skill.

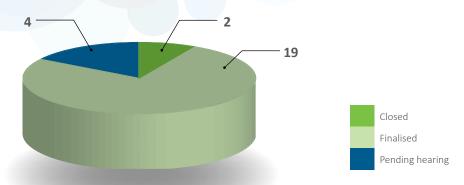
Since the Respondent's conduct, as described by the Applicant in the papers filed, remained uncontested, the Tribunal found that the Applicant had a proper case for the relief sought, ordering that the requirements of the Uniform Rules of the High Court be dispensed with as a result of the urgency of the matter and that the Respondent be removed as director of the Company in terms of section 71(8) of the Act, with the assistance of the Companies and Intellectual Property Commission (CIPC).

ORDER: Granted

(d) Alternative Dispute Resolution (ADR)

In this example ADR case, the Applicant brought an application to the Tribunal for ADR in terms of section 26(5) of the Act read with regulations





Comparison of cases handled in 2013/14, 2014/15, 2015/16 and 2016/17 financial years

Nature of cases	2016/2017	2015/2016	2014/2015	2013/2014
ADR	25	20	10	1

132.1 and 142 to determine the Applicant's shareholding and dividends payable and to be paid. The Applicant stated that it was refused access to documents as indicated in the CTR 132.1. The Applicant sought an order granting access to the following documents: access to the Mol, copy of signed shareholders agreement, shareholders resolutions appointing current directors, copy of company register, minutes of shareholders meetings, audited financial statements (AFS) and shareholders certificates.

This application had three Respondents who, after mediation, agreed to provide the following documents to the Applicant by 21 October 2016:

- AFS and accounting records for the years: 2012/13, 2013/14 and 2014/15
- Any email communication sent generally by the company to all holders of any class of company's securities
- A register of auditors
- Express consent to permit the Applicant and/or his representative to obtain copies of all bank statements from the company's bank accounts or from the company's auditors for the last five years.
- AFS and accounting records for the year 2015/16 by 25 November 2016.

The Tribunal successfully mediated the dispute between the parties, settlement agreement was signed on the 27th of September 2016.

ADR case statistics

For the financial year under review, 25 ADR cases were handled. Two were closed, 19 were finalised and 4 were pending hearing.

This data is illustrated in Figure 3.

3.1.4 APPEALS AND REVIEWS

Parties to a dispute, or applicants who are not satisfied with the decision of the Tribunal, may take up the matter on appeal or review with the High Court. Since the Tribunal has been in operation, there have been nine reviews where the Tribunal was cited as a respondent. Of the nine cases, four were received during the year under review as listed in the table below.

CT CASE NUMBER	PARTIES	NATURE OF APPLICATION	HIGH COURT ECISION
CT001Jan2016	Maboe Transport CC and Phakwe Mining Service (Pty) Ltd, VS Tommy Maboe & Jan Greyvenstein	Directors' Dispute	Pending Unopposed roll
CT014May2016	Kganya Brands (Pty) & Kganya Investment Holdings (Pty) Ltd VS Lesedi Kganya Enterprise Construction (Pty) Ltd	Name Dispute	Unopposed roll Set down for31 May 2017
CT018May2016	Kganya Brands (Pty) & Kganya Investment Holdings (Pty) Ltd VS kganya Ya Naledi Projects JW (Pty) Ltd	Name Dispute	Unopposed roll Set down for 31 May 2017
CT020May2016	Kganya Brands (Pty) & Kganya Investment Holdings (Pty) Ltd VS Kganya Trading Enterprise (Pty) Ltd	Name Dispute	Unopposed roll Set down for 31 May 2017
CT014Apr2016	The Highly Nutritious Food Company (Pty) Ltd VS Eat Right Catering (sic) Services (Pty) Ltd	Name Dispute	Pending Opposed roll
CT017Aug2014	AllLife (Pty) Ltd/All Life Investments (Pty) Ltd	Name Dispute	Finalised
CT015Apr2015	Phinda Private Game Reserve (Pty) Ltd/ Holyland and Beyond SA (Pty) Ltd	Name Dispute	Finalised
CT002Jul2015	Comair/Kalula Carriers (Pty) Ltd	Name Dispute	Finalised
CT004Oct2015	The New Reclamation Group (Pty) Ltd/CIPC	Review of CIPC decision in terms of Section 212	Finalised

3.2 PROGRAMME 2: ADMINISTRATION

Administration: To ensure the operational efficiency and effectiveness of the Tribunal as well as effective stakeholder engagement. To effectively and efficiently support and manage the Tribunal's operations by ensuring that there is proper financial management, human resources management, information technology, knowledge management, stakeholder management and legal services.

3.2.1 STRATEGIC OBJECTIVES, OUTPUTS, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

COMMENTS ON DEVIATIONS	The Case Management system (CMS) and website will be finalised and paid for in the new financial year	₹ Z
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/17	Target not met – discussions around the development of the case management system and website took longer and was thus not paid for during the financial year. Savings were also incurred as a result of the co-hosting of the seminar on corporate governance, business ethics and social and ethics committees with the dti.	Target met
ACTUAL ACHIEVEMENT 2016/17	% 88 80	None
PROGRAMIME: ADMINISTRATION CHIEVEMENT PLANNED TARGET 15/16 2016/17	%56	None
ACTUAL A 20	102 %	Target not met No irregular expenditure incurred in 2015/16 financial year. R573 337.00 irregular expenditure incurred in previous years. R53 959.00 for fruitless and wasteful expenditure in the current year. R77 900.00 fruitless and wasteful expenditure incurred in the previous years.
PERFORMANCE INDICATOR/ MEASURE	Percentage of total budget spent	No irregular, fruitless and wasteful expenditure incurred
ОИТРИТ	Sound financial management	Sound financial management
STRATEGIC OBJECTIVE	To promote and maintain sound vorporate governance	To promote and maintain sound vorporate governance
STRATEGIC GOAL/ OUTCOME	Ensure To promot operational and maint effectiveness sound and efficiency corporate of the governanc Tribunal	Ensure To promote operational and maint effectiveness sound and efficiency corporate of the governanc Tribunal

				PROGRAMM	PROGRAMME: ADMINISTRATION			
STRATEGIC GOAL/ OUTCOME	STRATEGIC OBJECTIVE	ООТРОТ	PERFORMANCE ACTUVINDICATOR/ MEASURE	AL A 20	AL ACHIEVEMENT PLANNED TARGET 2015/16 2016/17	ACTUAL ACHIEVEMENT 2016/17	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/17	COMMENTS ON DEVIATIONS
Ensure To ensure operational the efficefficefficefficency of cases of the Tribunal	To ensure Auto the efficient elect management case of cases syste	Automated/ electronic case management system	Piloted case management system	Excel Spreadsheet	Piloting and partial implemen- tation of Case Management System (CMS)	A draft case management Target not met. system functional and A draft case Business Requirements management sy Document drafted and functional and circulated. Document draft and circulated fant and circula	Target not met. A draft case management system functional and Business Requirements Document drafted and circulated for comments	Project timeline to be adjusted in the new financial year and service provider to be closely monitored to ensure completion of the system.
Ensure To build operational a body effectiveness knowled and efficiency around of the Comparational	To build a body of knowledge / around Company law	Production of research reports	Number of research reports produced	1 research report produced on Comparative analysis of Companies Tribunals in other jurisdictions	Produce (one)1 Research report on the impact and effectiveness of the CT in delivering on its mandate.	One research report on the impact and effectiveness of the CT in delivering on its mandate produced	Target met	A/N
EnsureTo recruit,operationalappoint,effectivenessdevelopand efficiencyand retainof thecompetentTribunalstaff	To recruit, appoint, develop / and retain competent staff	Trained staff Percentage on matters staff trained relating to the on matters operations of relating to the Tribunal the Tribuna	Percentage of staff trained on matters relating to the operations of the Tribunal	A/N	%08	100%	Target exceeded	Staff development encouraged to promote productivity
Ensure To recruit, operational appoint, effectiveness develop and efficiency and retain of the competen Tribunal staff	To recruit, appoint, develop, and retain competent staff	Staff retention	Staff retention Percentage of staff retained	A/A	%2% 82%	%86	Target exceeded	Best human resource practices adopted and continuous consultation with staff proved effective

STRATEGIC GOAL/ OUTCOME	STRATEGIC	ООТРОТ	PERFORMANCE INDICATOR/ MEASURE	PROGRAMMI ACTUAL ACHIEVEMENT 2015/16	PROGRAMME: ADMINISTRATION UAL ACHIEVEMENT PLANNED TARGET 2015/16 2016/17	ACTUAL ACHIEVEMENT 2016/17	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/17	COMMENTS ON DEVIATIONS
Effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy	Number of seminars hosted	Hosted one seminar Host one sem on Alternative Dispute on Corporate Resolution (ADR) governance, business ethic and social and ethics Commi	inar SS ttee	Three (3) seminars hosted Target exceeded on: (i) Corporate governance, business ethics and social and ethics Committee (SEC) in collaboration with the dtj. (ii) a seminar on Company Law at the University of Pretoria in collaboration with the Centre for Insolvency, Labour and Company Law on the role of the Companies Tribunal (iii) on the role of the Companies Tribunal in partnership with Cape Law Society.	Target exceeded	Collaboration with other stakeholders
Effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy	Number of media engagements	Two media statements released Participated in two radio interviews	Release two media I statements Participate in 2 radio interviews	d two media ents views held ing 2 radio ws on Emalahleni/ k radio station and da radio FM eads and adverts ed on SAFM, FM, Lesedi FM, M, Jozi FM, Suve community flosupatsela FM Bay FM, Radio eng	Target met	N/A The use of popular and cost-effective radio stations targeting youth and entrepreneurs enabled the Tribunal to save money and reach out to many radio stations.

