



# ANNUAL REPORT

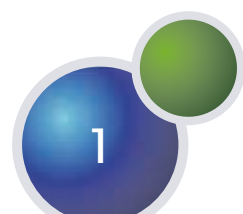
2020  
2021





# ANNUAL REPORT

2020  
2021



# TABLE OF CONTENTS

|                                                                                                                       |           |
|-----------------------------------------------------------------------------------------------------------------------|-----------|
| <b>PART A: GENERAL INFORMATION .....</b>                                                                              | <b>5</b>  |
| 1. Companies Tribunal General Information .....                                                                       | 6         |
| 2. List of Abbreviations and Acronyms .....                                                                           | 7         |
| 3. Foreword by the Minister .....                                                                                     | 9         |
| 4. Report of the Chairperson .....                                                                                    | 10        |
| 5. Chief Operations Officer's overview .....                                                                          | 12        |
| 6. Submission of the Annual Report to the Executive Authority .....                                                   | 14        |
| 7. Strategic Overview .....                                                                                           | 15        |
| 7.1 Vision .....                                                                                                      | 15        |
| 7.2 Mission .....                                                                                                     | 15        |
| 7.3 Values .....                                                                                                      | 15        |
| 8. Legislative mandate .....                                                                                          | 16        |
| 9. Constitution of the Republic of South Africa .....                                                                 | 17        |
| 10. Companies Tribunal organisational structure .....                                                                 | 18        |
| <b>PART B: PERFORMANCE INFORMATION .....</b>                                                                          | <b>19</b> |
| 1. External Auditor's report: Pre-determined objectives .....                                                         | 20        |
| 2. Situation Analysis .....                                                                                           | 20        |
| 2.1 Service delivery environment .....                                                                                | 20        |
| 2.2 Organisational environment .....                                                                                  | 20        |
| 2.3 Key policy developments and Legislative changes .....                                                             | 20        |
| 2.4 Strategic outcome-oriented goals .....                                                                            | 20        |
| 2.4.1 Adjudicate and make orders in relation to any .....                                                             | 20        |
| 2.4.2 Effective Stakeholder engagement .....                                                                          | 21        |
| 3. Performance information by programme .....                                                                         | 21        |
| 3.1 Programme 1: Adjudication .....                                                                                   | 21        |
| 3.1.1 Strategic goals and objectives, outputs, performance indicators, planned targets, and actual achievements ..... | 21        |
| 3.1.2 Purpose – Programme Adjudication .....                                                                          | 23        |
| 3.1.3 Appeals and reviews .....                                                                                       | 24        |
| 3.2 Programme 2: Administration .....                                                                                 | 25        |
| 3.2.1 Purpose – Programme Administration .....                                                                        | 25        |
| 3.2.2 Strategic objectives, outputs, performance indicators, planned targets and actual achievements .....            | 25        |
| 3.2.3 Operations .....                                                                                                | 27        |
| 3.2.4 Corporate Services .....                                                                                        | 27        |
| 3.2.5 The Impact of COVID-19 Pandemic .....                                                                           | 29        |
| 3.2.6 Office of the Chief Financial Officer (CFO) .....                                                               | 30        |
| 3.3 Strategy to overcome areas of underperformance .....                                                              | 31        |
| 3.4 Changes to planned targets and performance indicators .....                                                       | 31        |
| 3.5 Linking performance with budgets .....                                                                            | 31        |
| 3.6 Revenue collection .....                                                                                          | 31        |
| 3.7 Tables on Programme: Adjudication .....                                                                           | 32        |
| <b>PART C: GOVERNANCE .....</b>                                                                                       | <b>42</b> |
| 1. Overview of the Governance structures .....                                                                        | 43        |
| 2. The Parliamentary Portfolio Committee on Trade, Industry and Competition .....                                     | 43        |
| 3. Executive Authority .....                                                                                          | 43        |
| 4. Accounting Authority .....                                                                                         | 43        |
| 5. Risk Management .....                                                                                              | 43        |

|       |                                                                                                                    |           |
|-------|--------------------------------------------------------------------------------------------------------------------|-----------|
| 6.    | <b>Combined Assurance Plan and Risk Register .....</b>                                                             | <b>43</b> |
| 7.    | <b>Internal Audit .....</b>                                                                                        | <b>44</b> |
| 8.    | <b>Audit and Risk Committee (ARC) .....</b>                                                                        | <b>44</b> |
| 9.    | <b>Remuneration Committee (REMCO).....</b>                                                                         | <b>44</b> |
| 10.   | <b>Information and Technology Steering Committee (ITSTC) .....</b>                                                 | <b>45</b> |
| 11.   | <b>Compliance with laws and regulations .....</b>                                                                  | <b>45</b> |
| 11.1  | Broad-Based Black Economic Empowerment (B-BBEE) compliance performance information.....                            | 45        |
| 12.   | <b>Fraud and corruption .....</b>                                                                                  | <b>46</b> |
| 12.1  | Principles underpinning the Tribunal's Anti-fraud and Corruption Policy .....                                      | 46        |
| 13.   | <b>Minimising conflict of interest.....</b>                                                                        | <b>46</b> |
| 14.   | <b>Code of Conduct.....</b>                                                                                        | <b>46</b> |
| 15.   | <b>Health, safety and environmental issues .....</b>                                                               | <b>47</b> |
| 16.1  | Audit and Risk Committee responsibility .....                                                                      | 47        |
| 16.2  | The effectiveness of internal controls.....                                                                        | 47        |
| 16.3  | Quality management, monthly/quarterly reports and PFMA compliance .....                                            | 47        |
| 16.4  | Evaluation of Annual Financial Statements(AFS) .....                                                               | 47        |
| 16.5  | Combined Assurance .....                                                                                           | 47        |
| 16.6  | Risk Management.....                                                                                               | 48        |
| 16.7  | Internal Audit .....                                                                                               | 48        |
| 16.8  | The Finance function.....                                                                                          | 48        |
| 16.9  | External Auditors .....                                                                                            | 48        |
| 16.10 | Commendations .....                                                                                                | 48        |
| 16.11 | Conclusion .....                                                                                                   | 48        |
|       | <b>PART D: HUMAN RESOURCES MANAGEMENT.....</b>                                                                     | <b>49</b> |
| 1.    | <b>Introduction.....</b>                                                                                           | <b>50</b> |
| 2.    | <b>Human Resources Oversight Statistics.....</b>                                                                   | <b>50</b> |
| 2.1   | Personnel cost by programme.....                                                                                   | 50        |
| 2.2   | Personnel cost by salary band.....                                                                                 | 50        |
| 2.3   | Performance rewards.....                                                                                           | 51        |
| 2.4   | Training costs.....                                                                                                | 51        |
| 2.5   | Employment and vacancies .....                                                                                     | 51        |
| 2.6   | Employment changes.....                                                                                            | 51        |
| 2.7   | Labour relations: Misconduct and disciplinary action.....                                                          | 52        |
| 2.8   | Equity targets and employment equity status.....                                                                   | 52        |
|       | <b>PART E: FINANCIAL INFORMATION.....</b>                                                                          | <b>53</b> |
| 1.    | <b>Statement of responsibility and confirmation of Annual Report(AR) and Annual Financial Statements(AFS).....</b> | <b>54</b> |
| 2.    | <b>Report of the independent external auditor .....</b>                                                            | <b>55</b> |
|       | <b>Accounting Authority's responsibilities and approval .....</b>                                                  | <b>58</b> |
|       | <b>Statement of Financial Position as at 31 March 2021 .....</b>                                                   | <b>59</b> |
|       | <b>Statement of Financial Performance for the year ended 31 March 2021 .....</b>                                   | <b>60</b> |
|       | <b>Statement of Changes in Net Assets for the year ended 31 March 2021 .....</b>                                   | <b>61</b> |
|       | <b>Cash Flow Statement as at 31 March 2021 .....</b>                                                               | <b>62</b> |
|       | <b>Statement of Comparison of Budget and Actual amounts for the year ended 31 March 2021 ...</b>                   | <b>63</b> |
|       | <b>Accounting policies .....</b>                                                                                   | <b>64</b> |
|       | <b>Notes to the Annual Financial Statements .....</b>                                                              | <b>74</b> |

## DIAGRAMS

|           |                                                                                                                       |    |
|-----------|-----------------------------------------------------------------------------------------------------------------------|----|
| Figure 1: | Organogram of CT approved on 16 October 2018 and valid as at 31 March 2021 ...                                        | 18 |
| Figure 2: | Comparison of cases decided within 30 working days of allocation and 40 days of hearing from 2014/15 to 2020/21 ..... | 23 |
| Figure 3: | Cases decided within and outside of 30 days .....                                                                     | 24 |
| Figure 4: | Comparison of ADR cases from 2014/15 to 2020/2021 .....                                                               | 24 |

## TABLES

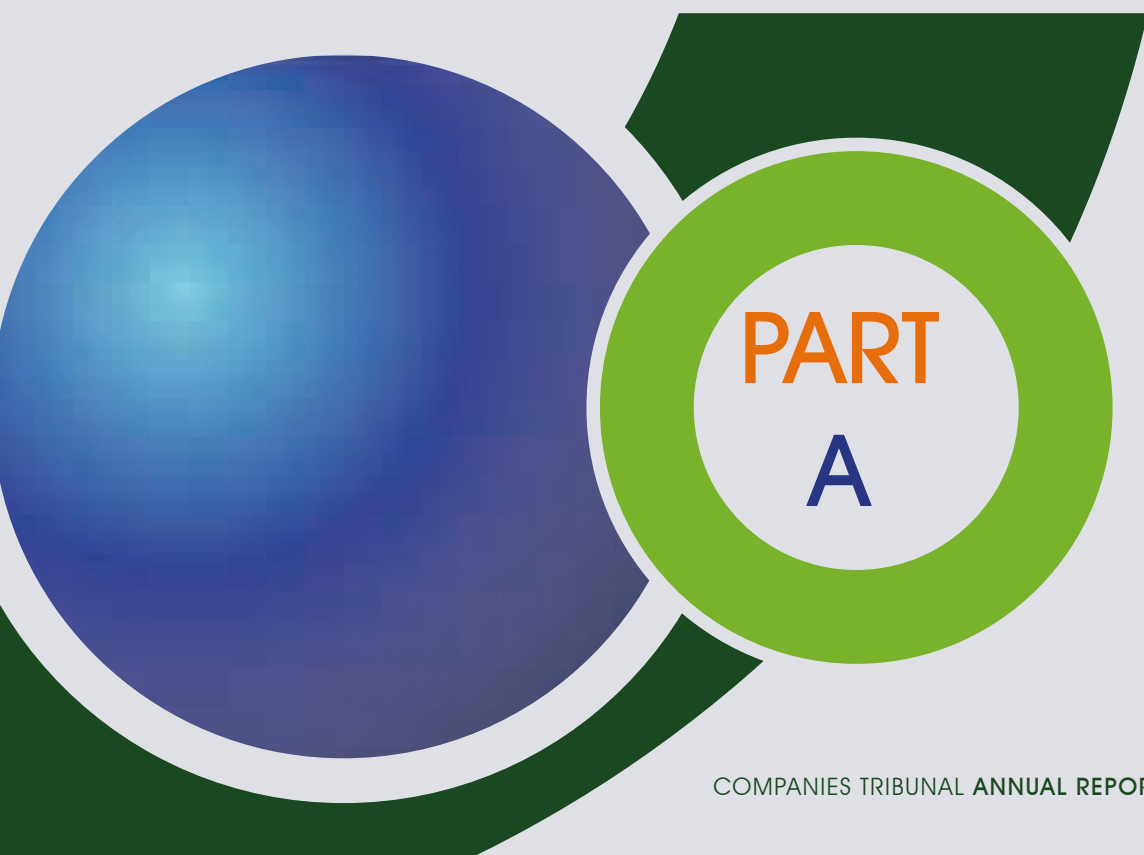
|          |                                                                                                             |    |
|----------|-------------------------------------------------------------------------------------------------------------|----|
| Table 1: | Members of the Tribunal .....                                                                               | 32 |
| Table 2: | Comparison of handled cases <sup>1</sup> during a five-year period: 2016/17 - 2020/21 ..... financial years | 33 |
| Table 3: | Case highlights .....                                                                                       | 34 |
| Table 4: | Appeals and Reviews: 2020/21 .....                                                                          | 40 |
| Table 5: | Stakeholder engagement sessions held in line with the APP targets .....                                     | 41 |

---

<sup>1</sup> Handled cases includes new cases received in the financial year under review, and carried over cases from the previous financial year.



# GENERAL INFORMATION



## PART A

# 1. COMPANIES TRIBUNAL GENERAL INFORMATION

**Registered name:** Companies Tribunal

---

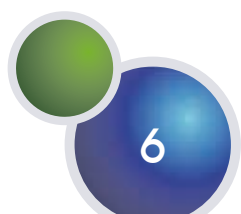
**Registered office address:** the dtic Campus  
Block E, 3<sup>rd</sup> Floor  
77 Meintjies Street  
Sunnyside  
Pretoria, 0002

**Postal address:** Companies Tribunal  
PO Box 27549  
Sunnyside  
Pretoria  
0002

**Contact information:** Telephone number: (012) 394 1000  
E-mail address: [registry@companiestribunal.org.za](mailto:registry@companiestribunal.org.za)  
Website address: <http://www.companiestribunal.org.za>

**External auditors:** Abacwaningi Business Solutions (ABS)

**Bankers:** Standard Bank of South Africa  
Corporation for Public Deposits



## 2. LIST OF ABBREVIATIONS AND ACRONYMS

| Abbreviation | Description                                    |
|--------------|------------------------------------------------|
| AA           | Accounting Authority                           |
| ABS          | Abacwaningi Business Solutions                 |
| ACT          | Companies Act No 71 of 2008                    |
| ADR          | Alternative Dispute Resolution                 |
| Adv          | Advocate                                       |
| AFS          | Annual Financial Statements                    |
| AGM          | Annual General Meeting                         |
| AGSA         | Auditor-General of South Africa                |
| APP          | Annual Performance Plan                        |
| AR           | Annual Report                                  |
| ARC          | Audit & Risk Committee                         |
| ASB          | Accounting Standards Board                     |
| B-BBEE       | Broad-Based Black Economic Empowerment         |
| CEO          | Chief Executive Officer                        |
| CFO          | Chief Financial Officer                        |
| CIPC         | Companies and Intellectual Property Commission |
| CMS          | Case Management System                         |
| COO          | Chief Operations Officer                       |
| CSA          | Cricket South Africa                           |
| DG           | Director-General                               |
| DPSA         | Department of Public Service & Administration  |
| EA           | Executive Authority                            |
| ENE          | Estimates of National Expenditure              |
| GEPF         | Government Employees' Pension Fund             |
| GIBS         | Gordon Institute of Business Science           |
| GRAP         | Generally Recognised Accounting Practice       |
| HDI          | Historically Disadvantaged Individuals         |
| HR           | Human Resources                                |
| ICT          | Information & Communication Technology         |
| ISP          | Internet Service Provider                      |
| IT           | Information Technology                         |
| ITSTC        | Information & Technology Steering Committee    |
| MANCOM       | Management Committee                           |

| Abbreviation | Description                                                     |
|--------------|-----------------------------------------------------------------|
| MOI          | Memorandum of Incorporation                                     |
| MTEF         | Medium Term Expenditure Framework                               |
| NRF          | National Revenue Fund                                           |
| NT           | National Treasury                                               |
| OHSA         | Occupational Health & Safety Act                                |
| PAYE         | Pay-As-You-Earn                                                 |
| PIS          | Public Interest Score                                           |
| PPE          | Personal Protective Equipment                                   |
| PPC          | Parliamentary Portfolio Committee                               |
| PFMA         | Public Finance Management Act, Act No1 of 1999                  |
| PPPFA        | Preferential Procurement Policy Framework Act, Act No 5 of 2000 |
| REMCO        | Remuneration and Human Resources Committee                      |
| RMS          | Records Management System                                       |
| SAB & T      | Nexia SAB&T                                                     |
| SAICA        | South African Institute of Chartered Accountants                |
| SAPS         | South African Police Service                                    |
| SARS         | South African Revenue Service                                   |
| SCCL         | Specialist Committee on Company Law                             |
| SCM          | Supply Chain Management                                         |
| SDL          | Skills Development Levy                                         |
| SEC          | Social and Ethics Committee                                     |
| SOE          | State-owned Entity                                              |
| the dtic     | Department of Trade, Industry and Competition                   |
| Tribunal     | Companies Tribunal                                              |
| UIF          | Unemployment Insurance Fund                                     |
| Unisa        | University of South Africa                                      |
| VAT          | Value-added Tax                                                 |



### 3. FOREWORD BY THE MINISTER

It is my pleasure to table the Annual Report of the Companies Tribunal for the 2020/21 financial year. The Report sets out the work of the Tribunal during a challenging year for the economy and society.

The Covid-19 pandemic caused significant damage to the economy. As South Africa recovered from the first waves of the Covid-19 pandemic, the focus has shifted to economic recovery, in line with the Economic Reconstruction and Recovery Plan (ERRP).

In the new financial year ending March 2022, every entity of **the dtic** has been requested to report on its contribution to South Africa's national development goals, with a focus on seven key areas, which are termed 'joint indicators'. In this way, the combined efforts of all public entities will begin to be aligned to the national priorities in a more explicit manner.

These cover the following areas, which will be reported on in future Annual Reports:

- Joint Indicator 1: Integrated Support to Drive Industrialisation (which includes the work on localisation and sector master plans as well as efforts to support beneficiation)
- Joint Indicator 2: Contribution to the development of an AfCFTA Export Plan
- Joint Indicator 3: Investment Facilitation and Growth

- Joint Indicator 4: Development Model and Spatial Equity to enable the impact of all public sector work to be measured and integrated at district level
- Joint Indicator 5: Actions to Promote Transformation
- Joint Indicator 6: The Green Economy and Greening the Economy
- Joint Indicator 7: Strengthening and Building a Capable State.

In respect of building a capable state, for example, all public entities will be required to review their procedures, timeframes for delivery, forms to be filled in and public communication of services to simplify these, make processes expeditious where possible, remove unnecessary red-tape where these exist and make it easier for users to access services.

I would like to thank the Chairperson and Accounting Authority (AA), Dr Mohamed Chicktay and his team for their commitment and dedication to the work of the Tribunal in the past year.

**Mr. Ebrahim Patel**  
**Minister of Trade, Industry and Competition**



## 4. REPORT OF THE CHAIRPERSON

The Companies Tribunal is an agency of the Department of Trade, Industry and Competition (**the dtic**). The Tribunal is mandated in terms of Section 195 of the Companies Act 71 of 2008 (the Act) to adjudicate applications, resolve disputes through alternative dispute resolution or ADR (mediation, conciliation and arbitration) and to perform any other function assigned to it by any law in terms of Schedule 4 of the Act.

The Tribunal performs its functions in line with the values enshrined in the Constitution of the Republic of South Africa. It is independent and performs its functions impartially, without fear, favour or prejudice, and in a transparent manner. The Tribunal is further informed, among others, by **the dtic's** strategic objective of creating a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner. This objective contributes towards making South Africa an attractive investment destination.

Despite the COVID-19 pandemic, the Tribunal continued to position itself as an effective and efficient mechanism for the resolution of company disputes. As a quasi-judicial body, the Tribunal is both informal and flexible. Therefore, legal representation at the Tribunal is optional. This informality is intended to make justice easily accessible to all South

Africans. The free of charge services of the Tribunal afford ordinary South Africans access to justice. The high costs associated with litigation in the ordinary courts are very prohibitive.

The Tribunal continues to be inspired by its newly crafted vision of being "the preferred adjudicatory and alternative dispute resolution forum" that contributes to the promotion of fair and ethical corporate practices. As it appears from the Chief Operation Officer's (COO's) detailed report on the case statistics, the Tribunal's performance for the year under review was excellent despite the various challenges. The implementation of the Case Management System (CMS) stood the institution in good stead during the hard lock-down period. During the year, many policy documents were revised, online communication and marketing were intensified and the engagements with the most relevant stakeholders<sup>2</sup> increased.

The Tribunal produced a Mini-Research Report on the topic "Legislative gaps in implementing the Tribunal's mandate: A case for further amendments". The Report recommended amongst others, that guidelines be developed to strengthen the Tribunal in requesting specific documents. The Report further provides a good input towards the much-anticipated amendment of the Companies Act.

<sup>2</sup> The engagements were focused on the legal fraternity with the core messaging around the benefits of using the Tribunal and stakeholder introduction to the newly implemented CMS.

The COVID-19 pandemic is but one of the various challenges that the institution faced during the year under review. Other challenges stemmed from the first five years of the establishment of the Tribunal. The labour disputes issues also came to the fore. The perennial challenge of financial shortage continued and was worsened by the COVID-19 budget-cuts. Following periods of extended discussions, the Tribunal was grateful to receive the additional financial allocation from **the dtic** by the end of November 2020. The allocation lessened the financial burden and made more marketing efforts possible. Regrettably, coming as it did at the end of the third quarter, the additional allocation was a little late and gave rise to other challenges of underspending.

All things considered, I am of the firm view that despite the many challenges experienced, the Tribunal delivered on its mandate. Accordingly, I take this opportunity, on behalf of the Tribunal, to thank the Executive Authority, Mr Ebrahim Patel, MP, the outgoing Director-General (DG) of **the dtic**, Lionel October, and his team for their continued leadership and support.

I further express my appreciation for the sterling, and in particular, the challenging work done this year by the governance structures of the Tribunal, namely the Audit and Risk Committee (ARC), Remuneration and Human Resources Committee (REMCO) and Information Technology (IT) Steering Committee.

My gratitude undoubtedly goes to the Tribunal's auditors being the external auditors, Abacwaningi Business Solutions, and the internal auditors Nexia SAB&T. In some cases, the auditors and committees went beyond their call of duty to assist the Tribunal in resolving some of its potentially crippling challenges.

I am further grateful to my fellow Tribunal members who continue to support the Tribunal beyond case work they are appointed to do. In particular, I thank the members for their valuable support and participation in the annual seminars, which this year again was a success. Finally, I congratulate the COO, the Chief Financial Officer (CFO), management and staff of the Tribunal for their commitment and outstanding contributions in the face of many challenges.



**Dr Mohamed Ali Chicktay**  
Chairperson: Companies Tribunal  
Date: 31 July 2021



## 5. CHIEF OPERATIONS OFFICER'S OVERVIEW

The year 2020-2021 began in the eye of a COVID-19 pandemic storm, during which the State President declared the State of Disaster and a period of lockdown. The pandemic had a number of impacts on the Tribunal, including the way cases were originally handled, which was predominantly manual. However, as the statistics of newly received cases indicate, the pandemic did not have as devastating an impact as anticipated. The electronic Case Management System (CMS) that was introduced in 2019 partially saved the situation.

**Annual Targets<sup>3</sup>:** During the year under review, the Tribunal exceeded all the targets set for adjudication and resolution of disputes. A total of 224 new cases were received by the Tribunal, just one up from the total of 223 of the previous financial year. Although the increase is by 1 (one) up from the previous year, it is significant in that it reversed a four (4) year downward trend (decline) in new applications as indicated by Table 2. All other targets under Program Administration were also either met or exceeded.

**Types of case:** Table 2 provides a breakdown of the type of new cases received during the year under review. Name disputes remain the highest (105), followed by directorships disputes and extensions of time for holding AGMs (both 39), and exemption from establishing a Social and Ethics Committee (SEC) (34).

**Regarding adjudication:** New cases and cases brought forward from previous years totalled 295. A total of 166 cases were finalised (138 cases decided, 24 closed and four withdrawn). Most of the 140 cases

remaining unfinalized at financial year-end, had not complied with the statutory filing period before a matter may be adjudicated.

**Alternative Dispute Resolution (ADR):** The number of new cases received in the year under review dropped from 37 in 2019/20 to 16 in 2020/21, resulting in a decline of 21 cases. The decline brought the ADR statistics in line with the years preceding 2019/2020 where the number of ADR cases were consistently low (between 10 and 25). The high number in 2019/20 was unusually high.

**Turnaround Times<sup>4</sup>:** Table 3.1.1 on performance information, shows that the 25, 30 and 40 days' turnaround timelines for finalisation of cases were all exceeded during the year under review. It is worth noting that the Tribunal's turnaround time is much shorter than that of the normal courts.

**Stakeholder engagement:** During the year under review, the Tribunal collaborated with the University of Pretoria's (UP's) Department of Mercantile Law and hosted a successful annual seminar. The seminar's theme was the legislative shortcomings in the implementation of the Tribunal's mandate. Within this theme, various topics were discussed as reflected on the relevant part of this Report. The Tribunal held television and radio interviews, and published articles on the Tribunal's social media platforms in order to create awareness of the Tribunal's services. The Tribunal continues to participate in the Specialist Committee on Company Law led by Professor Michael Katz, contributing to the development of company law in general.

<sup>3</sup> The Targets are as set in the Annual Performance Plan (APP): 2020/2021.

<sup>4</sup> Turnaround times are calculated from the various stages, but all after the case is complete (ripe) for adjudication/ADR.

**Financial Management:** Attention to internal controls and sound financial management ensured that no irregular expenditure was incurred. However, fruitless and wasteful expenditures amounting to R95 729.00 were incurred during the year. The Tribunal supports the development of small, medium and micro enterprises and B-BBEE enterprises with 69% of its procurement sourced from B-BBEE levels 1, 2 and 3 contributors. 100% of suppliers were paid within 30 days, and 97% within 15 days. The Annual Financial Statements (AFS) fairly represent the Tribunal's financial position and performance for the year under review. The surplus funds the Tribunal has utilised over the years to augment the grant received, were expected to be depleted in the financial year 2020/21. Due to the intervention of COVID-19 pandemic and the additional allocation that the Tribunal received in the third quarter of 2019/2020, the funds could not be used as planned. Thus, the Tribunal will carry an estimated cash surplus of over R3 million into the 2020/2021 financial year.

**Challenges:** In addition to the funding, labour and marketing challenges already mentioned in the Chairperson's foreword, other challenges impacting negatively on the Tribunal's ability to deliver included labour disputes, the inability to grow its caseload and to fully capacitate the institution as per the approved structure. It remains a challenge to fill all 21 posts due to limited funding. These are largely direct consequences of limited funding. With the intervention of COVID-19 pandemic, the challenge of inappropriate hearing rooms (small and poorly ventilated rooms) has become less significant due to the reduced demand and use of hearing rooms.

The **COVID-19 pandemic** enforced new ways of doing business such as working remotely from home, accelerated digital communication, accelerated the use of virtual meeting platforms, and increased online submission of applications. Since the start of the pandemic, not all employees of the Tribunal were issued with the necessary mobile electronics to work remotely from home, and considerable productivity time was lost during the hard lock-down. In particular, the imposed COVID-19 budget cuts compelled amendments of the APP resulting in the deletion of certain targets and activities.

Despite these challenges, the Tribunal was able to fulfill its mandate. In addition, I want to thank the members of the Tribunal and members of the Governance Committees who support the Tribunal's mandate in various ways. I further thank the office of the CFO, Management Committee (Mancom), and all the staff of the Tribunal for their efforts, which led to the excellent performance detailed in this Report. In conclusion, I wish to thank the Chairperson of the Tribunal Dr Mohamed Alli Chicktay.



**Maletlatsa Monica Ledingwane**  
**Chief Operations Officer: Companies Tribunal**  
**Date: 31 July 2021**

## 6. SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

With great pleasure, I present to the Minister the Tribunal's 8<sup>th</sup> Annual Report and the Financial Statements for the period ended 31 March 2021. The report highlights the Tribunal's achievements for the year under review and highlights good performance despite challenges. This is reflected consistently in the Tribunal's Financial Statements.



Dr Mohamed Alli Chicktay  
Chairperson: Companies Tribunal  
Date: 31 July 2021

## 7. STRATEGIC OVERVIEW

### 7.1 Vision

The Companies Tribunal's vision is to be a world-class adjudicatory and dispute resolution organisation that contributes to the promotion of fair and ethical business practices<sup>5</sup>.

### 7.2 Mission

- To adjudicate applications made in terms of Section 195 of the Companies Act (2008) and make orders in respect of such applications; and
- To facilitate the resolution of companies disputes through conciliation, mediation and arbitration.

### 7.3 Values

- **Accountability:** Delivering on our plans and commitments and taking responsibility for our conduct,
- **Impartiality:** Conducting ourselves in a fair and just manner, without fear, favour or prejudice,
- **Transparency:** To be reasonably open about our policies, procedures and conduct,
- **Equitability:** To be fair and just to all persons, as dictated by reason, policies and norms of the Tribunal,
- **Efficiency:** To produce outputs expeditiously, with optimum use of resources,
- **Accessibility:** To be readily available to the public and stakeholders,
- **Professionalism:** To be courteous, punctual and responsible in adhering to policies, values and the Code of conduct of the Tribunal when dealing with the public and other stakeholders,
- **Respect:** To treat all people with dignity and honour in accordance with the values of the Tribunal, and
- **Ethical:** To act with integrity and to be guided by the Tribunal's code of conduct and policies.

<sup>5</sup> The Tribunal's new vision, 'Preferred forum for adjudication and resolution of disputes', will be reflected in the 2020/2021 Annual Report.

## 8. LEGISLATIVE MANDATE

The Tribunal was 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 of South Africa. It is independent and subject only to the Constitution and the law.

In terms of Section 195 of the Companies Act, the Tribunal's mandate 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, and

- 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 enjoined to perform its functions in line with the spirit, purpose and objects of the Constitution, international law and the Companies Act and in a manner, that is transparent, impartial and without fear, favour or prejudice.



Companies Tribunal Chairperson's Interview on eNCA

## 9. 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. It has a direct impact on the following areas within the Constitution of the country under the Bill of Rights:

- **Section 9: Equality** – By remaining accessible to diverse groups of individuals and businesses, the Tribunal ensures 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 ensures non-discrimination.
- **Section 10: Human dignity** – Through the adjudication process, the Tribunal ensures that prohibited conduct and related action do not impair human dignity.
- **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.
- **Section 33: Just administrative action** – The Tribunal ensures it hears both sides to a dispute and that it issues reasons for its decisions.
- **Section 34: Access to courts** – Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate, another independent and impartial tribunal or forum.
- **Section 195: Democratic values and principles** – Public entities must be governed by the democratic values and principles enshrined in the Constitution, which include:
  - A high standard of professional ethics,
  - Efficient, economic and effective use of resources,
  - Impartial, fair, equitable, unbiased delivery of services,
  - Accountability,
  - Transparency, and
  - Broad representation of South African people, with the need to address the imbalances of the past.

## 10. COMPANIES TRIBUNAL ORGANISATIONAL STRUCTURE

10.1 On 16 October 2018, the Chairperson of the Tribunal approved a revised organizational structure (organogram) for the Tribunal. Same is reflected below. The Structure had 21 full-time positions in total. It introduced amongst others, three divisional heads reporting to the COO, namely the CFO, the Senior Manager Operations and the Senior Manager Corporate Services.

10.2 As a result of the limited funding, seven of the positions remain unfilled. This remains a challenge whose severity is however lessened by the stunted growth of the Tribunal. The Tribunal's case load (new cases received) has been on a decline since 2016/2017 with

that year itself seeing the highest decline of 105 cases. Over the subsequent years, the decline has been between 10 and 21. Only in 2020/2021 did the numbers increase albeit by a single digit (1). Thus, the severity of the unfilled positions has not been felt as hard as it could have otherwise been.

10.3 It is advisable to maintain the Tribunal's organogram as is in anticipation of the positive growth of the Tribunal, resulting from the increased marketing efforts and from the anticipated amendment of the Companies Act that is expected to extend the jurisdiction of the Tribunal.

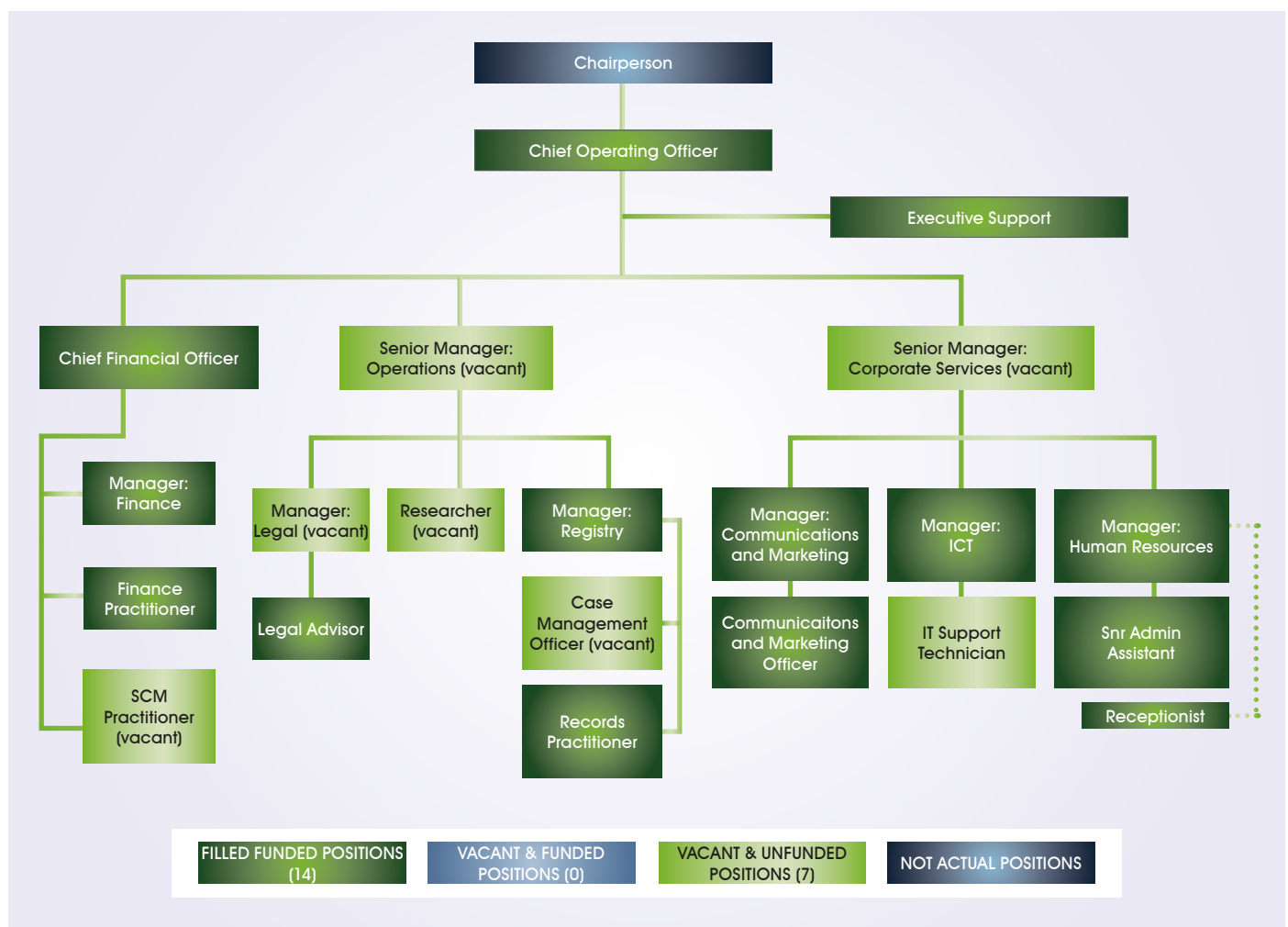
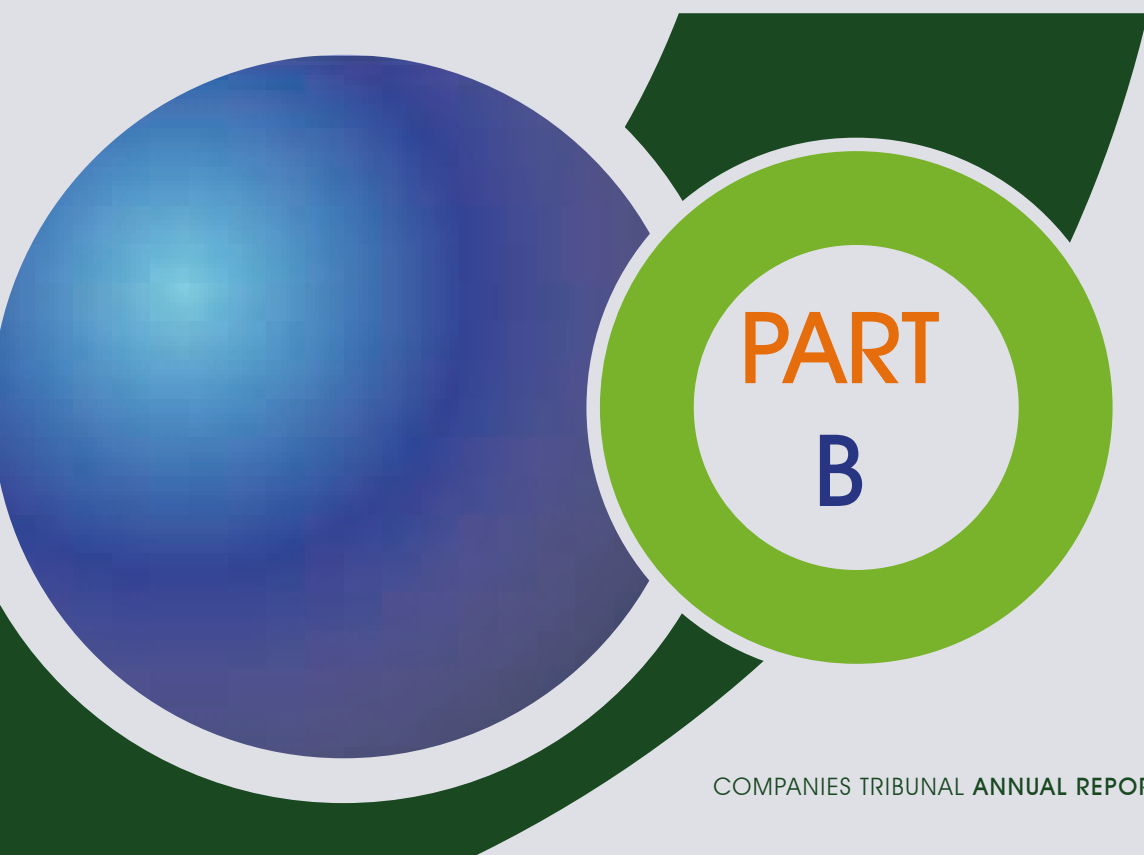


Figure 1 Organogram of CT approved on 16 October 2018 and valid as at 31 March 2021



# PERFORMANCE INFORMATION



## PART B

# 1. EXTERNAL AUDITOR'S REPORT: PRE-DETERMINED OBJECTIVES

Abacwaningi Business Solutions (ABS), was appointed as the External Auditors of the Tribunal with effect from the 2019/20 financial year. Previously, the Auditor General South Africa (AGSA) performed external audit functions, but opted not to continue auditing the Tribunal. The audit procedures performed by Abacwaningi Business Solutions on the performance

information provided limited assurance in the form of an audit conclusion. This is measured against pre-determined objectives and is included in the report to Management. Material findings are reported under the 'pre-determined objectives' heading in other legal and regulatory requirements section of the Auditor's Report.