				PROGRAMM	PROGRAMME: ADMINISTRATION			
STRATEGIC GOAL/ OUTCOME	STRATEGIC	ООТРОТ	PERFORMANCE INDICATOR/ MEASURE	PERFORMANCE ACTUAL ACHIEVEMENT PLANNED TARGET INDICATOR/ 2015/16 2016/17 MEASURE	PLANNED TARGET 2016/17	ACTUAL ACHIEVEMENT 2016/17	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2016/17	COMMENTS ON DEVIATIONS
Effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy	Number of participations in outreach and/or exhibitions	Participated in seven (7) outreach programmes 2 X City of Tshwane, 1 x Limpopo, 1 x Soweto, 1 x Ekurhuleni, 1 x East London and 1 x Durban.	Participate in 8 outreach programs programmes and/ and/or exhibitions or exhibitions targeting business targeting business people, aspiring and the youth in the following and the youth. I x Kimberly, 1 x Mogale City, 1 x In the following Bloemfontein, 1 x Rimberley, 1 x Port Elizabeth, 1 x Port Elizabeth, 1 x Port Elizabeth, 1 x Mogale City, 1 x Mogale City, 1 x Mogale City, 1 x Kentschorp, 1 x Kenalahleni, 1 x x Rustenburg, 1 x Kenalahleni, 1 x Kentschorp, 1 x Emalahleni, 1 x Richards Bay, 1 x Thembesihle Hani, Mahikeng Hope Town (North Cape).	Participated in 12 outreach programmes and/or exhibitions targeting business people, aspiring business people and the youth in the following areas: 1 x Kimberley, 1 x Bloemfontein, 1 x Port Elizabeth, 1 x Port Elizabeth, 1 x Fort Elizabeth, 1 x Forthefstroom, 1 x Mogale City, 1 x Emalahleni, 1 x Richards Bay, 1 x Mahikeng, 1 x Klerksdorp, 1 x Rustenburg, 1 x Thembesihle Hani, 1 x Hope Town (Northern Cape).	Target exceeded	Partnerships with various stakeholders enabled the Tribunal to reach out to more stakeholders.



Members of the Cape Law Society engaging the Tribunal at the seminar

3.2.2 RESEARCH

The Research Division conducts research in order to build a body of knowledge on company law, so as to ensure the operational effectiveness of the Tribunal. A research report on the impact and effectiveness of the Tribunal in delivering on its mandate was produced.

The research report highlighted areas of improvement and made recommendations that could be considered as a means to improve the efficiency and effectiveness of the Tribunal in carrying out its mandate.

3.2.3 COMMUNICATION AND MARKETING

The objectives of communication are to educate members of the public and to raise awareness about the services offered by the Tribunal, as well as to develop and maintain strategic partnerships. During the year under review, the Tribunal focused its attention on the following main areas:

- Communication, media and marketing initiatives; and
- Stakeholder engagement.

The Tribunal values the media as a key stakeholder in information dissemination to the public. During the year under review, radio interviews were held on Nanda FM where listeners were afforded the opportunity to ask questions, and another radio interview was held on Emalahleni/ Witbank FM. A radio campaign in the form of an advertisement and live reads were aired on SAFM, Ukhozi FM, Lesedi FM, Groot FM, Jozi FM, Soshanguve community radio, Mosupatsela FM stereo, Bay FM and Radio Teemaneng. Newspaper advertisements raising awareness about ADR and Name Disputes were placed in The Business Day and Sunday Times.

The website is one of the tools used in the dissemination of information to the public. The process of revamping the website has commenced with the view of making it more user-friendly and easy for researching of cases and other information.

The Tribunal believes that strategic partnerships play an important role in delivering on its mandate. The Tribunal, in collaboration with the Nelson Mandela Business Chamber, hosted a Breakfast Talk to raise awareness about the Tribunal's existence to the Chamber's stakeholders, including the youth in the area. Furthermore, the Tribunal partnered with the Free State Youth Chamber of Commerce and Industry and Northern Cape Chamber of Commerce and Industry to raise awareness about the services of the Tribunal to business people of Mangaung and Kimberley respectively.

The Tribunal exhibited at outreach campaigns which included "taking the dti to the people" in Hopetown (Northern Cape) and the Tlokwe (Potchefstroom) Municipality Youth Dialogue which was organised by the Office of the Executive Mayor and National Department of Public Works.



Question and answer session at the Free State Youth Chamber of Commerce Workshop

The Tribunal will continue to foster strategic partnerships with the judiciary, hence a meeting was held with the Offices of the Acting Judge President and the Deputy Judge President in the Free State and KZN divisions of the High Court respectively.

The quarterly Bulletin remains an important tool in keeping stakeholders informed and raising the profile of the Tribunal as well as promoting a positive corporate image. Four quarterly bulletins were published during the 2016/17 financial year. The bulletin covers topics related to the Tribunal's mandate and highlights some of the cases decided in each quarter. To date, the Tribunal has received positive feedback from the stakeholders. The bulletin is distributed to over 500 stakeholders by email and is also published on the Tribunal website.

Companies Tribunal Seminar

The Tribunal hosted a successful seminar on corporate governance, business ethics and social and ethics committees in partnership with the dti at the DBSA Conference Centre in Midrand. It is estimated that the seminar was attended by about 120 delegates. The seminar was aimed at raising more awareness about corporate governance,

business ethics and SEC's as well as encouraging SEC's active involvement in the affairs of their respective companies. The seminar was attended by policy makers, regulators, non-governmental organisations and community based organisations, academics and other specialists in the field of corporate governance and ethics.

Furthermore, the Tribunal hosted a seminar on the role of the Tribunal in partnership with the Cape Law Society in Cape Town which was attended by more than 95 delegates. Another seminar on the role of the Tribunal was hosted in partnership with the Centre for Insolvency, Labour and Company Law of the University of Pretoria.

3.2.4 CORPORATE SERVICES

The objectives of the Corporate Services Division is to promote and maintain sound corporate governance as well as to ensure the recruitment, appointment and development of competent staff for the Tribunal. The Division is also responsible for management of the Tribunal's information and technology services. The Chairperson of the Tribunal is the Accounting Authority of the Tribunal. The Tribunal reports to the Executing Authority, who is the Minister of Trade and Industry. The

current organisational structure comprises 28 positions. Only 16 of the 28 posts were funded for the year under review.

The Corporate Services division experienced challenges during the year as the post of Corporate Services Manager could not be filled. A number of human resources policies and the risk management framework were reviewed and approved. These policies include Performance Management, Education, Training and Development, Internship and Recruitment and Selection.

As at the end of the year under review, the Tribunal staff complement consisted of 14 staff members, one Research intern, one Human Resource intern and one Supply Chain Management (SCM) intern. The internship programme of the Tribunal focuses on providing South African youth with experiential learning and thus contributes to the country's skills development. The Tribunal recognises that training builds the skills and knowledge of each staff member and contributes to a more productive and motivated staff.

The Tribunal introduced a bursary scheme, as it is of the view that providing employees with opportunities for further education and personal development is necessary for the long-term sustainability of the Tribunal. Five employees were granted bursaries. 100% of the Tribunal's staff attended training. Training attended covered

VIP Payroll, mediation, labour law, fraud and prevention, case management, archives and records management, health and safety. Inhouse training on new or revised policies was also facilitated during the year.

3.2.5 OFFICE OF THE CHIEF FINANCIAL OFFICER (CFO)

The CFO's office is responsible for Finance and SCM. The Finance division is responsible for the overall financial management of the Tribunal's funds, including planning, budgeting and reporting. The division ensures that operational and capital expenditure is in line with prescripts of the Public Finance Management Act (Act No. 1 of 1999) (PFMA) and related regulations.

SCM is the procurement of goods and services. It covers areas such as demand management, acquisition management, logistics management, disposal management and risk management. The SCM unit administers the tender process in line with the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPFA). Four (4) tenders were considered during the year under review.

Various internal controls were enhanced during the year by means of a review of various policies and the development of new policies and workshops held with staff to ensure compliance with these policies.