## 2. SITUATIONAL ANALYSIS

### 2.1 Service delivery environment

The administration of justice is at the core of a well-functioning society. There is a need to ensure that there is justice for Historically Disadvantaged Individuals (HDI) who are part of companies as defined in the Act. The Tribunal's competitive edge, is in improving its accessibility to such individuals. Most HDIs are new to the economy and need institutions such as the Tribunal to access justice. It is against this backdrop that the Tribunal conducted awareness campaigns, held a seminar and utilised social media and its website to promote its services.

### 2.2 Organisational environment

The reviewed organisational structure of the Tribunal, has ensured it remains effective and efficient in delivering on its mandate. The Tribunal operates under severe budgetary constraints and is unable to fill all the positions on its approved organogram.

The Tribunal has, over many years, reported on the challenge of inadequate and inappropriate hearing rooms. Hearings are held in two rooms. The first is a small, windowless room with a seating capacity for 16 people, including the presiding officer and the stenographer. This seating capacity has been reduced to eight due to COVID-19 requirements. In addition to the hearing room, a small boardroom is sometimes used for mediation proceedings. All rooms are shared facilities and are sometimes not available to the Tribunal. The solution to this challenge, namely the repartitioning of the current workspace, was budgeted for, and the plans had

been approved and were about to be implemented in the year under review when the COVID-19 epidemic struck. Since then, the importance of the hearing room has been questioned due to the gradual shift to virtual hearings. The Tribunal is observing and re-assessing the need.

### 2.3 Key policy developments and Legislative changes

The Tribunal continues to engage the dtic and the Specialist Committee on Company Law (SCCL) on proposals submitted for an amendment to the Companies Act to expand its mandate. Key among the changes is the suggested amendment of the Alternative Dispute Resolution(ADR) provision that would ensure ADR is effective as a mechanism for resolving disputes. The input received during the 2020/21 seminar will also be helpful towards the amendments.

### 2.4 Strategic outcome-oriented goals

#### 2.4.1 Adjudicate and make orders in relation to any application

##### 2.4.1.1 Application

The Tribunal has made good progress in achieving this goal:

- Against a target of issuing 93% of decisions within 30 days of the allocation, it achieved 97%.
- Against a target of issuing 93% of decisions within 40 days of hearing date, it achieved 100%.

#### 2.4.1.2 Resolution of ADR disputes

The Tribunal exceeded its target of ADR cases, achieving 100% against a target of 85% for finalizing cases after the date of the final hearing or final submission by parties, whichever is applicable.

#### 2.4.1.3 Ensure operational effectiveness and efficiency of the Tribunal

The Tribunal strives for operational efficiency in various ways. During the year under review, stakeholder engagements amongst others, focused on conveying simplified information to stakeholders about accessing the Tribunals services speedily and easily. The time lines set in Supply Chain Management (SCM) to pay invoices speedily within the maximum of 30 days, and the timelines in registry of 25-40 days to finalize applications are all aimed at efficiency.

Of significance in the Tribunal's recent efforts to improve operational efficiency is the introduction of an electronic Case Management System (CMS). This was introduced in the year preceding the year under

review, (1 August 2019). The anticipated benefits of the CMS include effective performance management (improved turnaround time for completion of cases), interfacing of administration of cases with finance office to minimize risk of overpayment on cases, effective records management, production of monthly, quarterly and Annual Reports and statistics and improved accessibility. Some of these benefits are already being realized. Irrespective of location, an applicant may lodge an application with the Tribunal without incurring travel and other operational costs.

#### 2.4.2 Effective Stakeholder engagement

The Tribunal exceeded the planned activities relating to stakeholder engagements. In partnership with the University of Pretoria's (UP's) Department of Mercantile Law, a seminar on the legislative shortcomings in the implementation of the Tribunal's mandate was held. The attendees were mostly Attorneys, Academics and Advocates in company law. Most of the attendees attended virtually.

## 3. PERFORMANCE INFORMATION BY PROGRAMME

The Tribunal comprises two programmes: Adjudication and Administration.

### 3.1 Programme 1: Adjudication

To adjudicate and make orders on applications made in terms of section 195 of the Companies Act, 2008, as well as to resolve ADR cases.

Case hearings are decided by Members of the Tribunal mainly on papers, but may also be held depending on the nature of the case.



SELBY MAGWASHA  
MANAGER: REGISTRY



MANDLA ZIBI  
SENIOR ADMINISTRATION ASSISTANT



NDUDUZO MOLEFE  
RECORDS MANAGEMENT  
PRACTITIONER

### 3.1.1 Strategic goals and objectives, outputs, performance indicators, planned targets, and actual achievements

| Programme: Adjudication                                    |                                                                                          |                           |                                                                                                                                                                             |                                  |                              |                                  |                                                                             |                                                                                       |  |
|------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------|----------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--|
| Strategic goal/<br>outcome                                 | Strategic objective                                                                      | Output                    | Performance indicator/<br>measure                                                                                                                                           | Actual<br>achievement<br>2019/20 | Planned<br>target<br>2020/21 | Actual<br>achievement<br>2020/21 | Deviation<br>from Planned<br>target to Actual<br>achievement<br>for 2020/21 | 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 issued <sup>6</sup> , within 40 working days after the final date of the hearing <sup>7</sup> .                                          | 100%                             | 93%                          | Target exceeded: 100% (12/12)    | None.                                                                       | More effort taken to remind members through various means including calls and emails. |  |
| 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 after the date of allocation <sup>8</sup> .                                                                        | 96%                              | 93%                          | Target exceeded: 97% (115/119)   | None.                                                                       | More effort taken to remind members through various means including calls and emails. |  |
| Facilitate the resolution of disputes in terms of ADR.     | Facilitate the resolution of disputes in a cost-effective, informal, and timeous manner. | Resolved disputes.        | Percentage of cases finalised <sup>10</sup> in terms of ADR within 25 working days after the date of final hearing, or final submission by parties whichever is applicable. | 100%                             | 85%                          | Target exceeded: 100% (6/6)      | None.                                                                       | More effort taken to remind members through various means including calls and emails. |  |

<sup>6</sup> Decisions and orders issued are as prescribed by the Companies Act, 2008. Issued means formal communication of the decision and order to the client

<sup>7</sup> Final date of hearing refers to the last day of a hearing of a matter of a Tribunal sitting

<sup>8</sup> Date of allocation refers to the date of sending an e-mail allocating a case to a Tribunal member.

<sup>9</sup> Facilitation means assisting in the resolution of disputes.

<sup>10</sup> 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 Tribunal member(s).

### 3.1.2 Purpose – Programme Adjudication

The Tribunal's main objectives include to adjudicate on matters timeously and expeditiously. Cases are adjudicated by either a single member, or a panel of at least three members based on the complexity of the application filed with the Tribunal. Depending on the nature of the case, applications may be heard with parties present or a matter may be decided on papers.

Members of the Tribunal are appointed by the Minister of Trade, Industry and Competition (the dtic). Following the expiry of the term of four of the members in 2019/2020, the Tribunal functioned with only nine members, including the Chairperson. Seven of the nine members are black and two are white. There are five females and four males. All Members are qualified professionals with one being a professor, one a doctor, others are advocates and attorneys, of which some act as Judges at times. As reflected in Table 1 below, these members are experts in different areas covered by the Act, including law, economics, commerce, industry, and public affairs.

The Chairperson allocates cases to Tribunal members through the Registry Manager, who is responsible

for case management. The Registry Manager also communicates with the parties on the progress and outcome of their cases. He manages all enquiries made to the Tribunal and is the custodian of the Tribunal's applications, related documents, the Records Management System (RMS) and the CMS.

As reflected in **Table 2**, for the year under review, new cases on adjudication totalled 224. This was a slight increase of 1 compared to the previous year. A total of 166 cases were finalised. Some cases were not finalised as the statutory filing period had not yet closed.

The cases submitted to the Tribunal are of diverse types. The highest number of these cases are dealt with through adjudication, while a lesser number are settled through ADR. **Table 3** provides an indication of the type of cases, the arguments raised and the decisions reached by the Tribunal.

In processing the cases, the Tribunal strives to issue decisions within 40 working days of the final date of hearing, and 30 working days of the date of allocation of a matter to a member. As shown in **Figure 3 and 4**, during the year, 100% of cases were decided within 40 days of the hearing date and 97% of decisions were issued within 30 working days of allocation.

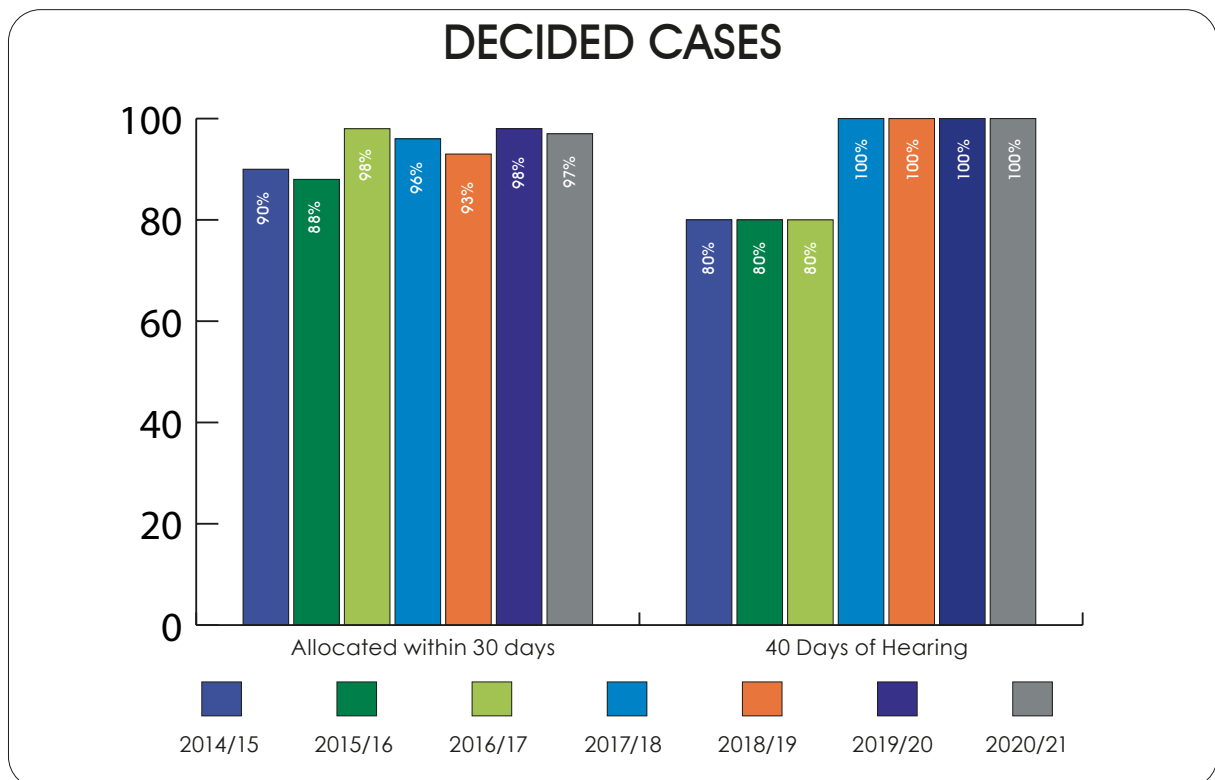


Figure 2: Comparison of cases decided within 30 working days of allocation and 40 days of hearing from 2014/15 to 2020/21

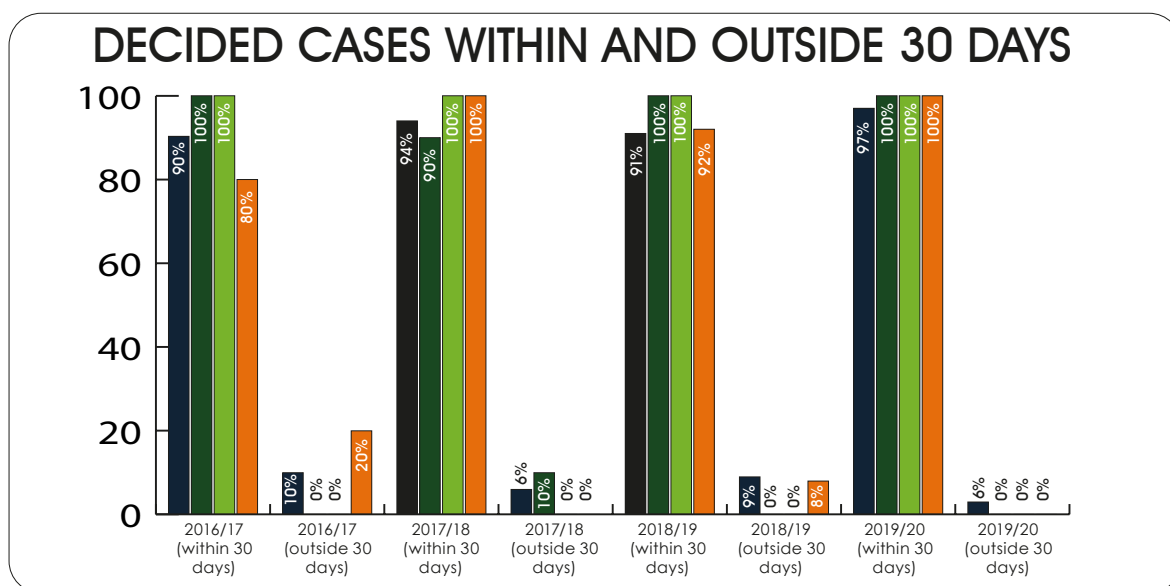


Figure 3: Cases decided within and outside of 30 days

## Alternative Dispute Resolution (ADR)

### ADR case statistics

For the year under review, 31 ADR cases were handled. Thirteen were closed, one withdrawn, six had been finalised and 11 were pending hearing.

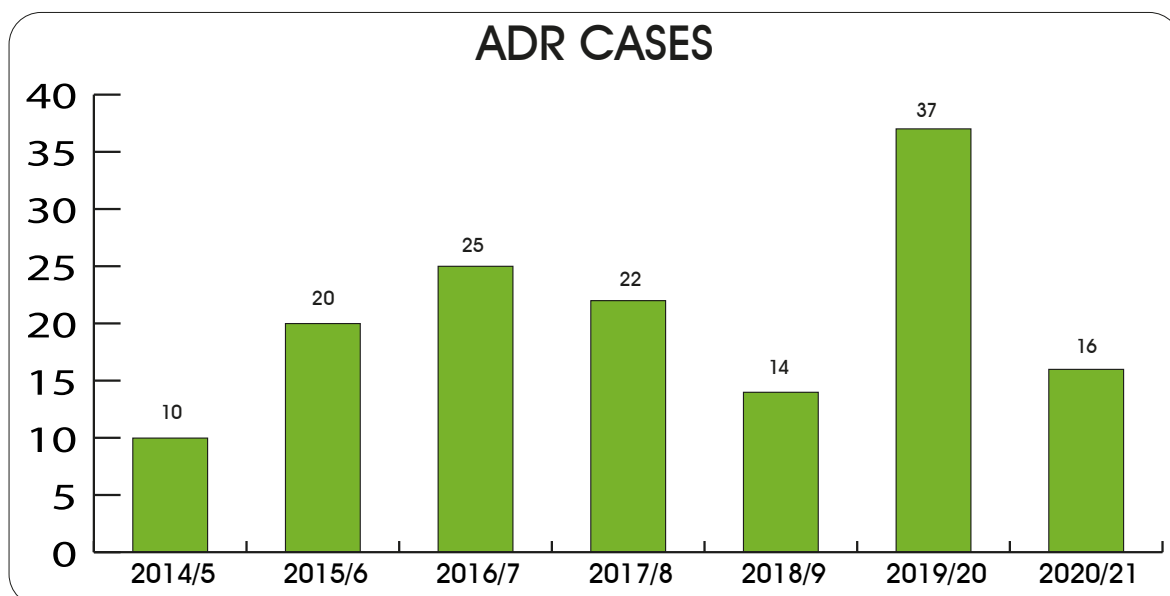


Figure 4: Comparison of ADR cases from 2014/15 to 2020/21

### 3.1.3 Appeals and reviews

Parties to a dispute who are not satisfied with the Tribunals' decision, may within 20 business days of date of receipt of the Tribunal's decision, take up the matter on appeal or review by the High Court. At the end of the 2019/20 financial year, seven cases had been taken on review and six were still in litigation. One had been set and withdrawn.

The number of new cases received in the year under review, dropped from 37 in 2019/20 to 16 in 2020/21, resulting in a decline of 21 cases. The decline brought the ADR statistics in line with the years preceding 2019/2020, where the number of ADR cases were consistently low (between 10 and 25). The high number in 2019/20 was inexplicably higher than usual.

### 3.2 Programme 2: Administration

#### 3.2.1 Purpose – Programme 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 there is proper financial management, human resources management, information technology, knowledge management, stakeholder management and legal services.