Delegates asking questions at the corporate governance, business ethics and Social and Ethics Committees Seminar

3.3 STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

AREA OF UNDERPERFORMANCE	TARGET	PROPOSED ACTIONS
Adjudicate and make orders in relation to any application	90% of decisions and orders issued within 30 working days after the final date of hearing.	No proposed solution as the under-performance was due to unforeseen circumstances, i.e. the Tribunal Members' hospitalisation after they had commenced with the matter.
Ensure operational effectiveness and efficiency of the Companies Tribunal	95% of budget spent	Project timeline to be adjusted in the new financial year. Service providers will be closely monitored to ensure that the case management system and the website are completed and paid in the new financial year.
Ensure operational effectiveness and efficiency of the Companies Tribunal	Piloting and partial implementation of case management system	Project timeline to be adjusted in the new year and service provider to be closely monitored to ensure delivery of the project on time.

3.4 CHANGES TO PLANNED TARGETS

There were no changes to the targets during the year under review.

3.5 LINKING PERFORMANCE WITH BUDGETS

	2016-17			2015-16			
	BUDGET	ACTUAL (OVER)/UNDER EXPENDITURE		BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	
PROGRAMME	R'000	R'000	R'000	R'000	R'000	R'000	
Adjudication	4 627	4 208	419	4 179	5 000	(821)	
Administration	18 770	16 399	2 371	14 530	15 110	(580)	
TOTAL	23 397	20 607	2 790	18 709	20 110	(1 401)	

The Tribunal's budget for the year under review was R23.4 million. The Tribunal had a deficit of R2.9 million. The deficit was funded by funds from an approved surplus from prior years. The majority of the funds utilised during the year were spent on employee costs, Tribunal members' fees and advocacy services.

Revenue Collection

	2016-17			2015-16			
SOURCE	BUDGET	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	BUDGET	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	
OF REVENUE	R'000	R'000	R'000	R'000	R'000	R'000	
Government grant	15 069	15 069	-	14 221	14 221	-	
Interest received	1 290	1 382	(92)	1 200	1 391	(191)	
Other income	7 038	1 267	5 771	3 288	1 163	2 125	
Total	23 397	17 718	5 679	18 709	16 775	1 934	

Interest received – The Tribunal had a favourable bank balance as a result of the approved retention of surplus in the previous years, thus resulting in increased interest received from the bank.

Other income – Other income is derived from surplus funds. The Tribunal utilised the approved surplus to augment the budget deficit due to the grant allocation not being sufficient to carry out the mandate of the Tribunal.



Delegates asking questions at the corporate governance, business ethics and Social and Ethics Committees Seminar

PART C GOVERNANCE

GOVERNANCE

1. OVERVIEW OF THE GOVERNANCE STRUCTURE

The Tribunal has three governance committees that are responsible for auditing and risk, remuneration and human resources as well as information and technology.

2. PORTFOLIO COMMITTEE

The Portfolio Committee on Trade and Industry exercises oversight over the service delivery performance of the Tribunal and reviews the performance of the Tribunal based on its quarterly and annual reports.

3. EXECUTING AUTHORITY

The Minister of Trade and Industry is the Executing Authority of the Tribunal. Quarterly performance reports were submitted to the Minister. The Shareholder Compact was concluded and meeting held regarding the Tribunal's performance.

4. ACCOUNTING AUTHORITY

The Chairperson, in his capacity as the Accounting Authority, is responsible in terms of the PFMA (1999), to provide strategic leadership and oversight on the affairs of the Tribunal, as well as exercise due care with regard to the assets of the Tribunal. He is also responsible for the effective, efficient and transparent management and operation of the Tribunal.

5. RISK MANAGEMENT

The Tribunal reviewed its Risk Management framework that provides comprehensive, systematic and integrated support for the management of risk across the organisation. The Risk Management framework is also linked with the anti-corruption, fraud prevention and disaster recovery measures. The effective management of risk is critical to ensure that the Tribunal delivers on its mandate and achieves its strategic objectives.

The Tribunal has a Risk Register and the Combined Risk Assurance which indicates management's actions in addressing each of the risks and progress made in regard thereto. The Risk Register is monitored on a quarterly basis by the Audit and Risk Committee. The Audit and Risk Committee has an oversight role for risk management.

The combined assurance indicating the level of assurance provided by each line of defence, has been tabled and discussed at the Audit and Risk Committee meeting.

6. INTERNAL AUDIT

The Business Innovation Group (BIG) is the Tribunal's Internal Auditors. The internal audit undertaken used a risk-based approach. The following internal audits were performed during the year under review: supply chain and cash management review, case management process review, Information Technology Service Continuity and Disaster Recovery Planning review, Records management review, Quarters 1 & 3 performance information reviews, Annual Financial Statement review, follow-up reviews and facilities management and OHS reviews.

An Internal Audit Finding Register is kept to track progress and is presented quarterly to the Audit and Risk Committee.

7. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) has been appointed as required by PFMA section 77 and section 76 (4) (d) to provide oversight to matters as stated in Treasury regulations 3.1. The Committee comprised four independent members. During the year under review, the ARC held six meetings and focused mainly on the quarterly performance reports of the Tribunal.

The Audit and Risk Committee comprises the following members:

NAME OF MEMBER	STATUS OF MEMBER	NUMBER OF MEETINGS ATTENDED
S Ngobeni	Non-executive Chairperson	6
S Simelane	Non-executive member	5
N Baloyi	Non-executive member	5
Adv. L Nevondwe	Non-executive member	6

8. REMUNERATION AND HUMAN RESOURCES COMMITTEE (REMCO)

REMCO was established to provide oversight in terms of human resources and remuneration matters. The Committee comprises three independent human resources specialists. During the year under review REMCO held 4 meetings. The main focus was the review of policies as well as performance assessment.

NAME OF MEMBER	STATUS MEMBER	NUMBER OF MEETINGS ATTENDED
B Zimu	Non-executive Chairperson	4
L Dirksen	Non-executive member	4
M Mnisi	Non-executive member	3

9. COMPLIANCE WITH LAWS AND REGULATIONS

The Tribunal has registered for, and met its obligations in respect of the following levies and taxes:

- Skills Development Levy (SDL)
- Workmen's Compensation
- Unemployment Insurance Fund (UIF)
- Pay-As-You-Earn (PAYE).

The Tribunal is not a Value Added Tax (VAT) vendor in terms of the Value Added Tax Act, Act No. 89 of

1991. The Tribunal is also exempt from income tax in terms of Section 10 (1)(cA)(i) of the Income Tax Act, Act No. 58 of 1962.

10. FRAUD AND CORRUPTION

The Tribunal has a free anti-corruption hotline managed by an independent service provider, Deloitte. No cases of fraud pertaining to the Tribunal have been reported.

10.1 PRINCIPLES UNDERPINNING THE TRIBUNAL'S ANTI-FRAUD AND CORRUPTION POLICY

The Tribunal's anti-fraud and corruption policy is based on the following principles, which the Fraud Prevention and Response Plan seeks to give effect to:

- Zero tolerance to fraud and corruption
- Accountability of leadership, Tribunal Members and staff
- Duty to implement effective anti-fraud controls
- Duty to report, and reporting mechanisms, by staff members and stakeholders
- Duty to protect whistle-blowers
- Reporting to police and other relevant authorities
- Mandate to investigate fraud
- Instituting disciplinary proceedings
- Training and awareness
- Fraud risk assessment.

The Tribunal has the Fraud Prevention and Response Plan. The objectives of the plan are to enable the Tribunal to manage fraud or suspicion of fraud in order to:

- deter or prevent any fraudulent activities; and
- detect fraudulent activities.

In cases where fraud is suspected to have taken place, the Fraud Prevention and Response Plan enables the Tribunal to:

• prevent further loss where fraud occurred;

- establish and secure evidence necessary for disciplinary and criminal action;
- assign responsibility for investigating the incident:
- establish circumstances in which external specialists should be involved;
- establish lines of communication with the police:
- keep all staff members who have a need to know suitably informed about the incident and the Tribunal's response;
- recover losses;
- deal with requests for references regarding employees disciplined, dismissed or prosecuted for fraud; and
- review the reasons for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud.

11. MINIMISING CONFLICT OF INTEREST

To support managers in the prevention of fraud, the Tribunal has adopted, developed and disseminated

the following documents:

- the Conflict of interest forms by members of the Committees, Tribunal and management;
 and
- the Disclosure of Hospitality and Gifts Register.

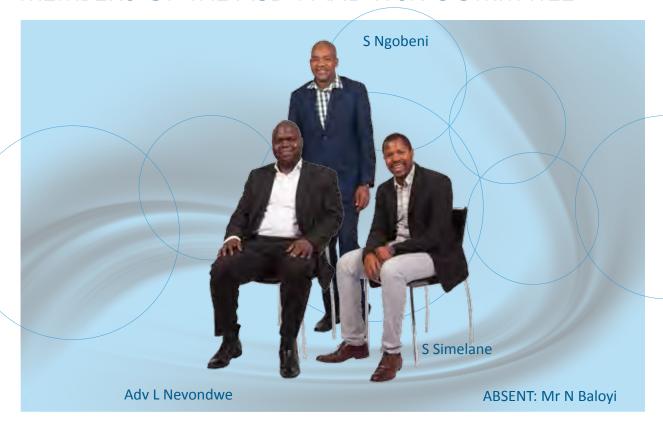
12. CODE OF CONDUCT

A Code of Conduct for staff is in place. This code states what is expected of staff in their individual conduct and relationships with others.

13. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Tribunal is located on the Department of Trade and Industry Campus. Most of the issues pertaining to health and safety are therefore the responsibility of the dti. The Tribunal performed an evacuation drill as required by the Occupational Health and Safety Act. Training was also provided to the relevant office bearers.

MEMBERS OF THE AUDIT AND RISK COMMITTEE



14. REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (the committee) is pleased to present its report for the financial year ended 31 March 2017. The Committee has been in operation since August 2012. The Committee charter deals with the manner in which the members of the Committee should undertake their duties and responsibilities. The term of office of the first committee ended in July 2015. The new Committee, comprising independent members, was appointed in October 2015.

The Committee consists of the members listed in the table below.

NAME OF MEMBER	STATUS OF MEMBER	NUMBER OF MEETINGS ATTENDED
S Ngobeni	Non-executive Chairperson	6
L Nevondwe	Non executive member	6
S Simelane	Non-executive member	5
N Baloyi	Non-executive member	5

During the year under review, the Committee held six meetings.

14.1 AUDIT AND RISK COMMITTEE **RESPONSIBILITY**

The Committee reports that it has complied with its responsibilities arising from Section 55(1) of the PFMA and Treasury regulations 27.1.7 and 27.1.10(b) and (c). The Committee also reports that it has regulated its affairs in compliance with the Audit and Risk Charter and has discharged all its responsibilities as contained therein.

14.2 THE EFFECTIVENESS OF INTERNAL CONTROL

Although the Tribunal is accountable for the process of risk management and systems of internal control, these on-going processes are reviewed by the committee for effectiveness. The Committee regularly reports to the Accounting Authority on its activities as well as making recommendations regarding the execution of its activities.

14.3 QUALITY MANAGEMENT, MONTHLY/ QUARTERLY REPORTS AND PFMA COMPLIANCE

Quarterly reports on performance information and the Tribunal's finances were presented and reported on in the Committee meetings. The Committee confirms that the content and quality of the quarterly reports issued by the Accounting Authority during the year under review comply with the PFMA. On a quarterly basis, the Committee also reports to the Minister of Trade and Industry on management's actions in addressing all the external and internal audit findings.

14.4 EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Committee has reviewed and discussed the draft annual financial statements to be included in the Annual Report with the Auditor-General and the Accounting Authority. The Committee reviewed and discussed the performance information with management and reviewed changes in accounting policies and practices. The entity's compliance with legal and regulatory provisions was also evaluated by the Committee.

The Committee notes that the Tribunal is highly dependent on the approved retention of accumulated surplus from National Treasury, as well as the approval of the annual grants from the dti in order to maintain its going-concern status.

14.5 COMBINED RISK ASSURANCE

The combined assurance plan was presented to the Committee and the Committee is satisfied with the assurance given by each level of defence. The plan was also presented to the dti.

14.6 INTERNAL AUDIT

The Internal Audit function is operational and internal auditors have been appointed. Internal audit reports were presented to the Committee during the year under review. The internal audit reports provide assurance that the internal controls in place in most of the audited areas, are satisfactory.

The reports also highlight areas where mitigating controls should be implemented. Management's actions in addressing the internal audit findings were monitored during the year.

In the 2014/15 financial year, the Committee recommended the appointment of a Compliance Manager to oversee all compliance requirements for the Tribunal, including the audit function. However, this recommendation could not be implemented due to budgetary constraints and a moratorium placed on appointing new staff members.

14.7 AUDITOR-GENERAL OF SOUTH AFRICA

The Committee reviewed the final management report and the audit report issued by the AGSA. The Committee concurs with the unqualified audit opinion of the AGSA with no matters of emphasis.

14.8 COMMENDATIONS

The Committee commends management and staff for an unqualified audit opinion with no matters of emphasis.

14.9 CONCLUSION

The Committee wishes to acknowledge the commitment from the Chairperson, assistance of internal auditors, management and staff of the Tribunal. The stability in terms of the leadership of the entity has contributed to these achievements as reported above.



S. Ngobeni

Chairperson of the Audit and Risk Committee Date: 27/07/2017

PART D HUMAN RESOURCES MANAGEMENT

1. INTRODUCTION

At the end of the year under review, the Tribunal staff complement comprised 14 permanent employees, and 3 interns. There was only one resignation, that of a legal adviser.

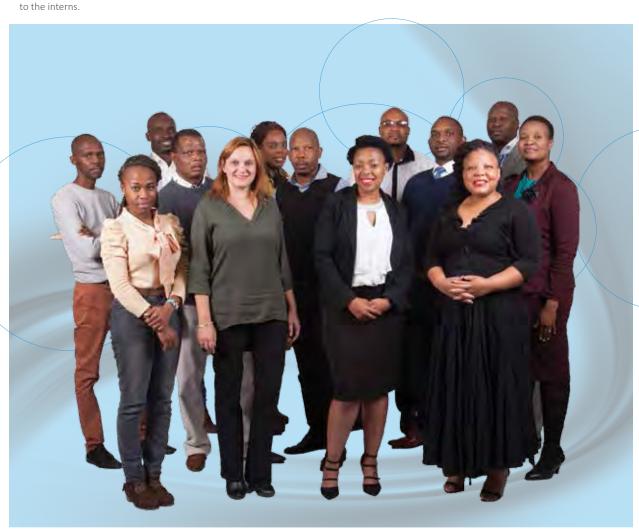
The Remuneration and Human Resource Committee (REMCO) met four times to provide oversight on human resources matters, particularly remuneration and performance rewards. It comprises independent members and has contributed significantly to the review of the Tribunal's human resources policies. REMCO provided recommendations on the following policies: Performance Management, Education, Training and Development, Internship and Recruitment and Selection.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

2.1 PERSONNEL COST BY PROGRAMME

PROGRAMME	TOTAL EXPENDITURE R'000	PERSONNEL EXPENDITURE R'000	PERSONNEL EXPENDITURE AS A PERCENTAGE OF THE TOTAL EXPENDITURE %	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
Administration	16 399	11 568	71%	14	826

Note: The difference between the personnel expenditure and the amount disclosed in the statement of financial performance is the R157 240 paid to the integrs.



2.2 PERSONNEL COST BY SALARY BAND

LEVEL	PERSONNEL EXPENDITURE R'000	PERCENTAGE OF PERSONNEL COST TO TOTAL PERSONNEL COSTE %	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
Top management	1 531	13%	1	1 531
Senior management	3 321	29%	3	1 107
Professional qualified	5 971	52%	8	746
Skilled	745	6%	2	372
Total	11 568	100%	14	826

2.3 PERFORMANCE REWARDS

PROGRAMME	PERFORMANCE REWARDS R'000	PERSONNEL EXPENDITURE R'000	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST %
Top Management	-	1 531	-
Senior Management	138	3 321	4%
Professional qualified	174	5 971	3%
Skilled	8	745	1%
Total	320	11 568	3%

2.4 TRAINING COSTS

PROGRAMME	PERSONNEL EXPENDITURE R'000	TRAINING EXPENDITURE R'000	TRAINING EXPENDITURE AS A % OF PERSONNEL COST %	NUMBER OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE R'000
Administration	11 568	269	2%	15	18

2.5 EMPLOYMENT AND VACANCIES

PROGRAMME	NUMBER OF EMPLOYEES 2015/16	APPROVED AND FUNDED POSTS 2016/17	NUMBER OF EMPLOYEES 2016/17	APPROVED AND FUNDED VACANCIES 2016/17	PERCENTAGE OF VACANCIES
Administration	15	16	14	2	12.5%

LEVEL	NUMBER OF EMPLOYEES 2015/16	APPROVED AND FUNDED POSTS 2016/17	NUMBER OF EMPLOYEES 2016/17	APPROVED AND FUNDED VACANCIES 2016/17	PERCENTAGE OF VACANCIES
Top management	1	1	1	-	-
Senior management	3	4	3	1	25%
Professional qualified	9	9	8	1	11.11%
Skilled	2	2	2	-	-
Total	15	16	14	2	12.5%

Only funded positions out of the 28 approved positions are reflected as there are no funds to fill other approved posts.