#### 3.2.2 Strategic objectives, outputs, performance indicators, planned targets and actual achievements

| Programme: Administration                                                 |                                                                                                      |                                                |                                                                             |                                                                                                                                                    |                                                                                                                                                |                                                          |                                                  |                                                                                                                  |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Strategic goal/<br>outcome                                                | Strategic<br>objectives                                                                              | Output                                         | Performance<br>indicator/ measure                                           | Actual achievement<br>2019/20                                                                                                                      | Planned target<br>2020/21                                                                                                                      | Actual<br>achievement<br>2020/21                         | Deviation<br>(from planned<br>actual<br>2020/21) | Comment on<br>deviations                                                                                         |
| Ensure operational<br>effectiveness and<br>efficiency of the<br>Tribunal. | Build a body<br>of knowledge<br>around company<br>law and<br>Alternative Dispute<br>Resolution(ADR). | Production<br>of Research<br>Reports or rules. | Number of Research<br>Reports or rules<br>produced and<br>approved.         | Developed (1)<br>arbitration rules or<br>guidelines for the<br>Tribunal or develop<br>(1) adjudication rules<br>or guidelines for the<br>Tribunal. | Produce one<br>Research Report on<br>the "Legislative gaps<br>in implementing the<br>Tribunal's mandate.<br>A case for further<br>amendments". | Target met:<br>Produced one<br>Research Report.          | None.                                            | N/A                                                                                                              |
| Ensure operational<br>effectiveness and<br>efficiency of the<br>Tribunal. | Recruit, appoint,<br>develop and<br>retain competent<br>staff.                                       | Staff retention.                               | Percentage of staff<br>retained.                                            | 93%                                                                                                                                                | 85%                                                                                                                                            | Target exceeded<br>by achieving 100%<br>staff retention. | None.                                            | Best Human<br>Resource (HR)<br>practices<br>adopted and<br>continuous staff<br>consultation<br>proved effective. |
| Ensure effective<br>stakeholder<br>engagement.                            | To educate<br>members of<br>the public and<br>raise awareness<br>regarding the<br>Tribunal.          | Advocacy<br>services.                          | Seminar hosted <sup>11</sup><br>on the impact of the<br>Tribunal's mandate. | Hosted a seminar<br>on the impact of the<br>Tribunal's mandate.                                                                                    | Host seminar on<br>the legislative gaps<br>or shortcomings in<br>implementing the<br>Tribunal's mandate.                                       | Target met: Tribunal<br>hosted the seminar.              | None.                                            | N/A                                                                                                              |

<sup>11</sup> Hosted means to fund, organise and/or present a seminar

| Programme: Administration            |                                                                                             |                       |                                                                               |                                                                                                               |                                                                                                                                                                                                                                      |                                                                                                                                     |                                                  |                                                                                                                  |
|--------------------------------------|---------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Strategic goal/<br>outcome           | Strategic<br>objectives                                                                     | Output                | Performance<br>indicator/ measure                                             | Actual achievement<br>2019/20                                                                                 | Planned target<br>2020/21                                                                                                                                                                                                            | Actual<br>achievement<br>2020/21                                                                                                    | Deviation<br>(from planned<br>actual<br>2020/21) | Comment on<br>deviations                                                                                         |
| Effective stakeholder<br>engagement. | Develop and<br>maintain strategic<br>partnerships.                                          | Advocacy<br>services. | Number of media<br>engagements<br>(media statements<br>and radio interviews). | Released three<br>media statements <sup>12</sup> .                                                            | Release two media<br>statements.                                                                                                                                                                                                     | Target exceeded:<br>Four articles were<br>published on social<br>media and the<br>website <sup>13</sup> .                           | None.                                            | The use of free<br>social media<br>assisted in<br>exceeding the<br>target.                                       |
|                                      |                                                                                             |                       |                                                                               | Participated<br>in the various<br>radio activities or<br>interviews <sup>14</sup> .                           | Participate in two radio<br>activities or interviews<br>(radio advert).                                                                                                                                                              | Target exceeded:<br>Live reads were<br>aired on 2 radio<br>stations and<br>interviews held with<br>3 radio stations <sup>15</sup> . | None.                                            | CT solicited and<br>also received<br>invites for radio<br>interviews.                                            |
| Effective stakeholder<br>engagement. | To educate<br>members of<br>the public and<br>raise awareness<br>regarding the<br>Tribunal. | Advocacy<br>services. | Number of<br>participations in<br>outreaches and/or<br>exhibitions.           | Participated<br>in 17 outreach<br>programmes and/or<br>exhibitions targeting<br>various areas <sup>16</sup> . | Participate in eight<br>outreach programmes<br>and/or exhibitions<br>targeting stakeholders<br>in businesses, business<br>associations, the<br>public, legal fraternity,<br>and the academia in<br>the various areas <sup>17</sup> . | Participated in<br>eight outreach<br>activities <sup>18</sup> .                                                                     | None.                                            | Partnerships<br>with various<br>stakeholders<br>enabled the<br>Tribunal to reach<br>out to more<br>stakeholders. |

<sup>12</sup> An article was published on LinkedIn highlighting the launch the Tribunal's online Case Management System (CMS). Online advertisement was carried highlighting the benefits of the Tribunal's CMS. An article was published on social media titled: 'Domain name disputes: Does the Tribunal have jurisdiction over domain names?'

<sup>13</sup> Resolution of company disputes during COVID-19. Invitation: Seminar on legislative gaps (shortcomings) in implementing the Tribunal's mandate, Published ADR article on social, media and website. Published online advert on Business Live

<sup>14</sup> Power FM, Metro FM, Radio 702, Lesedi FM

<sup>15</sup> Radio interview held with Lesedi FM, Live Reads were aired on: SAFM and Power FM, The Chairperson was interviewed on SAFM and Power FM

<sup>16</sup> Refer to Table 5 below

<sup>17</sup> Refer to Table 5 below

<sup>18</sup> Refer to Table 5 below

### 3.2.3 Operations

#### 3.2.3.1 Legal/Research

The Research function of the Tribunal contributes to the body of knowledge and to jurisprudence and precedent. The contribution to South African's jurisprudence helps make South Africa an attractive investment destination. Reports serve as an option for quick reference for decision-making, which in turn leads to consistency and efficiency.

To improve efficiencies, the Tribunal continuously develops and or reviews rules and guidelines. A Research Report on "Legislative gaps in implementing the Tribunal's mandate: A case for further amendments" as produced for the year under review. This Report recommended establishing guidelines for Legislative amendments aimed at strengthening the Tribunal's ability to request specific documents.



LEETO MATSHIDISO  
LEGAL ADVISOR

### 3.2.4 Corporate Services

The Corporate Services Division promotes and maintains sound Corporate Governance and ensures proper planning, monitoring and reporting on the performance of the organisation. It is also responsible for the recruitment, appointment and development of competent staff for the Tribunal and manages the Tribunal's IT services.

#### 3.2.4.1 Communication and Marketing

Educating members of the public and raising awareness about the services of the Tribunal, is one of the key responsibilities of the Communication and Marketing Division. This is key to establish mutually beneficial strategic relationships with stakeholders. In the financial year 2020/21, initiatives were made to advance the Tribunal's vision by engaging law firms in the nine Provinces of the Republic. As a result of the COVID-19 pandemic, all stakeholder engagements were conducted virtually. The division achieved all

four performance targets set forth by the APP for the 2020/21 financial year.

The division constantly identifies platforms to advertise the services of the Tribunal. An online communication campaign was run on Business LIVE during the year under review. Furthermore, the division utilises social media platforms such as LinkedIn and Twitter to increase its online footprint. Through social media platforms, the Tribunal shares the Quarterly Bulletin, Articles, and other important notices with its stakeholders.

Traditional media remains one of the key mediums that the Tribunal uses to reach stakeholders, irrespective of their geographical location. The Tribunal's Chairperson held interviews on Channels 403 (ENCA) and 404 (SABC), where the mandate of the Tribunal was discussed. Live reads were aired on SAFM and POWER FM while radio interviews were conducted on Lesedi FM, SAFM and POWER FM.

The number of website subscribers has increased, indicating interest in the content of the Tribunal.

The monthly reports on website usage enable us to monitor high traffic areas, and ascertain the most popular pages and time spent per visit. In order to draw the public to the Tribunal's website, email signatures and social media were used.



SIMUKELE KHOZA  
MANAGER COMMUNICATIONS AND MARKETING



DUMISANI MTHALANE  
COMMUNICATIONS AND MARKETING  
OFFICER

The Quarterly Bulletin continues to be an important tool for disseminating stakeholder information. It enhances the Tribunal's public image and raises its profile. The Tribunal has also received positive feedback about it. Quarterly Bulletins were published during the 2020/21 financial year, covering the Tribunal's mandate and highlighting cases decided in the quarter. With the bulletin subscription offer on the website, the number of subscribers is increasing.

In the spirit of working with relevant stakeholders, the Tribunal, in partnership with the University of Pretoria's (UP's) Department of Mercantile Law, hosted a seminar which was mostly virtual on the Legislative shortcomings in the implementation of the Tribunal's mandate on 05<sup>th</sup> March 2021, at the Gordon Institute of Business Science (GIBS). It was aimed at engaging stakeholders on the following:

- Practical problems relating to adjudication and the ADR functions of the Tribunal,
- Administrative powers of the Companies and Intellectual Property Commission (CIPC) regarding reservations of company names,

- Power to order the CIPC to change names (section 160),
- Jurisdiction over non-profit companies in terms of section 61(7),
- Local and International corporate law developments, and
- Proposal to introduce a mandatory requirement into the Companies Act (CA) to have worker representation on the Board of certain companies.

There were four interactive sessions at the seminar as well as expert panel discussions.

The expert panel comprised of labour and company law experts like Dr Mohamed Alli Chicktay, the Tribunal's Chairperson, Prof Munyai, UP's HOD for Mercantile Law, Prof Michael Katz from ENS Africa, Prof Piet Delport, Prof Boraine, Dr Labuschagne, Dr van Wyk, Dr Scott, all from UP and Matshego Ramagaga, the veteran Attorney and also a Tribunal member.

Delegates at the seminar on the Legislative shortcomings in the implementation of the Tribunal's mandate:



Delegates at the seminar on the legislative shortcomings in the implementation of the Tribunal's mandate

#### 3.2.4.2 Human Resources

As shown in **Figure 1**, the organisational structure was reviewed and approved during the 2018/19 financial year and now comprises 21 positions. Only 14 positions are funded. At the end of the year under review, the Tribunal had 14 full time staff and two contract employees (IT and SCM) converted from the internship programme. The internship programme of the Tribunal focuses on providing South African youth with experiential learning, and thus contributes to the country's skills development efforts.

The Tribunal recognises that training builds the skills and knowledge of each staff member and contributes to a more productive and motivated workforce. During the year, all Tribunal staff attended programmes such as monitoring and evaluation and IT programmes.

A bursary scheme provides employees with further education and personal development, which the Tribunal believes is necessary for its long-term sustainability. Three employees were granted bursaries during this period.

#### 3.2.4.3 Information Technology

The IT department strives continuously to develop, manage, co-ordinate, oversee and implement efficient and effective IT services, ensuring operations and capacity remain optimal, with minimum interruption. It is in the Tribunal's best interests to streamline business processes, while monitoring and maintaining information security and risk management. The Tribunal leverages its Information and Communications Technology (ICT) investment through proper management of ICT projects and procurement.

The IT department provided expert support for the implementation of the CMS, especially during stakeholder orientation and on-boarding, which were carried out primarily through a stakeholder engagement program. The IT department also ensured proper IT knowledge transfer and handed over the project elements, including system manuals and hosting configuration details.

The Tribunal leverages the use of Office 365 Cloud, which eases information access, collaboration and virtual meeting capabilities to save meeting travel costs. The use of wireless technology facilitates communication between staff and members and

allows staff to perform their duties from anywhere in the office. Due to the impact of COVID-19 in the last quarter, the fibre data-line was upgraded to improve and optimise the online accessibility and performance of the systems. The policies and plans were reviewed and devised to ensure proper alignment, control and adherence to Governance standards.



KEIKANETSWWE SEBOKOANE  
MANAGER INFORMATION AND  
COMMUNICATIONS TECHNOLOGY

#### 3.2.5 The Impact of COVID-19 Pandemic

The state of disaster began on 26 March 2020, and continued into the 2020/2021 financial year. The Tribunal was no exception to the disastrous consequences of the epidemic. As did most Government offices, the Tribunal closed its offices, activated its business continuity and operated remotely.

The Tribunal felt the impact at almost all levels of the business, namely the people, the systems and processes. For a significant period, business stalled as the Tribunal tried to put in place guidelines and the measures to comply with the COVID-19 requirements. In response to the curfews and restrictions on movement, more than 40 work permits were issued to employees, allowing them to travel to and work from the office. In the office of the Chief Operations Officer (COO), the permit issuance process became an administrative burden on its own.

Working remotely stretched systems in a way not experienced before. As happened with other entities, despite the reduced public spending on the normal business budget items, the Tribunal experienced new demands in the form of Personal Protective Equipment (PPEs). It also felt the rising demand for and cost of data, disruption to the normal business processes and procedures, and cost of system improvements.

More portable computers had to be procured that were not budgeted for. Data allowances and refunds had to be paid to employees working from home. Virtual meeting platforms became the new norm. In particular, the negative impact was the elimination of the physical contact very integral to the way the Tribunal received applications. The inability to receive manual applications, which had previously constituted 90% of applications, had some negative impact on the Tribunal's performance.

Considering the numbers of applications received in the year under review, (224 compared to 223 of 2020/21), the above challenges notwithstanding, it would seem that overall, the impact of the pandemic was not as bad as it had been anticipated, unless the slight increase can be interpreted to signal that the numbers of new cases in the year under review, could have been higher but for the pandemic.

### 3.2.6 Office of the Chief Financial Officer (CFO)

The CFO's office is responsible for Finance and SCM. The Finance Division manages the Tribunal's funds, including planning, budgeting and reporting. The division ensures operational and capital expenditure is in line with prescripts of the Public Finance Management Act (PFMA) and related regulations. Timeous and accurate financial reports were produced each month and quarterly, and submitted to **the dtic** and National Treasury (NT). All submission timelines with regard to the Medium-Term Expenditure Framework (MTEF), Estimates of National Expenditure (ENE) and annual budgets were adhered to. The budget for the year was presented

to the Audit & Risk Committee (ARC) and approved by the Chairperson.

SCM is the procurement of goods and services and covers demand, acquisition, logistics, disposal and risk management. The SCM unit administers tender processes in line with the Preferential Procurement Policy Framework Act (PPPFA) (Act No 5 of 2000).

An Annual Procurement Plan was submitted to **the dtic** and NT. Various tenders were published and awarded during the year in line with the PPPFA and related regulations. Internal controls, such as procurement checklists are in place to ensure full compliance with the rules and regulations governing SCM in the public sector. The Tribunal is proud that for the last three consecutive financial years, there has been no audit finding regarding SCM from both internal and external auditors.

No irregular expenditure was incurred during the financial year. However, fruitless and wasteful expenditure amounting to R95 729.00 was incurred. The process of consistently reviewing internal controls and adhering to good governance accounts for this.

Various policies were reviewed during the financial year, and workshops were held with staff to raise awareness of these policies. The Office of the CFO adhered to the 30-day turnaround times for payment of suppliers, resulting in 100% of suppliers being paid within that timeframe and 97% being paid within 15 days. The Office of the CFO plays a key role in ensuring that the Tribunal has sound internal controls, a factor that has led to consecutive clean audit awards from the Auditor-General of South Africa (AGSA).



IRENE MATHATHO  
CHIEF FINANCIAL OFFICER



SOPLY MAHLABANE  
MANAGER FINANCE



DIKELEDI RATHLOGO  
FINANCE PRACTITIONER

### 3.3 Strategy to overcome areas of underperformance

Through the implementation of the online CMS in 2019, operational effectiveness and efficiency were improved. The system boasts various efficiencies including online submission, receipt and processing of applications extended application, submission and filing time, automated messages to the parties, easier access to Tribunal's information, online allocation of applications, and easier online relay of decisions from the members and extraction of information for reporting (monthly, quarterly and annually).

### 3.4 Changes to planned targets and performance indicators

No changes were made to the planned targets.

### 3.5 Linking performance with budgets

| Programme      | 2020/21       |                    |                          | 2019/20       |                    |                          |
|----------------|---------------|--------------------|--------------------------|---------------|--------------------|--------------------------|
|                | Budget        | Actual expenditure | (Over)/under expenditure | Budget        | Actual expenditure | (Over)/under expenditure |
|                | R'000         | R'000              | R'000                    | R'000         | R'000              | R'000                    |
| Adjudication   | 3 802         | 2 941              | 861                      | 3 419         | 3 108              | 311                      |
| Administration | 22 224        | 17 395             | 4 829                    | 20 731        | 23 308             | (2 577)                  |
| <b>TOTAL</b>   | <b>26 026</b> | <b>20 336</b>      | <b>5 690</b>             | <b>24 150</b> | <b>26 416</b>      | <b>(2 266)</b>           |

The Tribunal's budget for the year under review was R26.0 million. There is a surplus of R2.6 million, which is funded from an approved surplus from prior years. The over-expenditure was caused by an additional liability on pension which was not budgeted for. Most funds during the year were spent on employee costs, Tribunal members' fees, advocacy services, systems support and maintenance.

### 3.6 Revenue collection

| Source of revenue               | 2020/21       |                         |                          | 2019/20       |                         |                         |
|---------------------------------|---------------|-------------------------|--------------------------|---------------|-------------------------|-------------------------|
|                                 | Budget        | Actual amount collected | (Over)/ under-collection | Budget        | Actual amount collected | (Over)/under collection |
|                                 | R'000         | R'000                   | R'000                    | R'000         | R'000                   | R'000                   |
| Government grant                | 20 752        | 20 752                  | -                        | 17 352        | 17 352                  | -                       |
| Interest received <sup>19</sup> | 400           | 368                     | 32                       | 846           | 742                     | 104                     |
| Other income <sup>20</sup>      | 4 874         | 1 854                   | 3 020                    | 5 952         | 1 686                   | 4 266                   |
| <b>Total</b>                    | <b>26 026</b> | <b>22 974</b>           | <b>3052</b>              | <b>24 150</b> | <b>19 780</b>           | <b>4 370</b>            |

<sup>19</sup> Interest received: The Tribunal had a favourable bank balance due to approved retention of surplus in the previous financial years, resulting in increased interest received from the bank.

<sup>20</sup> Other income is derived from surplus funds. The approved surplus was used to augment the budget.