2.6 EMPLOYMENT CHANGES

LEVEL	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top management	1	-	-	1
Senior management	3	-	-	3
Professional qualified	9		1	8
Skilled	2	-	-	2
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
Total	15	0	1	14

2.7 REASONS FOR LEAVING

REASON	NUMBER	PERCENTAGE OF TOTAL NUMBER OF STAFF LEAVING
Death	-	-
Resignation	1	100%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	1	100%

2.8 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	NUMBER	PERCENTAGE OF TOTAL NUMBER OF STAFF DISCIPLINED
Verbal warning	-	-
Written warning	-	-
Final written warning	-	-
Dismissal	-	-
Total	-	-

2.9 EQUITY TARGETS AND EMPLOYMENT EQUITY STATUS

MALE								
	AFRIC	CAN	COLOURED		INDIAN		WHITE	
LEVEL	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	-	-	-	-	-	-	-	-
Senior Management	1	-	-	1	-	-	-	-
Professional qualified	6	-	-	-	-	-	-	-
Skilled	1	-	-	-	-	-	-	-
Total	8	-	-	1	-	-	-	-

	FEMALE							
	AFRIC	CAN	COLO	COLOURED INDIAN		AN	WHITE	
LEVEL	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	-	-	-	-	-	-	-
Senior Management	2	-	-	-	-	-	-	-
Professional qualified	2	-	-	-	-	-	-	1
Skilled	-	-	-	-	-	-	1	-
Total	5	-	-	-	-	-	1	1

	STAFF WITH DISABILITY						
	AFR	ICAN	COLO	URED			
LEVEL	CURRENT	TARGET	CURRENT	TARGET			
Top Management	-	-	-	-			
Senior Management	-	-	-	-			
Professional qualified	-	-	-	-			
Skilled	-	-	-	-			
Total	-	-	-	-			

PART E FINANCIAL INFORMATION

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1. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ANNUAL REPORT AND ANNUAL FINANCIAL STATEMENTS

The Chairperson, in his capacity as the Accounting Authority, is responsible for the preparation, integrity and fair presentation of the financial statements of the Tribunal. The financial statements presented on pages 56 to 82 have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB), in accordance with Section 55 of the PFMA to the extent indicated in the accounting policies. The financial statements include amounts based on judgements and estimates. The Chairperson, in consultation with the responsible staff members, prepared the other information included in the Annual Report and is responsible for both its accuracy and its consistency with the financial statements.

The going-concern basis has been adopted in preparing the financial statements. The Chairperson has no reason to believe that sufficient funding will not be obtained to continue with the official functions of the Tribunal. These financial statements support the viability of the Tribunal.

The financial statements have been audited by an independent auditor, the Auditor-General of South Africa. The auditor has been given unrestricted access to all financial records and related data, including minutes of relevant meetings. The Chairperson believes that all representations to be made to the auditor during the audit will be valid and appropriate.

In my opinion, the Annual Report fairly reflects the operations, performance information, human resources information and financial affairs of the Companies Tribunal for the financial year ended 31 March 2017.

The Audit Report of the Auditor-General of South Africa is presented on page 51.

Dr Mohammed Alli Chicktay

Chairperson: Companies Tribunal

2. REPORT OF THE AUDITOR-GENERAL

Report on the audit of the financial statements

Opinion

- 1. I have audited the financial statements of the Companies Tribunal set out on pages 56 to 82, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended. as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Companies Tribunal as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

- 3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
- 4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
- 5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

- 6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 7. In preparing the financial statements, the accounting authority is responsible for assessing the Companies Tribunal's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the public entity or to cease operations, or there is no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

- 10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
- 11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2017:

Programme	Pages in the annual performance report
Programme 1 – Adjudication	21

- 13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:
 - Programme 1- Adjudication

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on page 21 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18. We did not identify any instances of material noncompliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Other information

- 19. The Companies Tribunal accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programme presented in the annual performance report that have been specifically reported on in the auditor's report.
- 20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
- 21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report,

or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

22. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

30 July 2017



Auditing to build public confidence

ANNEXURE — AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programme and on the public entity's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

- 2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the the accounting authority.
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I

- also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Companies Tribunal ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a public entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

- 3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- 4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

3.1 ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Accounting Authority is required by the Public Finance Management Act (Act No. 1 of 1999) (PFMA), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and are given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based on appropriate accounting policies which are consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledges that he is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Companies Tribunal and all employees are required to maintain the highest ethical standards by ensuring the Tribunal's business is conducted in a manner that is above reproach under all reasonable circumstances. The focus of risk management in the Tribunal is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the Tribunal endeavours to minimise it by ensuring that

appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the Accounting Authority is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Authority has reviewed the Tribunal's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, he is not satisfied that the Companies Tribunal has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Tribunal is wholly dependent on the dti for the continued funding of its operations. The annual financial statements are prepared on the basis that the Tribunal is a going concern and that the dti has neither the intention nor the need to liquidate or materially curtail the scale of the Tribunal.

Although the Accounting Authority is primarily responsible for the financial affairs of the Tribunal, he is supported by the Tribunal's employees, internal auditors, REMCO and Audit and Risk Committee.

external auditors are responsible for independently reviewing and reporting on the Tribunal's annual financial statements. The annual financial statements have been examined by the Tribunal's external auditors and their report is presented on page 51.

The annual financial statements set out on pages 56 to 82, which have been prepared on the goingconcern basis, were approved by the Accounting Authority and were signed on its behalf by Dr. A. Chicktay

Dr. Mohammed Alli Chicktay

Chairperson: Companies Tribunal

Date: 28 July 2017

3.2 STATEMENT OF FINANCIAL POSITION

as at 31 March 2017

	NOTE(S)	2017 R	2016 R
	NOTE(3)	K	IX.
ASSETS			
Current assets		15 244 537	18 712 230
Cash and cash equivalents	3	15 081 778	18 461 814
Receivables from exchange transactions	4	147 572	239 736
Inventories	5	15 187	10 680
Non-current assets		866 439	633 293
Property, plant and equipment	6	709 228	429 945
Intangible assets	7	157 211	203 348
Total assets		16 110 976	19 345 523
LIABILITIES			
Current liabilities		1 026 215	1 372 081
Payables from exchange transactions	8	70 401	438 881
Short-term employee benefits	9	618 788	594 169
Members' accrual	10	337 026	339 031
Total liabilities		1 026 215	1 372 081
NET ASSETS			
Net assets		15 084 761	17 973 442
Accumulated surplus		15 084 761	17 973 442
Total net assets and liabilities		16 110 976	19 345 523

3.3 STATEMENT OF FINANCIAL PERFORMANCE

		2017	2016
	NOTE(S)	R	R
Revenue			
Revenue from exchange transactions		1 382 837	1 402 753
Interest received	11	1 382 148	1 391 182
Other income – exchange transactions	12	689	11 571
Revenue from non-exchange transactions		16 335 226	15 372 114
Transfers from the dti	13	15 069 000	14 221 000
Other income – non-exchange transactions	14	1 266 226	1 151 114
Total revenue		17 718 063	16 774 867
Expenditure			
Employee related costs	15	11 725 050	10 216 647
Other operating expenses	16	2 760 709	2 859 460
Administrative expenses	17	2 017 992	1 882 643
External audit fees	18	382 941	463 701
Depreciation and amortisation	19	223 047	181 203
Tribunal Members' fees	24	3 495 038	4 505 848
Total expenditure		20 604 776	20 109 502
Loss on disposal of assets		1 969	-
(Deficit)/surplus for the year		(2 888 682)	(3 334 635)

3.4 STATEMENT OF CHANGES IN NET ASSETS

	2017 R
Balance at 31 March 2015	21 308 077
Deficit for the period	(3 334 635)
Balance at 31 March 2016	17 973 443
Deficit for the period	(2 888 682)
Balance at 31 March 2017	15 084 761

3.5 CASH FLOW STATEMENT

		2017	2016
	NOTE(S)	R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts		16 544 002	15 625 865
Government grant		15 069 000	14 221 000
Other income		92 854	13 683
Interest received		1 382 148	1 391 182
Payments		(19 465 876)	(18 764 854)
Employee related costs		(11 700 431)	(10 207 491)
Members' fees		(3 497 042)	(4 660 938)
Suppliers		(4 268 403)	(3 896 425)
Net cash generated from operating activities	20	(2 921 874)	(3 138 989)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(458 162)	(314 096)
Purchase of intangible assets	7	-	(184 378)
Net cash flows from investing activities		(458 162)	(498 474)
Net increase in cash and cash equivalents		(3 380 036)	(3 637 463)
Cash and cash equivalents at the beginning of the year		18 461 814	22 099 277
Cash and cash equivalents at the end of the period	3	15 081 778	18 461 814

3.6 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	APPROVED BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL AMOUNTS ON COMPARABLE BASIS R	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL R	Reference
Revenue from non-exchange transactions	20 931 000	1 174 911	22 105 911	16 335 226	5 770 685	
Transfers from the dti	15 069 000	-	15 069 000	15 069 000	-	
Other income – non- exchange transactions	5 862 000	1 174 911	7 036 911	1 266 226	5 770 685	28.2
Revenue from exchange transactions	1 000 000	290 700	1 290 700	1 382 837	(92 137)	
Interest received	1000 000	290 000	1 290 000	1 382 148	(92 148)	28.1
Other Income – exchange transactions	-	700	700	689	11	28.3
Total revenue	21 931 000	1 465 611	23 396 611	17 718 063	5 678 548	
Expenditure						
Employee related costs	12 780 000	152 166	12 932 166	11 725 050	1 207 116	28.4
Other operating expenses	1 908 842	1 285 249	3 194 091	2 760 709	433 382	28.5
Administrative expenses Tribunal members'	2 614 658	22 196	2 636 854	2 017 992	618 862	28.6
fees	3 819 000	-	3 819 000	3 495 038	323 963	28.7
External audit fees	555 000	-	555 000	382 941	172 059	28.8
Depreciation and amortisation	253 500	6 000	259 500	223 047	36 453	28.9
Total expenditure	21 931 000	1 465 611	23 396 611	20 604 776	2 791 835	
Loss on disposal of assets	-	-	-	1 969	(1 969)	
(Deficit)/surplus for the year	-	-	-	(2 888 682)	2 888 682	

3.7 ACCOUNTING POLICIES

1. ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2017

1.1 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of GRAP, issued by the ASB in accordance with Section 91(1) of the PFMA Act 1 of 1999 including any interpretations and guidance issued by the ASB.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

1.2 PRESENTATION CURRENCY

These financial statements are presented in South African Rands, which is the functional currency of the entity.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates, judgement and assumptions that affect the application of accounting policies, amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements are made on the useful lives of property plant and equipment and intangible assets. The Tribunal's management determines the estimated useful lives for property, plant and equipment and intangible assets. The estimates are based on the manner in which an asset's future economic benefits or service potential are expected to be consumed.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life		
Furniture and fittings	5 years		
Motor vehicles	5 years		
Office equipment	5 years		
Computer equipment	1.5 to 3 years		

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as indicated below.