### 3.7 Tables on Programme: Adjudication

**Table 1: Members of the Tribunal**

The Chairperson of the Tribunal is Dr Mohamed Alli Chicktay. In terms of the Act, the Chairperson allocates cases to Tribunal members. The Tribunal comprises:

| No | Name                                                | Qualifications                                                                                                                                                                                                                                                                                                                                    |
|----|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Dr Mohamed Alli Chicktay<br>(Chairperson: Tribunal) | BProc; LLB; LLM and PhD from the University of the Witwatersrand.                                                                                                                                                                                                                                                                                 |
| 2. | Matshego Ramagaga                                   | BProc, LLB, LLM (Commercial Law), Certificate in Forensic Auditing and Fraud Examination, Diploma in Insolvency Law Practice, Certificate in International Trade Law and Certificate and Diploma Trial Advocacy Skills (National Institute of Trial Advocacy).                                                                                    |
| 3. | Khatija Tootla                                      | BA, Unisa: LLB, Certificate in Labour Law, University of KwaZulu-Natal: Certificate in Management (first year MBA), Buckinghamshire Chilterns: Certificate in Intellectual Property Law, WIPO (World Intellectual Property Rights Organisations) and Unisa: LLM (Corporate/Commercial), and Unisa: Postgraduate Certificate in Advanced Taxation. |
| 4. | Lucia Glass                                         | LLM, BProc, BA (Law), and Unisa: accredited mediator (CEDR, UK and Conflict Dynamics).                                                                                                                                                                                                                                                            |
| 5. | Prof Piet Delport                                   | LLB, LLD, University of Pretoria: Higher Diploma in Tax Law, and University of the Witwatersrand: accredited mediator (Conflict Dynamics).                                                                                                                                                                                                        |
| 6. | Khashane Manamela                                   | BA, University of Venda: LLB, LLM (Commercial Law), University of Pretoria: LLM (Tax Law), University of the Witwatersrand: Master of Business Leadership, and Unisa-SBL: accredited mediator (Conflict Dynamics).                                                                                                                                |
| 7. | Lindelani Sikhitha                                  | Bluris (University of Venda), LLB and LLM, University of Pretoria.                                                                                                                                                                                                                                                                                |
| 8. | Adv Ishara Bodasing                                 | MCL, University of Delhi (India): BA and LLB, and University of KwaZulu-Natal: accredited mediator (Conflict Dynamics).                                                                                                                                                                                                                           |
| 9. | Bongekile Zulu                                      | BProc, University of Durban-Westville: MBA from University of KwaZulu-Natal: Certificate in Environmental Law, and University of Pretoria: accredited mediator (CEDR, UK and Conflict Dynamics).                                                                                                                                                  |

Table 2: Comparison of handled cases<sup>21</sup> during a five-year period: 2016/17 - 2020/21 financial years

| Nature of cases                                          | 2016/17    | 2017/18    | 2018/19    | 2019/20    | 2020/21    |
|----------------------------------------------------------|------------|------------|------------|------------|------------|
| Access to records                                        | 0          | 0          | 0          | 0          | 0          |
| Change to the financial year end                         | 0          | 0          | 0          | 0          | 0          |
| Company restoration                                      | 0          | 0          | 0          | 0          | 0          |
| Review of compliance notice                              | 9          | 8          | 2          | 5          | 1          |
| Directors' dispute                                       | 27         | 30         | 35         | 54         | 39         |
| Extension of time to prepare Annual Financial Statements | 3          | 0          | 0          | 0          | 0          |
| Extension of time to convene AGM                         | 14         | 9          | 4          | 14         | 39         |
| Holding of an AGM                                        | 0          | 1          | 1          | 0          | 0          |
| Name disputes                                            | 180        | 178        | 168        | 123        | 105        |
| Outstanding information                                  | 0          | 0          | 0          | 0          | 0          |
| Review of CIPC decision                                  | 6          | 2          | 6          | 2          | 1          |
| SEC (S 72) (5)                                           | 29         | 24         | 28         | 24         | 34         |
| S 2(3) exemption                                         | 1          | 0          | 0          | 0          | 3          |
| S 6(2) exemption                                         | 2          | 2          | 0          | 0          | 0          |
| Substituted service                                      | 1          | 0          | 0          | 1          | 0          |
| Variation of an order                                    | 0          | 0          | 0          | 0          | 2          |
| <b>TOTAL</b>                                             | <b>272</b> | <b>254</b> | <b>244</b> | <b>223</b> | <b>224</b> |

<sup>21</sup> Handled cases includes new cases received in the financial year under review, and carried over cases from the previous financial year.

Table 3: Case highlights

| No. | Type of case  | Parties                                                                                                                                                                                                                                        | Narrative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Decision/order                                                                                                                                                                                                                                                                                                    |
|-----|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Name dispute. | <p><b>Business Leadership South Africa (Applicant)</b></p> <p>vs</p> <p><b>Business Leadership South Africa NPC (First Respondent)</b></p> <p>and</p> <p><b>Companies and Intellectual Property Commission (CIPC) (Second Respondent).</b></p> | <p>The Applicant is a foundation registered as a non-profit organisation ("NPC"), apparently in terms of the Non-profit Organisations Act 71 of 1997. The application was brought by Busisiwe Mavuso, the Chief Executive Officer(CEO) of the Applicant, who had the authority to act for and on behalf of the Applicant in terms of a Board decision of 26 March 2020.</p> <p>The Applicant applied for a default order on the basis that the name of the First Respondent does not comply with Section 11(2) of the Companies Act 71 of 2008. Regulations 142 and 153 of the Companies Regulations of 2011 regulates an application to the Tribunal as well as the application for a default order under certain circumstances. The First Respondent is a company incorporated in terms of the Act, while the Second Respondent is the Commissioner of the CIPC in the capacity as the person responsible for the administration of the Act. The jurisdiction of the Tribunal in this matter is as determined in section 160(1) of the Act.</p> <p>The Applicant is the proprietor in South Africa of a number of Trade Marks in terms of the Trade Marks Act 194 of 1993 incorporating, or comprising, "Business Leadership South Africa" over a range of classes and services. The Applicant became aware of the registration of a company with the name "Business Leadership South Africa NPC" during 2019.</p> <p>The Applicant filed an application for relief to the Tribunal on CTR 142 dated 9 June 2020 with a supporting affidavit. The Applicant sent a copy of the CTR 142 and supporting affidavit as lodged with the Tribunal on 12 June 2020 by email to the address of a Director of the First Respondent. The First Respondent failed to answer the Applicant within the stipulated 20 business days.</p> <p>The Tribunal was satisfied that the notice to the First Respondent was adequately served as per Regulation 153(2) (b). The Tribunal found that the Applicant had complied with the "good cause" test in respect of merits as well as the period within which the application was brought. The Tribunal found that the name of the First Respondent does not comply with sections 11(2)(a) of the Act as it is the same as a Trade Mark/s owned by the Applicant.</p> | <p><b>Granted.</b></p> <p>First Respondent was ordered to file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order to change its name to a name that does not incorporate the word/s "Business Leadership South Africa". There was no order as to the costs.</p> |

| No. | Type of case                  | Parties                                                    | Narrative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Decision/order                                                                                       |
|-----|-------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 2.  | Social and Ethics Committees. | Magnolia Cellular Investment 2 (RF) (PTY) LTD (Applicant). | <p>In February 2021, the Applicant applied to the Tribunal for an exemption from appointing a SEC in terms of section 72 (5) and (6) of the Act read with Regulation 43 of the Companies Regulations. The Applicant is a company duly incorporated in accordance with the company laws of South Africa, having its registered address at Waterfall Campus, Cnr Maxwell Drive and Pretoria Main, Buccleuch Ext 10, Gauteng, 2090. Along with this application, the Applicant lodged an application for condonation for the late filing of this main application for exemption. The founding affidavit in the CTR142 form was properly deposed by Mr. Ishaad Esakjee, a Director of the Applicant, duly authorised to do so as per the Board Resolution.</p> <p>The Applicant is a ring-fenced holding company, whose sole business is holding an equity interest in Cell C. This includes issuing debt securities to repay existing credit facilities, refinancing indebtedness and related acquisition purposes. The Applicant has neither operating activities nor employees. In terms of its Memorandum of Incorporation (MOI), the Applicant is prohibited from conducting business other than is reasonably linked to its funding obligations under its ordinary debt facilities.</p> <p>The Applicant submitted that, due to the limited nature and extent of its business, it is not reasonably necessary in the public interest for it to establish an SEC. Furthermore, it was submitted that in the previous five years, thrice, the Applicant had a Public Interest Score (PIS) exceeding 500 points. In terms of the Regulations 43(3)(b)(iii), the filing of such an application should therefore have taken place during 2019.</p> <p>The Applicant submitted that the delay/omission was due to the challenges faced by Cell C in respect of its trading and operational conditions. Applicant's attorney supplemented its papers in this regard by referring to various websites where these challenges were highlighted. The Tribunal was satisfied that Applicant was not in willful default of the Act and its Regulations.</p> <p>The Applicant argued that in terms of section 72(5)(b), it is not necessary in the public interest to require the company to have an SEC and does not have scope to grow its activities and increase public exposure. The Applicant has shown that its high PIS is due to its third-party liability. Furthermore, the Applicant submitted that its existence has no direct bearing on the environment, health and public safety.</p> | <p><b>Granted.</b></p> <p>The application was granted for two years from the date of this order.</p> |

| No. | Type of case                                       | Parties                                               | Narrative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Decision/order |
|-----|----------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 3.  | Extension to Convene Annual General Meeting (AGM). | <b>Cricket South Africa NPC (CSA)</b><br>(Applicant). | <p>The application was made in terms of Section 61(7) read together with Section 9 of the Act. The Applicant registered in terms of the company laws of the Republic of South Africa under registration number 2002/002641/08. The Applicant filed an application requesting an extension to hold its AGM more than the statutory 15 months after the last AGM which was held on 7th September 2019. The application was brought by the Applicant's CFO and Acting CEO of the company, they were duly authorized to do so.</p> <p>The Applicant submitted that the last AGM was held on 26th June 2019, and that the next AGM was scheduled for 5th September 2020. Due to governance challenges, the AGM was to be postponed in terms of the minutes of the Members Council Meeting held on 31st August 2020. On 28 October 2020, the Minister of Sports, Arts and Culture announced that the entire CSA Board of Directors had resigned on 26th October 2020. The Minister then announced an Interim Board on 30th October 2020, thus the request for extension to hold a AGM.</p> <p>Section 61(7) specifically provides as follows: "A public company must convene an AGM of its shareholders-</p> <p>(a) Initially, no more than 18 months after the company's date of incorporation, and</p> <p>(b) Thereafter, once every calendar year, but no more than 15 months after the date of the previous AGM, or within an extended time allowed by the CT, on good cause shown."</p> <p>The Tribunal is satisfied that good cause has been shown as to why the AGM could not be held within the statutory period required by the Act. CSA was given an extension to hold its AGM by no later than 31st May 2021.</p> | Granted.       |

| No. | Type of case          | Parties                                      | Narrative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Decision/order |
|-----|-----------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 4.  | Substituted services. | Pick 'n Pay Holdings Limited RF (Applicant). | <p>The Applicant applied to the Tribunal for substituted service in terms of Regulation 7 (3) (a) of the Act. The Applicant is a public company with limited liability duly incorporated in terms of the Act, with its registered address at 101 Rosmead Avenue, Kenilworth, Cape Town. The relief sought by the Applicant is for an order of substituted service to deliver notices to shareholders by ordinary post.</p> <p>The Deponent to the Applicant's affidavit Aboubakar Jakoet stated the following in paragraphs 2, 4, 5 and 6 states that:</p> <p>2. <i>'Pick n Pay Holdings Limited RF has an authorised share capital of 800 million shares, of which 527,249,082 shares are issued.</i></p> <p>4. <i>As a result of this long-standing policy, the majority of shareholders, in volume, are made up of past and present employees of Pick n Pay.</i></p> <p>5. <i>Many of the company's past and present employees live in disadvantaged communities. Delivery of notices by registered mail is often impossible.</i></p> <p>6. <i>Delivery of notices by ordinary mail will ensure that the notices are personally delivered and received by shareholders."</i></p> <p>The Tribunal had to determine whether in terms of Regulation 7 (3) (a), the Applicant had reasonably proved impossibility to deliver notices to the Applicant's shareholders by way of registered mail. In support of its application, the Applicant submitted that delivery of notices by ordinary mail would ensure that notices are personally delivered and received by its shareholder, however failed to prove impossibility of delivery by registered post. It is the Tribunal's view that the Applicant failed to provide sufficient proof of impossibility to deliver 'a document in a manner provided for in the Act'.</p> | Dismissed.     |

| No. | Type of case           | Parties                                                     | Narrative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Decision/order |
|-----|------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 5.  | Review of CIPC notice. | LBK Consulting (Pty) Ltd (Applicant) and CIPC (Respondent). | <p>The Applicant sought to review and set aside a notice or decision of the CIPC for refusing to reserve a company name proposed or applied for by the Applicant. The CIPC refused to reserve the name on the ground that the proposed name is confusingly similar to or "conflicts" with another name LBK GROUP, already appearing on the CIPC's name register.</p> <p>The documents in the application were reportedly served by way of electronic mail on the CIPC's functionaries. The Tribunal was satisfied that the application was adequately served, as contemplated by regulation 153, read with regulation 7, of the Companies Regulations, 2011 (the Regulations). The period of 20 business days allowed to Respondents, such as the CIPC, to file an answer to applications before the Tribunal lapsed. On 01 July 2020, Mr Moshabane Brian Kgariya, acting on behalf of the Applicant, lodged an application to reserve a company name in terms of the CIPC's Form COR 9.1. The next day, on 02 July 2020, the CIPC issued to Mr Kgariya Form COR9.5 notifying him of its refusal to reserve the name proposed.</p> <p>The Applicant sought to review, and set aside a notice or decision of the CIPC for refusing to reserve a company name proposed or applied for by the Applicant. The CIPC refused to reserve the name on the grounds that the proposed name is confusingly similar to or "conflicts" with another name LBK GROUP, already appearing on the CIPC's name register.</p> <p>The Applicant disputed the CIPC's decision or reasons for refusal to reserve the impugned name. The Applicant argued that previously they successfully applied for and subsequently registered the following companies bearing the letters or acronym LBK: LBK Capital, LBK Logistic and LBK Resources. These entities have the same Directors and shareholders and form part of a "Group" of companies, hence the application for the impugned name was made. Furthermore, the Applicant denied that the name LBK Group is confusingly similar as asserted by the CIPC in its notice.</p> <p>The Tribunal's view is that the Applicant could not be allowed to reserve the name for use when this would clearly be an affront to the sections 11(2)(a) and 12(2) of the Act. Therefore, the application was dismissed.</p> | Dismissed.     |

| No. | Type of case                          | Parties                                                                                      | Narrative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Decision/order |
|-----|---------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|     | Alternative Dispute Resolution (ADR). | <i>Due to the confidentiality of ADR, the real names of parties have not been disclosed.</i> | <p>On the 08th March 2021, the Applicant (ABC) filed an application by completing Form CTR 142 for mediation in terms of the Act. The Applicant and the Respondent (DEF) sought the Tribunal's intervention since they could not resolve their company dispute. The mediation procedure resulted in the dispute being resolved and the parties decided to settle on the basis of what they considered to be fair and equitable.</p> <p>In terms of section 166 of the Act, a settlement agreement was reached, and both parties agreed that the settlement was binding. It was clear between the parties and the Mediator that the mediation was strictly confidential and without prejudice. Only the mediated agreement, signed by the parties may be admissible in any proceedings or forum or court of law. Furthermore, the parties agreed that the settlement agreement may be made an order of the court at the election of either or both parties.</p> <p>In the event the settlement agreement was not made an order of court and any party breaching the agreement, the aggrieved party will be entitled to make an application to court to make the settlement agreement an order of court and to enforce the terms hereof.</p> | Successful.    |