Item	Useful life
Computer software	5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.6 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

• the Companies Tribunal has a present obligation as a result of a past event;

- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the required expenditure expected to settle the present obligation at the reporting date.

Contingent liability is disclosed when a possible obligation arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Tribunal. Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the financial statements.

1.7 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

1.8 INVENTORIES

Inventories are initially measured at cost except where they are acquired through a non-exchange transaction. In the latter case, their costs are their fair value as at the date of acquisition. Subsequently, inventories are measured at the lower of cost and net realisable value.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity. Inventory comprises stationery that shall be consumed within a short-term period in the normal business of the entity and not held for sale.

1.9 FINANCIAL INSTRUMENTS

1.9.1 Initial recognition

The Companies Tribunal recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The Companies Tribunal recognises financial assets using trade date accounting.

1.9.2 Initial measurement of financial assets and financial liabilities

The Tribunal measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

1.9.3 Subsequent measurement of financial assets and financial liabilities

The Tribunal measures all financial assets and financial liabilities after initial recognition using the category of financial instruments at amortised cost. All financial assets measured at amortised cost or cost are subject to an impairment review.

1.9.4 Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

1.9.5 Impairment and un-collectability of financial assets

At the end of each reporting period, the Tribunal assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

1.9.6 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in bank accounts and on hand and cash equivalents with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortised cost.

1.9.7 Trade Receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

1.9.8 Financial liabilities

The Tribunal removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

1.9.9 Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised, as well as through the amortisation process.

1.9.10 Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit. Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

1.10 REVENUE FROM EXCHANGE TRANSACTIONS

1.10.1 Measurement

Revenue is measured at the fair value of the consideration received or receivable (accrual basis).

1.10.2 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.11 REVENUE FROM NON-EXCHANGE TRANSACTIONS

1.11.1 Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Companies Tribunal satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

1.11.2 Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Companies Tribunal. When, as a result of a non-exchange transaction, the Companies Tribunal recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised, it will be measured as the best estimate of the amount required to settle the obligation at the reporting date and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.11.3 Transfers

The Tribunal recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset. Transferred assets are measured at their fair value as at the date of acquisition.

1.11.4 Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.11.5 Services in-kind

Services in-kind are recognised as revenue and expenditure when the services in-kind are significant to the operations of Tribunal and/or service delivery objectives.

1.12 LEASES

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

1.12.1 Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term. Any contingent rents are recognised separately as an expense in the period in which they are incurred.

1.13 EMPLOYEE BENEFITS

1.13.1 Short-term employee benefits

Short-term employee benefits are recognised at undiscounted amounts in the period in which the service was rendered and the benefit was paid or became payable.

1.13.2 Post-employment benefits: Defined contribution plans

Twelve employees of the Tribunal are members of a Defined Contribution Pension Plan. Under a Defined Contribution Pension, the Tribunal pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The contributions to the Defined Contribution Pension Plan are charged to surplus or deficit in the period to which they relate. Two employees of the Tribunal are members of the Government Employees' Pension Fund (GEPF). The fund is funded by payments from employees and the Tribunal.

The Tribunal accounts for contributions to the GEPF as a defined contribution plan as there is no consistent and reliable basis for allocating the obligation, plan assets and cost to the individual employers participating in the plan and the plan exposes the participating employers to actuarial risks associated with the current and former employees of other employers participating in the plan.

Contributions to the GEPF are charged to surplus or deficit in the period to which they relate. The Tribunal is not liable for any deficits due to the difference between the present value of the benefit obligations and the fair value of the assets managed by the GEPF. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the annual financial statements of the Tribunal.

1.14 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

1.14.1 Identification

The Companies Tribunal assesses at each reporting date whether there is any indication that a non-cashgenerating asset may be impaired. If any such indication exists, the Tribunal estimates the recoverable service amount of the asset. When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cashgenerating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14.2 Reversal of an impairment loss

The Tribunal assesses at each reporting date whether there is any indication that an impairment loss recognised in previous periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.15 IRREGULAR EXPENDITURE

Irregular expenditure, as defined in Section 1 of the PFMA (1999), is expenditure other than unauthorised expenditure incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation, including:

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury Practice Note No. 4 of 2008/2009, which was issued in terms of Sections 76(1) to 76(4) of the PFMA (1999), requires the following (effective from 1 April 2008):

- Irregular expenditure that was incurred and identified during the current financial and which was condoned before the financial year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements.
- Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at the financial year end, must be recorded in the irregular expenditure

- register. No further action is required with the exception of updating the note to the financial statements.
- Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure refers to expenditure which was made in vain and could have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and, where recovered, is subsequently accounted for as revenue in the statement of financial performance.

A receivable will be recorded against an employee who has been found to have incurred the fruitless and wasteful expenditure, as determined by an investigation. In instances where a receivable is not raised against an employee or the amount is irrecoverable, the Accounting Authority may write off the debt. Fruitless and wasteful expenditure identified is disclosed in the annual financial statements.

1.17 RELATED PARTIES

The Companies Tribunal operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the Tribunal, including those charged with the governance of the Tribunal in accordance with legislation and in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the Tribunal.

1.18 BUDGET INFORMATION

The Tribunal is typically subject to budgetary limits in the form of appropriations or budget authorisations (or an equivalent), which is given effect through authorising legislation, appropriation or similar. The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 1 April 2016 to 31 March 2017. The annual financial statements and the budget are drawn up on the same basis of accounting, therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.19 EVENTS AFTER THE REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the

reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The Companies Tribunal will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred. The Tribunal will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.20 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 GOING CONCERN

These financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2. NEW STANDARDS AND INTERPRETATIONS

2.1.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The Tribunal considered the standards and interpretations issued by the ASB, as allowed per Directive 5, for which the Minister of Finance has not determined an effective date. These standards and interpretations are listed in the table below.

STANDARD	APPLICABILITY AND IMPACT
GRAP 32 Service concession arrangements Grantor	Presently not applicable. The Tribunal is not engaged in any service concession arrangements.
GRAP 108 Statutory Receivables	Not applicable. Receivables of the Tribunal arise from contracts or other agreements and not as a result of legislation, supporting regulations, or similar means.
GRAP 109 Accounting by Principals and Agents	Not applicable. The Tribunal is not engaged in any services by Principals and Agents.
IGRAP 17 Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	Not applicable. The Tribunal is not engaged in any service concession arrangements.
GRAP 20 Related Parties	Applicable. The adoption of this amendment has not had a material impact on the results of the entity but has resulted in more disclosure that would have previously been provided in the financial statements (refer to Note 21).

3.8 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS	2017 R	2016 R
Cash on hand	2 880	2 072
Bank balances	1 771 910	1 946 557
Short-term deposits*	13 306 988	16 513 185
	15 081 778	18 461 814

^{*}The short-term deposit is the Corporation for Public Deposit account held with South African Reserve Bank.

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Parking deposit	600	600
Employee related debt	34 878	8 570
Amounts recoverable from Tribunal Members	-	50 000
Fruitless and wasteful expenditure recoverable	-	1 874
Trade receivables	60 656	-
Prepayments	51 438	178 692
	147 572	239 736

5. INVENTORIES

Stationery and consumables 15 187 10 680

6. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Furniture and fittings	31 748	(4 581)	27 167	3 621	(945)	2 676
Motor vehicles	265 466	(60 393)	205 073	265 466	(25 883)	239 583
Office equipment	63 444	(27 084)	36 360	62 444	(20 091)	42 353
Computer equipment	649 791	(209 163)	440 628	278 170	(132 837)	145 333
	1 010 449	(301 221)	709 228	609 701	(179 756)	429 945

^{**} The Tribunal has a garage card held with Standard Bank.

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – 2017

	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	TOTAL
Furniture and fittings	2 676	28 127	-	(3 636)	27 167
Motor vehicles	239 583	-	-	(34 510)	205 073
Office equipment	42 353	1 000	-	(6 993)	36 360
Computer equipment	145 333	429 035	(1 970)	(131 770)	440 628
	429 945	458 162	(1 970)	(176 909)	709 228

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2016

	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	TOTAL
Furniture and fittings	897	2 276		(497)	2 676
runnture and nittings	697	22/0	-	(497)	20/0
Motor vehicles	-	265 466	-	(25 883)	239 583
Office equipment	37 572	16 117	-	(11 336)	42 353
Computer equipment	238 728	30 237	-	(123 632)	145 333
	277 197	314 096	-	(161 348)	429 945

7. INTANGIBLE ASSETS

Software

		2017			2016	
	COST	ACCUMULATED AMORTISATION	CARRYING VALUE	COST	ACCUMULATED AMORTISATION	CARRYING VALUE
Software	230 686	(73 475)	157 211	230 686	(27 338)	203 348
	230 686	(73 475)	157 211	230 686	(27 338)	203 348
RECONCILIATION OF IN	NTANGIBLE A	ASSETS –	OPENING			
2017			BALANCE	ADDITIONS	AMORTISATION	TOTAL
Software			203 348	-	(46 137)	157 211
			203 348	-	(46 137)	157 211
RECONCILIATION OF IN 2016	ITANGIBLE A	ASSETS –	OPENING BALANCE	ADDITIONS	AMORTISATION	TOTAL

38 826

38 826

184 378

184 378

203 348

203 348

(19 856)

(19 856)

8. PAYABLES FROM EXCHANGE TRANSACTIONS	2017 R	2016 R
C. TATA BEEGING WEXAIN WAS LINGUISTED	- 14	17
Trade payables	33 850	426 107
Other accrued expenses	36 551	12 774
•	70 401	438 881
9. SHORT TERM EMPLOYEE BENEFITS		
Provision for 13 th cheque	163 507	159 971
Leave provision	367 757	419 580
Employees accrual – Pension fund and Medical aid	16 333	14 618
Employees accruals	71 191	-
	618 788	594 169
TO MENADERCY A CORDIAL		
10. MEMBERS' ACCRUAL		
Tribunal Members' fees	337 026	339 031
ilibulial Mellibers Tees	337 020	333 031
11. INTEREST RECEIVED		
Short-term deposit – Corporate for Deposit Account	1 293 803	1 294 616
Current Account – Standard Bank	87 004	96 566
Interest charged on other receivables	1 341	-
	1 382 148	1 391 182
12. OTHER INCOME FROM EXCHANGE TRANSACTIONS		
Other sundry income	689	-
Fruitless and wasteful expenditure recoverable	-	11 571
	689	11 571
1.2 CONTENTIALE CONNICAND CURRENCE		
13. GOVERNMENT GRANTS AND SUBSIDIES		
Transfer from the Department of Trade and Industry	15 069 000	14 221 000
Transfer from the Department of Trade and Industry	13 003 000	14 221 000
14. OTHER INCOME – NON-EXCHANGE TRANSACTIONS		
Revenue in-kind	1 266 226	1 151 114

15. EMPLOYEE RELATED COSTS	2017	2016 R
15. EIVIPLOTEE RELAIED COSIS	R	K
Basic earnings	9 916 399	8 597 862
Medical aid contributions	176 939	222 804
Performance bonus	320 625	-
Statutory contributions	144 900	120 184
Leave provision expenses	2 877	5 011
Other allowances	49 200	49 000
Defined benefit pension plan expense	685 041	875 386
13th cheque provision expense	271 829	269 900
Interns stipend	157 240	76 500
	11 725 050	10 216 647

16. OTHER OPERATING EXPENSES

Lease nayments inhotoconier	64 525	E / 1 / 1
Lease payments – photocopier	64 535	54 141
Parking fees	3 600	3 740
Courier, postage and stamps	13 827	17 595
Transcripts and recordings	42 093	65 379
Recruitment fees	1 343	33 555
Travel and subsistence allowances	498 106	396 019
Consulting and professional fees	283 009	827 161
Computer expenses	218 478	35 644
Telephone expenses	33 284	32 750
Training expenses	268 562	215 727
Repairs and maintenance	8 168	2 059
Motor vehicle expenses	9 008	7 886
Employee Wellness Programme	24 620	-
Offsite storage	3 530	-
Insurance	22 320	16 690
Lease premises in-kind	1 266 226	1 151 114
	2 760 709	2 859 460

	2017	2016
17. ADMINISTRATIVE EXPENSES	R	R
Advertising and marketing	692 703	875 206
Internal audit fees	413 039	291 063
Audit and risk committee fees	129 385	102 289
Bursaries- employees	103 650	-
Bank charges	22 300	19 476
Debts written off	131	_
Donations and sponsorships	29 244	_
Publications, printing and books	193 034	261 462
Catering	80 081	32 640
Legal fees	133 363	-
Gifts and flowers	714	-
Venues and facilities	73 153	200 272
Office consumables	9 873	16 585
Stationery	107 889	42 940
Remuneration Committee fees	29 433	40 710
	2 017 992	1 882 643
10 EVTEDNIAL ALIDIT FFFC		
18. EXTERNAL AUDIT FEES		
External audit fees	382 941	463 701
19. DEPRECIATION AND AMORTISATION		
Furniture and fittings	3 636	497
Motor vehicles	34 511	25 883
Office equipment	6 993	11 335
Computer equipment	131 770	123 632
Software	46 137	19 856
	223 047	181 203

20. CASH GENERATED FROM OPERATIONS	201 <i>7</i> R	2016 R
(Deficit)/Surplus for the year	(2 888 682)	(3 334 635)
Adjustments for:		
Depreciation and amortisation	223 047	181 203
Loss on sale of assets	1 969	-
Revenue in-kind	(1 266 226)	(1 151 114)
Lease premises in-kind	1 266 226	1 151 114
Changes in working capital:		
(Increase)/ Decrease in inventories	(4 507)	2 513
Decrease/(Increase) in receivables from exchange transactions	92 164	(229 027)
(Decrease) / Increase in payables from exchange transactions	(368 479)	338 101
(Decrease)/increase in members' accrual	(2 005)	(105 090)
Movement in short-term employee benefits	24 619	7 946
	(2 921 874)	(3 138 989)

21. CHANGE IN ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances:

Change in depreciation / amortisation resulting from reassessment of useful lives. The following categories are affected:

	VALUE DERIVED USING THE ORIGINAL ESTIMATE	VALUE DERIVED USING AMENDED ESTIMATE	VALUE IMPACT OF CHANGE IN ESTIMATE
Office Equipment	5 827	3 642	2 185
Furniture & Fittings	269	168	101
Computer Equipment	91 872	56 092	35 780
	97 968	59 902	38 066

3.9 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. COMMITMENTS	2017 R	2016 R
Already contracted, but not provided for		
Capital expenditure	2 260 737	-
Operating expenditure	1 843 291	1 419 062
	4 104 028	1 419 062

23. RELATED PARTIES

Controlling entity Department of Trade and Industry

Accounting Authority Adv. Simmy Lebala (SC) – his term ended 31 March 2017

Dr A. Chicktay – appointed from 01 April 2017

Members of key managementMs Agnes Tsele-Maseloanyane

Mrs Irene Mathatho

Entities under common control* Companies and Intellectual Property Commission (CIPC)

Export Credit Insurance Corporation (ECIC)
National Consumer Commission (NCC)
National Consumer Tribunal (NCT)
National Credit Regulator (NCR)
National Empowerment Fund (NEF)
National Gambling Board (NGB)
National Lotteries Commission (NLC)
National Lotteries Trust Fund (NLTF)

National Regulator for Compulsory Specifications (NRCS) National Metrology Institute of South Africa (NMISA)

South African Bureau of Standards (SABS)

South African National Accreditation Systems (SANAS)

Related Party Transactions and Balances

	REASON	FINANCIAL EFFECT 2017 R	FINANCIAL EFFECT 2016 R	BALANCE R	BALANCE R
Grant received	Government grant received from the dti	15 069 000	14 221 000	-	-
Services in kind	Office space at the dti at no cost	1 266 226	1 151 114	-	-
Lease premises in kind	Office space at the dti at no cost	(1 266 226)	(1 151 114)	-	-
Telephone expenses	Telephone charges are billed by the dti	(37 871)	(36 268)	3 695	-
Repairs and maintenance	Repairs done by the dti	(7 968)	-	-	-
		15 023 161	14 184 732	3 695	-

Executive Management Emoluments

2017	BASIC SALARY R	OTHER BENEFITS* R	ALLOWANCES R	REIMBURSIVE EXPENSES R	PERFORMANCE BONUS R	TOTAL R
Ms Agnes Tsele- Maseloanyane (Full-time Tribunal Member)	1 262 602	249 523	13 200	5 306	-	1 530 631
Mrs Irene Mathatho (CFO)	1 159 662	75 379	13 200	4 261	58 634	1 311 136
	2 422 264	324 902	26 400	9 567	58 634	2 841 767

2016	BASIC SALARY R	OTHER BENEFITS* R	ALLOWANCES R	REIMBURSIVE EXPENSES R	PERFORMANCE BONUS R	TOTAL R
Ms Agnes Tsele- Maseloanyane (Full-time Tribunal Member)	1 259 475	169 819	13 200	2 955	-	1 445 449
Mrs Irene Mathatho (CFO)	1 044 012	107 717	13 200	3 868	-	1 168 797
	2 303 487	277 536	26 400	6 823	-	2 614 246

^{*} The entities are under common control of **the dti** of which the Tribunal forms part.