Table 4: Appeals and Reviews: 2020/21

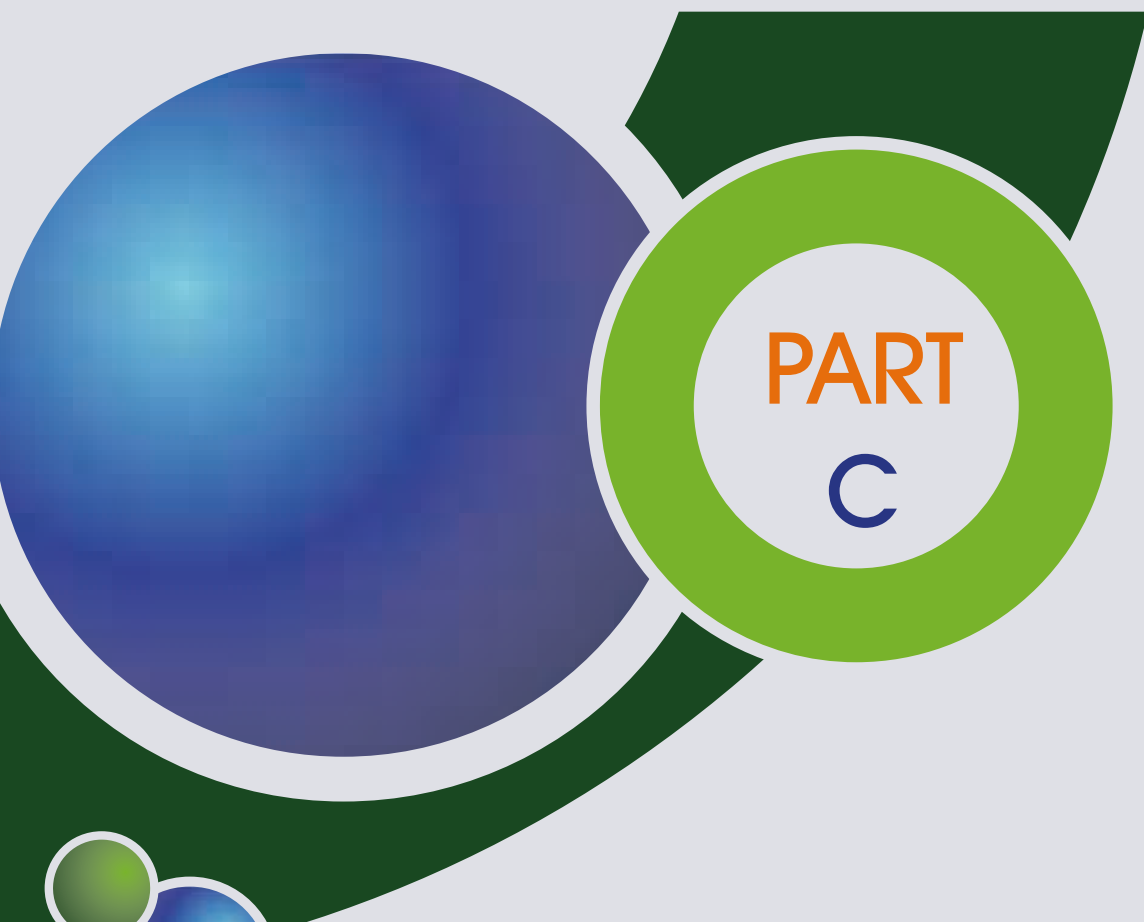
| No.                                    | CT case No.      | Parties                                                                                     | Nature of Case                            | High Court decision                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------|------------------|---------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part A: Finalized</b>               |                  |                                                                                             |                                           |                                                                                                                                                                                                                                                                                                                                                          |
|                                        | CT013Apr2019     | Growthpoint Properties Limited and Growth Point Learning Solutions (Pty) Ltd.               | Name Dispute.                             | <b>Finalised.</b> Decision set aside. Application to dismiss the default judgement. Grounds of Review: CT decision was incorrect, unreasonable and irrational and should be reviewed.                                                                                                                                                                    |
|                                        | CT00148/ADJ/2019 | Isogo Sun (Pty) Ltd and Isogo Magfix (Pty) Ltd.                                             | Name Dispute.                             | <b>Finalised.</b> Appeal dismissed. The name of the Respondent was confusingly similar to the name of the Applicant, making it difficult to distinguish between the two. The Respondent's name could be deemed to be part of, or is associated with the Applicant and the use of such Trade Mark will constitute the infringement of the Trade Mark Act. |
| <b>Part B: Cases still in progress</b> |                  |                                                                                             |                                           |                                                                                                                                                                                                                                                                                                                                                          |
|                                        | CT0010May 2015   | Kganya Brands vs Kganya ya Rona.                                                            | Name Dispute.                             | <b>In process. Grounds of Appeal are as follows:</b><br>CT failed to take into account relevant facts and as result failed to apply correct legal principles and test. Furthermore, the CT's decision was arbitrary and capricious.                                                                                                                      |
|                                        | CT019Jun2017     | Grovest Venture Capital Company vs the CIPC.                                                | Compliance Notice.                        | <b>In process. Grounds of appeal are as follows:</b><br>To set aside or vary the decision by the CT, which decision dismissed the Applicant's objection to the CIPC's order of compliance. Applicants objection was procedural unfair.                                                                                                                   |
|                                        | CT010May2018     | Universal Earthing & Lightning Components vs HHK Earthing and Lightning Projection Systems. | Name Dispute.                             | <b>In process. Grounds of appeal are as follows:</b><br>CT's hearing constituted of one member instead of three.<br>CT also lacked jurisdiction to make an order in terms of section 160.                                                                                                                                                                |
|                                        | CT012Oct2018     | Mahomed Mahier Tayob and another vs Shiva Uranium and others.                               | Business rescue practitioner appointment. | <b>In process. Grounds of appeal are as follows:</b><br>Interdicting CIPC from enforcing an order by the CT regarding appointment of a Business Practitioner.                                                                                                                                                                                            |
|                                        | CT00142/ADJ/2019 | Agility Holdings (Pty) Ltd and Agility Co. (Pty) Ltd.                                       | Name dispute.                             | <b>In process. Grounds of appeal are as follows:</b><br>Objection in terms of section 160(1) Companies Act. CT has considered irrelevant evidence, misdirected itself and its decision was unfair.                                                                                                                                                       |

Table 5: Stakeholder engagement sessions held in line with the APP target

| Actual achievement 2019/20                                                                                                                                                                                                                                                                                                                                                                                                       | Planned target 2020/21                                                                                                                                                                                                                                                                                                                                                                                                                                     | Actual achievement 2020/21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Participated in eight outreach programmes and/or exhibitions as follows:</p> <ol style="list-style-type: none"> <li>1) Johannesburg (GP),</li> <li>2) Waterberg District (LP),</li> <li>3) Mangaung Metropolitan (FS),</li> <li>4) Zululand District (KZN),</li> <li>5) Thabo Mofutsanyana District (FS),</li> <li>6) Buffalo City (EC),</li> <li>7) Amathole District (EC), and</li> <li>8) King Cetshwayo (KZN).</li> </ol> | <p>Participate in eight outreach programmes and/or exhibitions with: Businesses, business associations, the public, legal fraternity, and academia in the following areas:</p> <ol style="list-style-type: none"> <li>1) Tshwane,</li> <li>2) GP 2. Mopani, LP</li> <li>3) Amajuba, KZN</li> <li>4) Gert Sibande, MP</li> <li>5) Namakwa, NC</li> <li>6) Ngaka Modiri Molema, NW</li> <li>7) Cape Winelands, WC and</li> <li>8) Chris Hani, EC.</li> </ol> | <p>Participated in 17 outreach activities:</p> <ol style="list-style-type: none"> <li>1) CT Chairperson's interview on Channel 403 (ENCA),</li> <li>2) CT Chairperson's live telephonic interview on Channel 404 (SABC) on The Agenda),</li> <li>3) CT Chairperson's live telephonic interview on Channel 404 (SABC) on Full View,</li> <li>4) Introduction of CT services to Mashabela IP Attorneys (Tshwane),</li> <li>5) Introduction of CT services to Gildenhuys Malatji Attorneys (Tshwane),</li> <li>6) Introduction of CT services to Smit Stanton Attorneys (Mahikeng),</li> <li>7) Engagement held with MI Senyolo Attorneys Mopani District Municipality LP: introducing Tribunal's services,</li> <li>8) Virtual meeting with Amajuba District Municipality, KZN introducing Tribunal services,</li> <li>9) Virtual engagement with Amajuba District Economic Cluster Meeting,</li> <li>10) Virtual engagement with Drankenstein Municipality (Cape Wineland District, WC),</li> <li>11) Virtual engagement with WJB Attorneys, (Gert Sibande District, MP),</li> <li>12) Virtual engagement with Southey Attorneys Incorporated, (Amajuba District, KZN),</li> <li>13) Telephonic engagement: Botha Attorneys (Piet Retief, Gert Sibande District, MP),</li> <li>14) Virtual engagement with Mohlala Attorneys (Ermelo, Gert Sibande District, MP),</li> <li>15) Virtual engagement with Namaqualand Chamber of Commerce and Industry, NC,</li> <li>16) Virtual engagement with Chris Hani District Municipality, EC, and</li> <li>17) Held a meeting with the B-BBEE Commission.</li> </ol> |



# GOVERNANCE



PART  
C

## 1. OVERVIEW OF THE GOVERNANCE STRUCTURES

The Tribunal has three Governance Committees: Audit and Risk Committee (ARC), Remuneration Committee (REMCO) and the Information and Technology Steering Committee (ITSTC). Highlights of the performance of these Committees are indicated below.

## 2. THE PARLIAMENTARY PORTFOLIO COMMITTEE ON TRADE, INDUSTRY AND COMPETITION

The Parliamentary Portfolio Committee (PPC) on Trade Industry and Competition, exercises oversight over the service delivery performance of the Tribunal and reviews its performance based on quarterly and annual reports.

## 3. EXECUTIVE AUTHORITY

The Minister of the dtic is the Tribunal's Executive Authority. The Shareholder Compact was concluded. No meeting was held on the Tribunal's performance. However, quarterly performance reports were submitted to the Minister through the entity oversight structure.

## 4. ACCOUNTING AUTHORITY

In terms of the Public Finance Management Act (PFMA) (1999), the Chairperson, as the accounting authority, is responsible for strategic leadership and oversight of the Tribunal's affairs and assets. He is also responsible for its effective, efficient and transparent management and operations. During the year under review, the Chairperson provided leadership to the Tribunal, ensured training of members and convened meetings as necessary.

## 5. RISK MANAGEMENT

The Tribunal's risk management framework was reviewed by ARC and approved by the Chairperson of the Tribunal. It provides a comprehensive, systematic and integrated mechanism for risk management across the organisation, which is crucial in ensuring that the Tribunal delivers on its mandate and achieves its strategic objectives. The risk management framework is also linked with the anti-corruption, fraud prevention and disaster recovery measures. Risks are monitored and reviewed quarterly.

## 6. COMBINED ASSURANCE PLAN AND RISK REGISTER

After reviewing the combined assurance plan, the ARC was satisfied with the level of assurance provided and the measures taken by management to address each risk.

The Combined Assurance Plan and Risk Register are monitored quarterly by the Committee.

## 7. INTERNAL AUDIT

Currently the Tribunal uses the services of Internal Auditors. The following internal audits, which use a risk-based approach, were performed during the financial year: SCM review, financial discipline review, audit of pre-determined objectives for Q2 and Q3, Information Technology GCR, case management review, Human Resource Management(HRM) and follow-up (IT audits).

An internal audit finding register is kept in order to track progress, and is presented quarterly to the ARC and the dtic.

## 8. AUDIT AND RISK COMMITTEE (ARC)

ARC was appointed in terms of Section 77 of the PFMA to provide oversight on matters in Treasury Regulations 3.1. As shown in Table 8.1 below, the Committee comprises five independent Members. During the year under review, the ARC held five meetings and focused on the quarterly performance and internal audit reports.

ARC comprises the following independent Members:

| Member           | Status of Member          | Attendance | Meeting fees<br>R | Travel expenses<br>R | Total<br>R     |
|------------------|---------------------------|------------|-------------------|----------------------|----------------|
| Stanley Ngobeni  | Non-executive Chairperson | 6          | 38 853            | 0                    | 38 853         |
| Luyanda Mangquku | Non-executive member      | 5          | 19 643            | 0                    | 19 643         |
| Charlene Louw    | Non-executive member      | 6          | 23 571            | 0                    | 23 571         |
| Zelda Tshabalala | Non-executive member      | 6          | 23 571            | 0                    | 23 571         |
| Leanda Vilakazi  | Non-executive member      | 6          | 23 571            | 0                    | 23 571         |
| <b>TOTAL</b>     |                           |            | <b>129 209</b>    | <b>0</b>             | <b>129 209</b> |

## 9. REMUNERATION COMMITTEE (REMCO)

REMCO provides oversight on Human Resources and Remuneration. As shown in Table 9.1 below, the Committee comprises three independent HR specialists. During the year under review, REMCO held four meetings.

Table 9.1 Remuneration Committee

| Member        | Status of Member          | Attendance | Meeting fees<br>R | Travel expenses<br>R | Total<br>R    |
|---------------|---------------------------|------------|-------------------|----------------------|---------------|
| Lance Dirksen | Non-executive Chairperson | 5          | 34 325            | 1 948                | 36 273        |
| Qondile Zimu  | Non-executive member      | 5          | 19 643            | 88                   | 19 730        |
| Rajesh Jock   | Non-executive member      | 4          | 15 714            | 377                  | 16 091        |
| <b>TOTAL</b>  |                           |            | <b>69 682</b>     | <b>2 413</b>         | <b>72 094</b> |

## 10. INFORMATION AND TECHNOLOGY STEERING COMMITTEE (ITSTC)

The Tribunal established the Information and Technology Steering Committee(ITSTC) to ensure IT Governance, as part of Corporate Governance, is adequately addressed. This Committee comprises management and one non-remunerated external member from a Government institution.

The Committee reviews major IT investments, and advises on IT strategic direction. It assists Executive Management by overseeing the planning, implementation and execution of IT Governance, strategic alignment and related monitoring activities. The Committee was established in compliance with the Department of Public Service and Administration's(DPSAs) Corporate Governance and ICT Policy Framework. It has adopted the King Code Report and CoBIT 5 as good practices for its IT Governance framework, and met twice during the year.

## 11. COMPLIANCE WITH LAWS AND REGULATIONS

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

- Skills development levy,
- Workmen's compensation,
- Unemployment Insurance Fund, and
- Pay-As-You-Earn (P.A.Y.E).

The Tribunal is not a value added tax vendor in terms of the Value Added Tax Act No 89 of 1991. It is also exempt from income tax in terms of Section 10(1) (cA) (i) of the Income Tax Act No 58 of 1962.

### 11.1 Broad-Based Black Economic Empowerment (B-BBEE) compliance performance information

| Criteria                                                                                                                                                 | Response<br>Yes/ No | Discussion                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------|
| Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law? | No                  | Companies Tribunal (CT) is not involved in this kind of activities.       |
| Developing and implementing a preferential procurement policy?                                                                                           | Yes                 | Compliance is done through Supply Chain Management(SCM) processes.        |
| Determining qualification criteria for the sale of State owned- Enterprises(SOEs)?                                                                       | No                  | Not relevant to CT.                                                       |
| Developing criteria for entering into partnerships with the private sector?                                                                              | No                  | Emanating from CT mandate, compliance with this criteria is not possible. |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?                                                 | No.                 | Not part of CT mandate and no funds to undertake such activities.         |

## 12. FRAUD AND CORRUPTION

The Tribunal has a free anti-corruption hotline managed by an Independent Service Provider (ISP), Deloitte, and an Anti-Corruption Policy. No cases of fraud pertaining to the Tribunal have been reported.

### 12.1 Principles underpinning the Tribunal's Anti-fraud and Corruption Policy

The Tribunal's Anti-fraud and Corruption Policy is based on these principles:

- Zero tolerance to fraud and corruption,
- Accountability of leadership, Tribunal members and staff,
- Duty to implement effective anti-fraud controls,
- Duty to report by staff members and stakeholders and reporting mechanisms,
- Duty to protect whistleblowers,
- Reporting to South African Police Service (SAPS) and other relevant authorities,
- Mandate to investigate fraud,
- Instituting disciplinary proceedings,
- Training and awareness, and
- Fraud risk assessment.

The fraud prevention and response plan, implements the Tribunal's policies to manage fraud or suspicion of fraud to deter, or prevent and detect any fraudulent activities.

Where fraud is suspected, the plan enables the Tribunal to:

- Prevent further loss,
- Establish and secure evidence 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 SAPS,
- Keep all staff members who need to be informed about the incident and the Tribunal's response,
- Recover losses,
- Deal with requests for job references from prospective employers of implicated employees, and
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.

## 13. MINIMISING CONFLICT OF INTEREST

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

- Conflict of interest declaration forms to Members of Committees, Tribunal Members, Management

and staff, and

- The disclosure of hospitality and gifts register.

There were no exceptions or conflicts of interest noted.

## 14. CODE OF CONDUCT

A code of conduct states what is expected of staff in their individual conduct, and in relationships with others and was signed by all employees. An SCM

Code of Conduct is also in place and is signed annually by the relevant employees.

## 15. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Tribunal is located on **the dtic** campus. Most health and safety issues are, therefore, handled by **the dtic**. The Tribunal has an occupational health and safety policy and a first aid plan. All Legislative requirements pertaining to the Occupational Health and Safety Act(OHSA) are complied with.

During the last month of the last quarter of the year under review, President Cyril Ramaphosa declared a

state of disaster as a result of COVID-19. The Tribunal closed its offices and implemented its continuity plan. All managers and some critical staff continued the work of the Tribunal remotely. Since then, health, safety and environmental issues have been of paramount importance and have been handled both within the institution and centrally at the level of **the dtic**. The health and safety situation continues to be volatile.

## 16. REPORT OF THE AUDIT AND RISK COMMITTEE (ARC)

The ARC is pleased with the Tribunal's performance for the financial year ended 31 March 2021. An ARC Charter is in place that deals with the way members of the Committee should undertake their duties and responsibilities. During the year under review, the Committee held five meetings.

### 16.1 Audit and Risk Committee responsibility

The Committee 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). It also reports that it has regulated its affairs in compliance with the ARC charter and has discharged all its responsibilities.

### 16.2 The effectiveness of internal controls

Although the Tribunal is accountable for the process of risk management and systems of internal control, the Committee is responsible for oversight over these ongoing processes. The Committee regularly reports to the Accounting Authority (AA) and to the Executive Authority (EA), through **the dtic**, on its activities.

### 16.3 Quality management, monthly/quarterly reports and PFMA compliance

Quarterly reports on performance information and the Tribunal's finances were presented and reported on in Committee meetings. The Committee confirms that the content and quality of the quarterly reports issued by the AA during the year, comply with the

PFMA. Furthermore, the Committee reports quarterly to the Minister of Trade, Industry and Competition on management's actions in addressing, all the external and internal audit findings and any emerging risks.

### 16.4 Evaluation of Annual Financial Statements(AFS)

The Committee reviewed and discussed the AFS to be included in the Annual Report(AR) with the External Auditors and the AA. 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. The Committee was satisfied with the AFS, and has recommended them for approval by the AA.

The Committee raised concerns that for the Tribunal to maintain its going-concern status, it is highly dependent on the approved retention of accumulated surplus from National Treasury(NT) and on the approval of annual grants from **the dtic**, which were declining.

### 16.5 Combined Assurance

The Combined Assurance plan was presented to the Committee, which is satisfied with the assurance given by each level of defence. The plan was also presented to **the dtic**.



ARC COMMITTEE MEMBERS: Charlene Louw, Leanda-Marsha Vilakazi, Luyanda Mangquku, Stanley Ngobeni (Chairperson), Zelda Tshabalala

## 16.6 Risk Management

The Tribunal has a Risk Management Strategy in place. Annual risk assessments are conducted by management in conjunction with the Internal Auditors. Reviews of risk management processes are conducted by Internal Audit, and reports provided to management and ARC on identified risks and the progress made in implementing controls aimed at mitigating those risks.

## 16.7 Internal Audit

The Internal Audit function is outsourced to Nexia SAB&T. Their reports provide recommendations to help in the establishment, and maintenance of an effective system of internal controls to manage the risks associated with the Tribunal. The ARC has reviewed and approved the Internal Audit Charter and the risk-based audit coverage plans for the year ended 31 March 2021. Internal audit reports were presented to the Committee during the year under review. Five internal audits were undertaken during the financial year (IT Management, Case Management, Registry Management, AOPO and Internal Financial Control Review).

Control deficiencies are reported to the ARC along with recommended remedial actions. These are followed up to ensure the necessary action has been taken. Management's actions in addressing the internal audit findings were monitored during the year. The Committee holds in-committee meetings with Internal Auditors to ensure that any concerns, or complaints are dealt with appropriately.

## 16.8 The Finance function

The ARC has reviewed the expertise, resources and experience of the Tribunal's finance function, and believes the Chief Financial Officer(CFO) and other relevant finance staff have the required competence and skills. Financial reporting has been of a high standard throughout the financial year.

## 16.9 External Auditors

The External Auditors are invited to attend ARC meetings. The Committee will review the final Management Report and the Audit Report issued by Abacwaningi Business Solutions.

## 16.10 Commendations

The ARC commends management and staff.

## 16.11 Conclusion

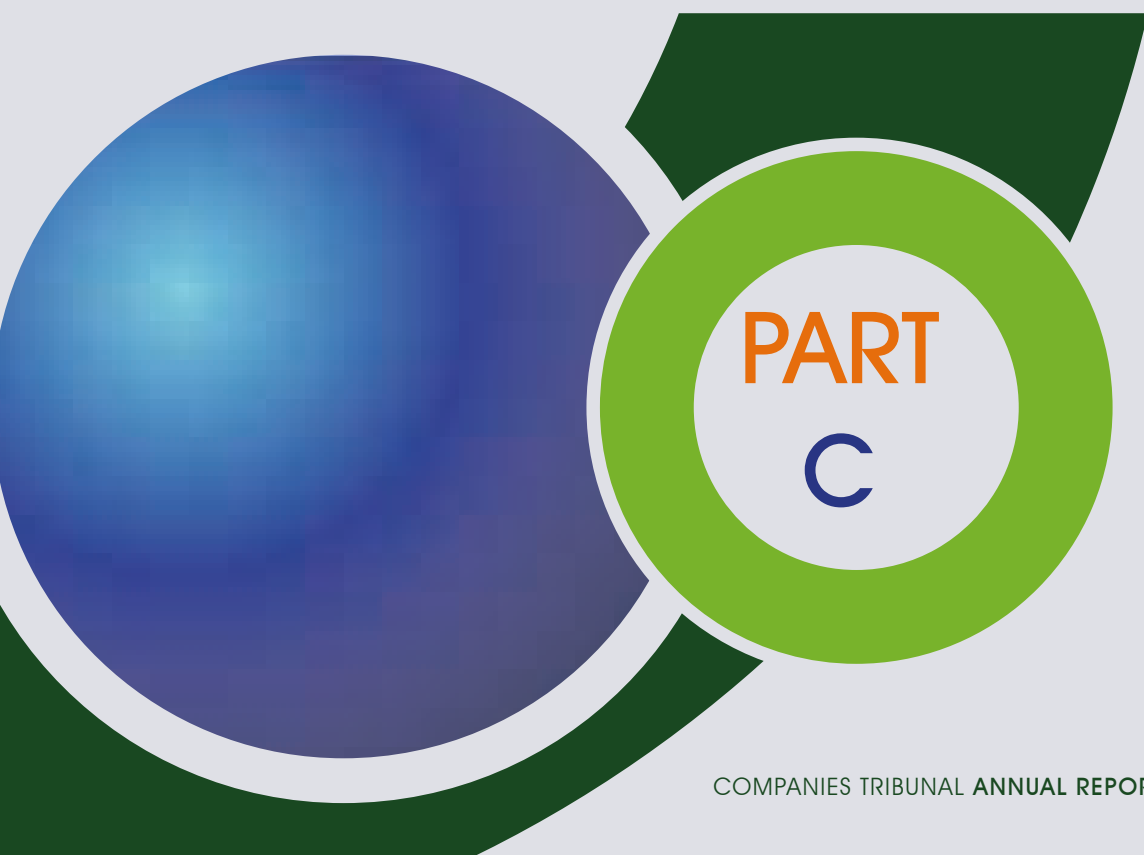
The Committee acknowledges the commitment of the Chairperson, the assistance of Internal Auditors, Management and staff of the Companies Tribunal.

S. Ngobeni  
Chairperson of the Audit and Risk Committee  
(ARC)

Companies Tribunal  
Date: 31 July 2021



# HUMAN RESOURCES MANAGEMENT



PART  
C

# 1. INTRODUCTION

At the end of the year under review, the Tribunal had 14 permanent employees and one consultant. There was one resignation and three appointments during this financial year. All positions are being filled, and no positions are currently vacant.

Remuneration Committee (REMCO) met five times to provide oversight on Human Resources(HR) matters, including executing its advisory role on HR policies and key non-operational HR strategic and complex issues.



REMCO MEMBERS: Lance Dirksen (Chairperson), Qondile Zimu, Rajesh Jock

# 2. HUMAN RESOURCES OVERSIGHT STATISTICS

## 2.1 Personnel cost by programme

| Programme      | Total expenditure R'000 | Personnel expenditure R'000 | Personnel expenditure as a % of total expenditure | Number of employees | Average personnel cost per employee R'000 |
|----------------|-------------------------|-----------------------------|---------------------------------------------------|---------------------|-------------------------------------------|
| Administration | 21 078                  | 12 979                      | 62%                                               | 14                  | 927                                       |

Note: The difference between the personnel expenditure and the amount disclosed in the Statement of Financial Performance is the R56 802 stipend paid to interns.

## 2.2 Personnel cost by salary band

| Level                  | Personnel expenditure R'000 | % of personnel cost to total personnel cost | Number of employees | Average personnel cost per employee R'000 |
|------------------------|-----------------------------|---------------------------------------------|---------------------|-------------------------------------------|
| Top Management *       | 985                         | 8%                                          | 1                   | 985                                       |
| Senior Management      | 3 261                       | 25%                                         | 2                   | 1 630                                     |
| Professional qualified | 7 160                       | 55%                                         | 8                   | 895                                       |
| Skilled                | 1 573                       | 12%                                         | 3                   | 524                                       |
| Total                  | 12 979                      | 100%                                        | 14                  | 927                                       |

## 2.3 Performance rewards

| Programme              | Performance rewards<br>R'000 | Personnel expenditure<br>R'000 | % of performance<br>rewards to total<br>personnel cost |
|------------------------|------------------------------|--------------------------------|--------------------------------------------------------|
| Top Management         | 114                          | 985                            | 12%                                                    |
| Senior Management      | 170                          | 3 261                          | 5%                                                     |
| Professional qualified | 387                          | 7 160                          | 5%                                                     |
| Skilled                | 84                           | 1 573                          | 5%                                                     |
| Total                  | 755                          | 12 979                         | 6%                                                     |

## 2.4 Training costs

| Programme      | Personnel<br>expenditure<br>R'000 | Training<br>expenditure<br>R'000 | Training<br>expenditure as a<br>% of personnel<br>cost | Number of<br>employees<br>trained | Average<br>training cost per<br>employee<br>R'000 |
|----------------|-----------------------------------|----------------------------------|--------------------------------------------------------|-----------------------------------|---------------------------------------------------|
| Administration | 12 979                            | 0                                | 0%                                                     | 0                                 | 0                                                 |

## 2.5 Employment and vacancies

| Level                  | Number of<br>employees<br>2019/20 | Approved and<br>funded posts<br>2020/21 | Number of<br>employees<br>2020/21 | Approved<br>and funded<br>vacancies<br>2020/21 | Percentage<br>of funded<br>vacancies |
|------------------------|-----------------------------------|-----------------------------------------|-----------------------------------|------------------------------------------------|--------------------------------------|
| Top Management         | 1                                 | 1                                       | 1                                 | -                                              | -                                    |
| Senior Management      | 2                                 | 2                                       | 2                                 | -                                              | -                                    |
| Professional qualified | 7                                 | 8                                       | 8                                 | 1                                              | 12,5%                                |
| Skilled                | 3                                 | 3                                       | 3                                 | -                                              | -                                    |
| Total                  | 13                                | 14                                      | 14                                | 1                                              | 7%                                   |

## 2.6 Employment changes

| Level                  | Employment at the<br>beginning of the<br>period | Appointments | Terminations | Employment at the<br>end of the period |
|------------------------|-------------------------------------------------|--------------|--------------|----------------------------------------|
| Top Management         | 1                                               | -            | -            | 1                                      |
| Senior Management      | 2                                               | -            | -            | 2                                      |
| Professional qualified | 8                                               | 2            | -            | 7                                      |
| Skilled                | 2                                               | 1            | -            | 3                                      |
| Total                  | 12                                              | 3            | 1            | 14                                     |

## 2.7 Labour relations: Misconduct and disciplinary action

| Nature of disciplinary action | Number | Percentage of total number of staff disciplined |
|-------------------------------|--------|-------------------------------------------------|
| Verbal warning                | 0      | 0                                               |
| Written warning               | 1      | 7%                                              |
| Final written warning         | 0      | 0                                               |
| Suspension                    | 2      | 14%                                             |
| Disciplinary proceedings      | 3      | 7%                                              |

## 2.8 Equity targets and employment equity status

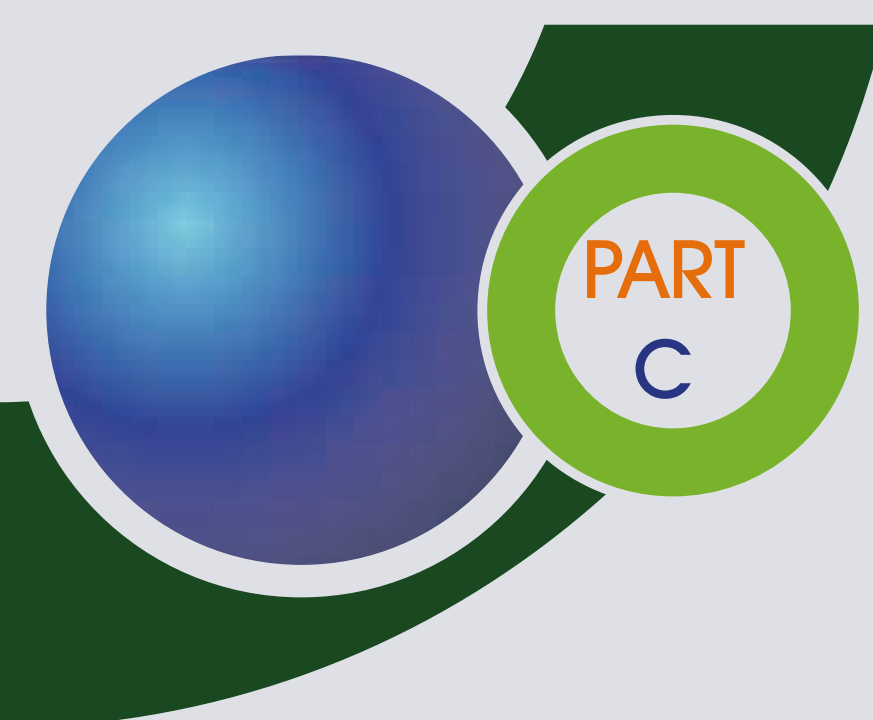
| Level                  | Male    |        |          |        |         |        |         |        |
|------------------------|---------|--------|----------|--------|---------|--------|---------|--------|
|                        | African |        | Coloured |        | Indian  |        | White   |        |
|                        | Current | Target | Current  | Target | Current | Target | Current | Target |
| Top Management         | -       | -      | -        | -      | -       | -      | -       | -      |
| Senior Management      | 1       | -      | -        | 1      | -       | -      | -       | -      |
| Professional qualified | 7       | -      | -        | -      | -       | -      | -       | -      |
| Skilled                | 1       | -      | -        | -      | -       | -      | -       | -      |
| Total                  | 9       | -      | -        | 1      | -       | -      | -       | -      |

| Level                  | Female  |        |          |        |         |        |         |        |
|------------------------|---------|--------|----------|--------|---------|--------|---------|--------|
|                        | African |        | Coloured |        | Indian  |        | White   |        |
|                        | Current | Target | Current  | Target | Current | Target | Current | Target |
| Top Management         | 1       | -      | -        | -      | -       | -      | -       | -      |
| Senior Management      | 1       | -      | -        | -      | -       | -      | -       | -      |
| Professional qualified | 1       | -      | -        | -      | -       | -      | -       | -      |
| Skilled                | 1       | -      | -        | -      | -       | -      | 1       | -      |
| Semi-skilled           | -       | -      | -        | -      | -       | -      | -       | -      |
| Unskilled              | -       | -      | -        | -      | -       | -      | -       | -      |
| Total                  | 4       | -      | -        | -      | -       | -      | 1       | -      |

Currently the Tribunal does not have any disabled staff.



# FINANCIAL INFORMATION



## PART C

### ANNUAL FINANCIAL STATEMENTS

The reports and statements set out below comprise the Annual Financial Statements (AFS).

|                                                                   |           |
|-------------------------------------------------------------------|-----------|
| <b>Accounting Authority's responsibilities and approval .....</b> | <b>58</b> |
| <b>Statement of financial position .....</b>                      | <b>59</b> |
| <b>Statement of financial performance .....</b>                   | <b>60</b> |
| <b>Statement of changes in net assets .....</b>                   | <b>61</b> |
| <b>Cash flow statement.....</b>                                   | <b>62</b> |
| <b>Statement of comparison of budget and actual amounts .....</b> | <b>63</b> |
| <b>Accounting policies .....</b>                                  | <b>64</b> |
| <b>Notes to the Annual Financial Statements .....</b>             | <b>74</b> |

# 1. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ANNUAL REPORT (AR) AND ANNUAL FINANCIAL STATEMENTS (AFS)

The Chairperson, in his capacity as the Accounting Authority (AA), is responsible for the preparation, integrity and fair presentation of the financial statements of the Tribunal. The financial statements presented on pages 59 to 91 have been prepared in accordance with South African Standards 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 Public Finance Management Act (PFMA) to the extent indicated in the accounting policies. The financial statements include amounts based on judgements and estimates.

The Chairperson, in consultation with staff members, prepared the other information included in the AR and is responsible for its accuracy and consistency with the financial statements.

The financial statements will be audited by an independent auditor, Abacwaningi Business Solutions. The auditor will be given unrestricted

access to all financial records and related data, including minutes of relevant meetings. The Chairperson believes all representations to be made to the auditor during the audit will be valid and appropriate.

In my opinion, the AR fairly reflects the operations, performance information, human resources information and financial affairs of the Companies Tribunal (CT) for the financial year ended 31 March 2020.

Abacwaningi Business Solutions audit report is presented on page 55.



Dr Mohammed Alli Chicktay  
Chairperson: Companies Tribunal (CT)  
31 July 2021

## 2. INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTING OFFICER AND THE CHAIRPERSON OF THE COMPANIES TRIBUNAL

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Companies Tribunal set out on pages 59 to 91 of the Annual Report which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement 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 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of 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 the audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. I have fulfilled other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South

Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants.

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 Standards of GRAP and the requirements of the PFMA, and for such internal controls 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 the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

#### Auditor'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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this 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 2021:

| Programmes                 | Pages in the annual performance report |
|----------------------------|----------------------------------------|
| Programme 1 - Adjudication | 19 – 20                                |

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 are 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 raise any material findings on the usefulness and reliability of the reported performance information for the programme: adjudication.

### Other matter

15. I draw attention to the matter below.

### Achievement of planned targets

16. Refer to the annual performance report on pages 19 to 20 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets.

## Report on the 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. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### Other information

19. The 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.

20. My opinion on the financial statements 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 or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

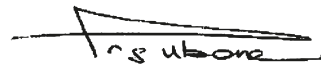
### Internal control deficiencies

22. I considered internal controls 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 on it. I did not identify any significant deficiencies in internal control.

### Report on other legal and regulatory requirements

23. In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, I report that ABS Chartered Accountants has been the auditor of Companies Tribunal for 2 years.



#### **Zazi Timothy Ngubane (CA) SA**

Director: ABS Chartered Accountants

Registered Auditor

26 July 2021 Durban

### 3. ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The PFMA requires the AA to maintain adequate accounting records and is responsible for the content and integrity of the AFS and related financial information included in this AR. It is the AA responsibility to ensure that the AFS fairly present the state of affairs of the entity 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 AFS. They are given unrestricted access to all financial records and related data.

The AFS have been prepared in accordance with GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

The AFS are based on appropriate accounting policies that are consistently applied, and supported by reasonable and prudent judgements and estimates.

The AA 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 AA to meet these responsibilities, standards are set for internal control aimed at cost effectively reducing the risk of error or deficit. These 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 (the Tribunal), and all employees are required to maintain the highest ethics and 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

the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within pre-determined procedures and constraints.

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

The AA has reviewed the Tribunal's cash flow forecast for the year to 31 March 2022, and in the light of this review and the current financial position, is not satisfied that the Tribunal had access to adequate resources to continue operating for the foreseeable future unless the baseline is increased.

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

Although the AA is responsible for the financial affairs of the Tribunal, the CFO, Tribunal employees, Internal Auditors, REMCO and ARC support him.

The External Auditors are responsible for independently reviewing and reporting on the Tribunal's AFS and have examined the AFS. Their report is presented on page 55 to 57.

The AFS as set out on pages 59 to 91, have been prepared on the going-concern basis, and were approved by the AA and signed on its behalf by Dr Alli Chicktay.