24. PART-TIME TRIBUNAL MEMBERS' FEES

2017	MEMBERS' FEES R	ALLOWANCES*	REIMBURSIVE EXPENSES R	TOTAL R
SM Lebala (Chairperson)	230 125	18 000	-	248 125
MJ Ramagaga (Deputy Chair)	21 000	18 000	-	39 000
PA Delport	132 000	18 000	-	150 000
LA Glass	380 000	18 000	4 841	402 841
S Gounden	305 000	18 000	819	323 819
MF Kganyago	295 000	15 000	8 549	318 549
KLM Manamela	355 000	18 000	167	373 167
K Moodaliyar	310 000	18 000	2 725	330 725
KY Tootla	350 000	18 000	4 888	372 888
M Malokane	255 000	18 000	-	273 000
L Haskins	210 000	18 000	1 446	229 446
PJ Veldhuizen	415 000	18 000	478	433 478
	3 258 125	213 000	23 913	3 495 038

2016	MEMBERS' FEES R	ALLOWANCES*	REIMBURSIVE EXPENSES R	SDL R	TOTAL R
SM Lebala (Chairperson)	296 020	18 000	-	3 070	317 090
MJ Ramagaga (Deputy Chair)	33 000	18 000	-	-	51 000
PA Delport	295 000	18 000	-	3 080	316 080
LA Glass	565 000	18 000	12 548	5 680	601 228
S Gounden	312 500	18 000	6 642	3 230	340 372
MF Kganyago	290 000	18 000	2 490	2 840	313 330
KLM Manamela	567 500	18 000	232	5 205	590 937
K Moodaliyar	208 125	18 000	1 955	2 096	230 176
KY Tootla	535 000	18 000	7 539	5 890	566 429
M Malokane	210 000	18 000	244	2 280	230 524
L Haskins	232 500	18 000	4 140	2 370	257 010
PJ Veldhuizen	667 500	18 000	517	5 655	691 672
	4 212 145	216 000	36 307	41 396	4 505 848

^{*}Tribunal members received computer allowances and cellphone allowances.

25. IRREGULAR EXPENDITURE	201 <i>7</i> R	2016 R
Opening balance	573 337	50 829
Add: irregular expenditure for the current year	-	-
Add: irregular expenditure relating to previous years	-	573 337
Less: amounts condoned	(573 337)	(50 829)
	-	573 337

During the 2014/15 financial year-end audit, the Auditor-General discovered possible irregular expenditure relating to 2012/13 and 2013/14 financial year. An investigation conducted during the 2015/16 financial year end found that the expenditure identified is irregular. The expenditure relates to payments made to Tribunal Members for operational and administrative tasks undertaken by the Members without adhering to the prescribed procurement process when the Tribunal was being established. The irregular expenditure incurred amounts to R573 337 and has been condoned in 2016/17.

26. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	-	-
Add: fruitless and wasteful expenditure for the current year	-	53 959
Add: fruitless and wasteful expenditure relating to previous years	-	77 900
Less: transferred to debtors	-	(1874)
Less: amounts recovered from employees	-	(9 696)
Less: fruitless and wasteful expenditure written off	-	(120 289)
Fruitless and wasteful expenditure under investigation	-	-

The R120 289 (R18 463 for 2012/13, R30 690 for 2013/14, R28 746 for 2014/15 and R42 389 for 2015/16) in fruitless and wasteful expenditure relates to SDL that was paid to the SARS since the inception of the Tribunal. The SDL was erroneously paid on behalf of Tribunal members and governance committee members who do not meet the definition of employees as defined under the fourth schedule of the Income Tax Act (1962).

The R1 874 transferred to debtors relates to the VAT that was erroneously paid to the service provider and the R9 696 relates to travel expenditure incurred by staff which has been recovered.

27. OPERATING LEASE – LESSEE

Payable within one year	95 719	40 606
Payable within two to five years	167 508	-
	263 227	40 606

The Tribunal has an operating lease with Konica Minolta for a period of three years which expired on 31 December 2016. The new operating lease was entered into with SizwelT Company for a period of three years effective from 01 January 2017.

(Refer to Statement of Comparison of Budget and Actual Amounts)

- 28.1 The forecast for Interest received from banks is slightly exceeded due to capital expenditure not incurred during the financial year.
- 28.2 Budgeted "other income" relates to accumulated surplus which was utilised to fund the current financial year expenditure.
- 28.3 Other income from exchange transactions relates to recoveries from employees.
- 28.4 Expenditure is slightly lower due to the vacant post not filled during the year due to the moratorium on posts.
- 28.5 The under-expenditure mainly relates to orders which have been issued for website design, but for which services had not yet been rendered at the end of the financial year. These amounts have been included in the amount reported under commitments.
- 28.6 The under-expenditure is due to funds budgeted on bursaries but not fully utilised by employees.
- 28.7 The expenditure is in line with the budget.
- 28.8 The under-expenditure is due to the fact that no preliminary audit activities were undertaken.
- 28.9 Actual depreciation recognised is slightly lower than the estimates due to recalculations done to align with the accounting policy.

29. RISK MANAGEMENT

Financial risk management

The Companies Tribunal's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. This note presents information about the Tribunal's exposure to each of the risks and its objectives, policies and procedures for measuring and managing risks. Further quantitative and qualitative disclosures are included throughout these annual financial statements.

The Accounting Authority has overall responsibility for the establishment and oversight of the Tribunal's risk management framework. The Tribunal's risk management policies are established to identify and analyse the risks faced by the organisation, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Tribunal's activities.

Liquidity risk

The Tribunal's risk to liquidity is a result of the funds available to cover future commitments. The Tribunal manages liquidity risk through an ongoing review of future commitments. The Tribunal regards this risk to be low, taking into consideration the current funding structures and availability of cash resources.

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

29. RISK MANAGEMENT (CONTINUED)

At 31 March 2017	LESS THAN 1 YEAR R	BETWEEN 1 AND 2 YEARS R	BETWEEN 2 AND 5 YEARS R	OVER 5 YEARS R
Trade and other payables	70 401	-	-	-
At 31 March 2016	LESS THAN 1 YEAR R	BETWEEN 1 AND 2 YEARS R	BETWEEN 2 AND 5 YEARS R	OVER 5 YEARS R
Trade and other payables	438 881			

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The Tribunal only deposits cash with major banks with a high-quality credit standing and limits exposure to any one counterparty. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

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

	2017 R	2016 R
Trade and other receivables from exchange transactions not past, due or impaired	147 572	239 736
Cash and cash equivalents not past, due or impaired	15 081 778	18 461 814

Interest risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. The Tribunal is exposed to interest rate changes in respect of returns on its investments with financial institutions. The Tribunal's exposure to interest rate risk is managed by investing, on a shortterm basis, in a current account and in a Corporation for Public Deposit Account.

The interest rate sensitivity analysis is calculated on liabilities that represent the major interest-bearing positions and interest generating financial assets. Based on the calculation performed, the impact on surplus of a 1% shift would be a maximum increase of R150 818 (2016: R184 618) or a decrease of R150 818 (2016: R184 618), respectively.

30. FINANCIAL INSTRUMENTS

Categories of financial instruments		At Amortised Cost
Financial assets	201 <i>7</i> R	2016 R
Receivables from exchange transaction	147 572	239 736
Cash and cash equivalents	15 081 778	18 461 814
	15 229 350	18 701 550
Financial liabilities		
Payables from exchange transactions	70 401	438 881

31. EVENTS AFTER REPORTING DATE

Management is not aware of any matter or circumstance arising since the end of the financial year.

32. CONTINGENT LIABILITIES

2016

Employee Claim

A former staff member has lodged a claim through his lawyer about his leave and medical expenses not being submitted to the Compensation Fund citing it as incapacity leave. The matter is still under investigation and it is estimated to cost Tribunal R120 000.

2017

Employee capped leave

A staff member who was transferred from CIPC had a capped leave of 72.5 days where clarity/guidance is still being sort with **the dti** as to which entity between CIPC and CT is responsible to provide for the liability. No agreement was concluded between CIPC and CT as required by section 197 (7) of the Labour Relations Act, 1995. The matter is still under investigation and is estimated to cost R229 089.13.

Tribunal decisions under review by the High Court

As at the end of the financial year the following Tribunal decisions were under review by the High Court.

CT001Jan 2016

CT014May2016

CT018May2016

CT020May2016

CT014Apr2016

The outcome of the review is not yet known and should the court rule not in favour of CT, it is estimated that this will cost CT R275 000.

33. TAXATION

The Companies Tribunal is exempted from Income Tax in terms of Section 10(1)(cA)(i) of the Income Tax Act.

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