Dr Mohammed Alli Chicktay  
Chairperson: Companies Tribunal (CT)  
31 July 2021

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

|                                         | Note(s) | 2021<br>R        | 2020<br>R        |
|-----------------------------------------|---------|------------------|------------------|
| <b>Assets</b>                           |         |                  |                  |
| <b>Current assets</b>                   |         |                  |                  |
| Cash and cash equivalents               | 3       | 5 923 938        | 4 202 469        |
| Receivables from exchange transactions  | 4       | 185 016          | 262 044          |
| Inventories                             | 5       | 63 393           | 41 119           |
|                                         |         | <b>6 172 347</b> | <b>4 505 632</b> |
| <b>Non-current assets</b>               |         |                  |                  |
| Property, plant and equipment           | 6       | 465 590          | 548 870          |
| Intangible assets                       | 7       | 1 759 635        | 1 770 430        |
|                                         |         | <b>2 225 225</b> | <b>2 319 300</b> |
| <b>Total assets</b>                     |         | <b>8 397 572</b> | <b>6 824 932</b> |
| <b>Liabilities</b>                      |         |                  |                  |
| <b>Current liabilities</b>              |         |                  |                  |
| Payables from exchange transactions     | 8       | 342 355          | 160 954          |
| Short term employee benefits            | 9       | 1 063 730        | 1 214 619        |
| Provisions                              | 10      | 757 972          | 1 440 239        |
| Tribunal Members' fees accrual          | 11      | 458 750          | 130 999          |
|                                         |         | <b>2 622 806</b> | <b>2 946 811</b> |
| <b>Total liabilities</b>                |         | <b>2 622 806</b> | <b>2 946 811</b> |
| <b>Net assets</b>                       |         | <b>5 774 766</b> | <b>3 878 121</b> |
| <b>Accumulated surplus</b>              |         | <b>5 774 766</b> | <b>3 878 121</b> |
| <b>Total net assets and liabilities</b> |         | <b>8 397 572</b> | <b>6 824 932</b> |

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2021

|                                                     | Note(s) | 2021<br>R           | 2020<br>R           |
|-----------------------------------------------------|---------|---------------------|---------------------|
| <b>Revenue</b>                                      |         |                     |                     |
| <b>Revenue from exchange transactions</b>           |         |                     |                     |
| Other income – exchange transactions                | 12      | -                   | 1 334               |
| Interest received                                   | 13      | 368 743             | 742 140             |
| <b>Total revenue from exchange transactions</b>     |         | <b>368 743</b>      | <b>743 474</b>      |
| <b>Revenue from non-exchange transactions</b>       |         |                     |                     |
| Government grants                                   | 14      | 20 752 000          | 17 352 000          |
| Revenue in-kind                                     | 15      | 1 853 886           | 1 685 351           |
| <b>Total revenue from non-exchange transactions</b> |         | <b>22 605 886</b>   | <b>19 037 351</b>   |
| <b>Total revenue</b>                                |         | <b>22 974 629</b>   | <b>19 780 825</b>   |
| <b>Expenditure</b>                                  |         |                     |                     |
| Employee-related costs                              | 16      | (12 979 236)        | (16 754 718)        |
| Operating expenses                                  | 17      | (3 329 229)         | (3 803 218)         |
| Administrative expenses                             | 18      | (1 266 130)         | (2 079 282)         |
| External audit fees                                 | 19      | (474 846)           | (620 441)           |
| Depreciation and amortisation                       | 20      | (192 965)           | (266 763)           |
| Tribunal members fees                               | 22      | (2 835 578)         | (2 891 639)         |
| <b>Total expenditure</b>                            |         | <b>(21 077 984)</b> | <b>(26 416 061)</b> |
| <b>Deficit for the year</b>                         |         | <b>1 896 645</b>    | <b>(6 635 236)</b>  |

## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2021

|                                 | Accumulated<br>surplus | Total<br>net assets |
|---------------------------------|------------------------|---------------------|
|                                 | R                      | R                   |
| <b>Balance at 01 April 2019</b> | <b>10 513 357</b>      | <b>10 513 357</b>   |
| Deficit for the period          | (6 635 236)            | (6 635 236)         |
| <b>Balance at 01 April 2020</b> | <b>3 878 121</b>       | <b>3 878 121</b>    |
| Surplus for the year            | 1 896 645              | 1 896 645           |
| <b>Balance at 31 March 2021</b> | <b>5 774 766</b>       | <b>5 774 766</b>    |

## CASH FLOW STATEMENT

as at 31 March 2021

|                                                             | Note(s) | 2021<br>R         | 2020<br>R          |
|-------------------------------------------------------------|---------|-------------------|--------------------|
| <b>Cash flows from operating activities</b>                 |         |                   |                    |
| <b>Receipts</b>                                             |         |                   |                    |
| Government grants                                           |         | 20 752 000        | 17 352 000         |
| Interest received                                           |         | 377 691           | 742 794            |
| Other receipts                                              |         | -                 | 1 334              |
|                                                             |         | <b>21 129 691</b> | <b>18 096 128</b>  |
| <b>Payments</b>                                             |         |                   |                    |
| Employee costs                                              |         | (13 812 392)      | (15 319 382)       |
| Suppliers                                                   |         | (2 989 113)       | (4 726 806)        |
| Members' fees                                               |         | (2 507 827)       | (3 149 643)        |
|                                                             |         | (19 309 332)      | (23 195 831)       |
| <b>Net cash flows from operating activities</b>             | 21      | <b>1 820 359</b>  | <b>(5 099 703)</b> |
| <b>Cash flows from investing activities</b>                 |         |                   |                    |
| Purchase of property, plant and equipment                   | 6       | (98 890)          | (25 199)           |
| Purchase of intangible assets                               | 7       | -                 | (558 854)          |
| <b>Net cash flows from investing activities</b>             |         | <b>(98 890)</b>   | <b>(584 053)</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b>1 721 469</b>  | <b>(5 683 756)</b> |
| Cash and cash equivalents at the beginning of the year      |         | 4 202 469         | 9 886 225          |
| <b>Cash and cash equivalents at the end of the year</b>     | 3       | <b>5 923 938</b>  | <b>4 202 469</b>   |

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2021

|                                                 | Approved budget   | Adjustments      | Final budget      | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|-------------------------------------------------|-------------------|------------------|-------------------|------------------------------------|--------------------------------------------|-----------|
| <b>Revenue from exchange transactions</b>       |                   |                  |                   |                                    |                                            |           |
| Interest received                               | 250,000           | 150,000          | 400,000           | 368,743                            | (31,257)                                   | 34.1      |
| <b>Total revenue from exchange transactions</b> | <b>250,000</b>    | <b>150,000</b>   | <b>400,000</b>    | <b>368,743</b>                     | <b>(31,257)</b>                            |           |
| <b>Revenue from non-exchange transactions</b>   |                   |                  |                   |                                    |                                            |           |
| <b>Transfer revenue</b>                         |                   |                  |                   |                                    |                                            |           |
| Government grants                               | 18,227,000        | 2,525,000        | 20,752,000        | 20,752,000                         | -                                          |           |
| Revenue in-kind                                 | 5,323,906         | (449,927)        | 4,873,979         | 1,853,886                          | (3,020,093)                                | 34.2      |
| Total revenue from non-exchange transactions    | 23,550,906        | 2,075,073        | 25,625,979        | 22,605,886                         | (3,020,093)                                |           |
| <b>Total revenue</b>                            | <b>23,800,906</b> | <b>2,225,073</b> | <b>26,025,979</b> | <b>22,974,629</b>                  | <b>(3,051,350)</b>                         |           |
| <b>Expenditure</b>                              |                   |                  |                   |                                    |                                            |           |
| Employee related costs                          | 14,695,925        | 588,777          | 15,284,702        | 12,979,236                         | 2,305,466                                  | 34.3      |
| Administrative expenses                         | 1,182,437         | 1,297,829        | 2,480,266         | 1,266,130                          | 1,214,136                                  | 34.4      |
| Depreciation and amortization                   | 277,000           | 16,439           | 293,439           | 192,965                            | 100,474                                    | 34.5      |
| Tribunal members' fees                          | 3,063,932         | 318,778          | 3,382,710         | 2,835,578                          | 547,132                                    | 34.6      |
| External audit fees                             | 474,846           | 145,595          | 620,441           | 474,846                            | 145,595                                    | 34.7      |
| Operating expenses                              | 4,106,766         | (142,345)        | 3,964,421         | 3,329,229                          | 635,192                                    | 34.8      |
| <b>Total expenditure</b>                        | <b>23,800,906</b> | <b>2,225,073</b> | <b>26,025,979</b> | <b>21,077,984</b>                  | <b>4,947,995</b>                           |           |
| <b>Operating deficit</b>                        | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>1,896,645</b>                   | <b>1,896,645</b>                           |           |
| <b>Deficit/surplus for the year</b>             | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>1,896,645</b>                   | <b>1,896,645</b>                           |           |

## ACCOUNTING POLICIES

### 1. Accounting Policies for the year ended 31 March 2021

#### 1.1 Presentation of financial statements

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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. They are presented in South African rand.

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 financial statements, is disclosed below.

These accounting policies are consistent with the previous period.

#### 1.2 Presentation currency

These Annual Financial Statements are presented in South African rand, which is the functional currency of the entity.

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

In preparing the Annual Financial Statements, Management is required to make estimates, judgements and assumptions affecting the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the Annual Financial Statements. Significant judgements 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, equipment and intangible assets. The estimates are based on the manner in which an asset's future economic benefits or service potential is expected to be consumed.

#### 1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- a) It is probable that future economic benefits or service potential associated with the item will flow to the entity, and
- b) The cost of the item can be measured reliably.

Property, plant and equipment initially measured at cost:

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 is carried at cost, less accumulated depreciation and any impairment losses.

## ACCOUNTING POLICIES

(CONTINUED)

The useful lives of items of Property, plant and equipment have been assessed below:

| Item                   | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Furniture and fittings | Straight line       | 5 years             |
| Motor vehicles         | Straight line       | 5 years             |
| Office equipment       | Straight line       | 5 years             |
| Computer equipment     | Straight line       | 3 – 5 years         |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 method used reflects the pattern in which the asset's future economic benefits, or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date. If there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The Tribunal assesses at each reporting date whether there is any indication the entity's expectations about the residual value, and the useful life of an asset has changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly.

The change is accounted for as a change in an accounting estimate.

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 of the asset.

The gain or loss arising from the derecognition of an item of Property, plant and equipment is included in 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 carried at cost less any accumulated amortisation and any impairment losses.

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

The amortization period and the amortization method for intangible assets is reviewed at each reporting date. Amortization is provided to write down the intangible assets, on a straight-line basis, to their residual values:

## ACCOUNTING POLICIES

(CONTINUED)

| Item                   | Average useful life |
|------------------------|---------------------|
| <b>Software</b>        |                     |
| Computer software      | 5 years             |
| Case Management System | Indefinite          |

Intangible assets are derecognised:

- a) On disposal, and
- b) When no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is included in surplus or deficit when, the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.6 Provisions and contingencies

Provisions are recognised when:

- a) The Companies Tribunal has a present obligation as a result of a past event,
- b) It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- c) A reliable estimate can be made of the obligation.

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

A contingent liability is disclosed when:

- a) A possible obligation arises from past events, or
- b) Whose existence will be confirmed only by the occurrence and non-occurrence of one, or more uncertain future events not wholly within the control of the Companies Tribunal.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the Notes to the Annual Financial Statements.

### 1.7 Commitments

Items are classified as commitments when the Tribunal has committed itself to future transactions that will normally result in the outflow of cash. Commitments are not recognised as liabilities or assets in the Statement of Financial Position, but are included in the disclosure notes.

### 1.8 Inventories

Inventories are initially measured at cost, except where inventories are acquired through a non-exchange transaction, then 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.

Inventories comprises of stationery that shall be consumed within a short-term period in the normal business of the entity and not held for sale.

## ACCOUNTING POLICIES

(CONTINUED)

### 1.9 Financial instruments

#### 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. It recognises financial assets using trade date accounting.

#### 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 directly attributable to the acquisition, or issue of the financial asset or financial liability.

#### Subsequent measurement of financial assets and financial liabilities

The Tribunal measures all financial assets and financial liabilities after initial recognition using these categories:

- Financial instruments at amortized cost, and
- Financial instruments at cost.

All financial assets measured at amortized cost, or cost, are subject to an impairment review.

#### Gains and losses

For financial assets and financial liabilities measured at amortized cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset, or financial liability is de-recognised or impaired, or through the amortization process.

#### Impairment and uncollectibility of financial assets

At the end of each reporting period, the Companies 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 amortized 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 directly or 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 directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortized 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.

#### Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and on hand and cash equivalents with an original maturity of three months or less. For the purpose of cash flow statement, cash and cash equivalent consist of cash and cash equivalent as defined above, net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortized cost.

## ACCOUNTING POLICIES

(CONTINUED)

### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortized 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.

### Financial liabilities

The Tribunal removes a financial liability (or 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.

### 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 amortization process.

### 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

An exchange transaction is one in which the Companies Tribunal receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

### Recognition

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

### Interest received

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

### Other income – exchange transactions

Other income is recognised on an accrual basis and may include monies recovered for fruitless and wasteful expenditure, sundry income, etc.

## ACCOUNTING POLICIES

(CONTINUED)

### 1.11 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Companies Tribunal either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

#### 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.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity 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. This 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.

#### Government grants

Government grants are recognised in the year to which they relate once reasonable assurance has been obtained that all conditions of the grants have been complied with (i.e. the submission of required reports to the dtic, the grant has been received and there is no liability to repay the amount in the event of non-performance).

Government grants are measured at their fair value as at the date of acquisition.

#### 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.

#### Services in-kind

Except for financial guarantee contracts, the Tribunal recognise services in-kind significant to its operations and/or service delivery objectives as assets, and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the Tribunal and the fair value of the assets can be measured reliably.

## ACCOUNTING POLICIES

(CONTINUED)

### 1.12 Leases

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

#### **Operating leases – lessee**

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

### 1.13 Employee benefits

#### **Short-term employee benefits**

Short-term employee benefits are those (other than termination benefits) due to be settled within 12 months after the end of the period in which the employees render the related service. 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.

#### **Post-employment benefits: Defined contribution plans**

Eleven employees of the Tribunal are members of a defined contribution pension plan in which the Tribunal pays fixed contributions into a separate fund. It 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 related period.

Contributions to the Pension Plan in respect of service in a particular year, are included in the employees' total cost of employment and are charged to the Statement of Financial Performance in the year to which they relate, as part of the cost of employment.

### 1.14 Irregular expenditure

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

- a) This Act,
- b) The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act, and
- c) 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, requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before 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.

## ACCOUNTING POLICIES

(CONTINUED)

Irregular expenditure incurred and identified during the current financial year and for which condonement is being awaited at 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.

### 1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure that 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, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.16 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 related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with its Governance in accordance with Legislation, 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 entity.

### 1.17 Budget information

The Companies Tribunal is typically subject to budgetary limits in the form of appropriations or budget authorisations (or 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 2020/04/01 to 2021/03/31.

The Financial Statements and the budget are 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.

## ACCOUNTING POLICIES

(CONTINUED)

### 1.18 Events after 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:

- a) Those providing evidence of conditions that existed at the reporting date (adjusting events after the reporting date), and
- b) Those indicative of conditions arising 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.

### 1.19 Comparative figures

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

### 1.20 Going concern assumption

These Financial Statements have been prepared based on the expectation the entity will continue to operate as a going concern, for at least the next 12 months. This basis presumes funds will be made 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 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted standards and interpretations effective for the current financial year and are relevant to its operations:

| Standard / Interpretation                                              | Effective date:<br>Years beginning on/or after |
|------------------------------------------------------------------------|------------------------------------------------|
| GRAP 34 on Separate Financial Statements                               | 1 April 2020                                   |
| GRAP 35 on Consolidated Financial Statements                           | 1 April 2020                                   |
| GRAP 36 on Investments in Associates and Joint Ventures                | 1 April 2020                                   |
| GRAP 37 on Joint Arrangements                                          | 1 April 2020                                   |
| GRAP 38 on Disclosure of Interests in other Entities                   | 1 April 2020                                   |
| GRAP 110 on Living and Non-living Resources                            | 1 April 2020                                   |
| IGRAP 20 on Adjustments to Revenue (and related amendments to IGRAP 1) | 1 April 2020                                   |

## ACCOUNTING POLICIES

(CONTINUED)

### 2. New standards and interpretations (continued)

#### 2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

| Standard / Interpretation       | Effective date:               |                                                |
|---------------------------------|-------------------------------|------------------------------------------------|
|                                 | Years beginning on / or after | Expected impact                                |
| GRAP 25: Employee Benefits      | 1 April 2021                  | Unlikely that there will be a material impact. |
| GRAP 104: Financial Instruments | 1 April 2021                  | Unlikely that there will be a material impact. |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

|                                                    | 2021<br>R        | 2020<br>R        |
|----------------------------------------------------|------------------|------------------|
| <b>3. Cash and cash equivalents</b>                |                  |                  |
| Cash on hand                                       | 833              | 1 600            |
| Bank balances                                      | 2 446 869        | 1 080 776        |
| Short-term deposits*                               | 3 474 069        | 3 120 093        |
| Petty Cash cleared but not yet collected from bank | 2 167            | -                |
|                                                    | <b>5 923 938</b> | <b>4 202 469</b> |

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

The Tribunal has a garage card held with Standard Bank. The Tribunal also holds a Diners Club card which is strictly used for travel and accommodation payments.

## 4. Receivables from exchange transactions

|                   |                |                |
|-------------------|----------------|----------------|
| Trade debtors     | -              | 25 210         |
| Prepayments       | 181 983        | 227 148        |
| Deposits          | 600            | 600            |
| Other receivables | 2 433          | 9 086          |
|                   | <b>185 016</b> | <b>262 044</b> |

### Trade and other receivables past due but not impaired

Trade and other receivables more than three months past due are not considered to be impaired.

At 31 March 2021, R2 433 (2020: R25 210) was past due but not impaired.

The ageing of amounts past due but not impaired is:

|                       |       |        |
|-----------------------|-------|--------|
| Three months past due | 2 433 | 25 210 |
|-----------------------|-------|--------|

### Trade and other receivables impaired

As of 31 March 2021, trade and other receivables of R25 210 (2020: R-) were written off.

The ageing of these receivables is:

|                 |   |   |
|-----------------|---|---|
| Over six months | - | - |
|-----------------|---|---|

## 5. Inventories

|                            |        |        |
|----------------------------|--------|--------|
| Stationery and consumables | 63 393 | 41 119 |
|----------------------------|--------|--------|

\*No inventory items were pledged as security during the current or prior financial years.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### 6. Property, plant and equipment

|                        | 2021             |                                                     |                | 2020             |                                                     |                |
|------------------------|------------------|-----------------------------------------------------|----------------|------------------|-----------------------------------------------------|----------------|
|                        | Cost             | Accumulated depreciation and accumulated impairment | Carrying value | Cost             | Accumulated depreciation and accumulated impairment | Carrying value |
| Furniture and fittings | 38 272           | (29 439)                                            | 8 833          | 38 272           | (25 657)                                            | 12 615         |
| Motor vehicles         | 265 466          | (198 436)                                           | 67 030         | 265 466          | (163 925)                                           | 101 541        |
| Office equipment       | 136 750          | (110 257)                                           | 26 493         | 136 750          | (100 197)                                           | 36 553         |
| Computer equipment     | 1 115 590        | (752 356)                                           | 363 234        | 1 016 700        | (618 539)                                           | 398 161        |
| <b>Total</b>           | <b>1 556 078</b> | <b>(1 090 488)</b>                                  | <b>465 590</b> | <b>1 457 188</b> | <b>(908 318)</b>                                    | <b>548 870</b> |

\*No Property, plant and equipment items were pledged as security during the current or prior financial years.

#### Reconciliation of Property, plant and equipment – 2021

|                        | Opening balance | Additions     | Impairment loss | Depreciation     | Total          |
|------------------------|-----------------|---------------|-----------------|------------------|----------------|
| Furniture and fittings | 12 615          | -             | -               | (3 781)          | 8 833          |
| Motor vehicles         | 101 541         | -             | -               | (34 511)         | 67 030         |
| Office equipment       | 36 553          | -             | -               | (10 060)         | 26 493         |
| Computer equipment     | 398 161         | 98 890        | -               | (133 818)        | 363 234        |
|                        | <b>548 870</b>  | <b>98 890</b> | <b>-</b>        | <b>(182 170)</b> | <b>465 590</b> |

#### Reconciliation of Property, plant and equipment – 2020

|                        | Opening balance | Additions     | Impairment loss | Depreciation     | Total          |
|------------------------|-----------------|---------------|-----------------|------------------|----------------|
| Furniture and fittings | 20 168          | -             | -               | (7 553)          | 12 615         |
| Motor vehicles         | 136 051         | -             | -               | (34 510)         | 101 541        |
| Office equipment       | 49 626          | 25 199        | (21 034)        | (17 238)         | 36 553         |
| Computer equipment     | 566 713         | -             | -               | (168 552)        | 398 161        |
|                        | <b>772 558</b>  | <b>25 199</b> | <b>(21 034)</b> | <b>(227 853)</b> | <b>548 870</b> |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### 7. Intangible assets

|                        | 2021             |                          |                  | 2020             |                          |                  |
|------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
|                        | Cost             | Accumulated amortisation | Carrying value   | Cost             | Accumulated amortisation | Carrying value   |
| Computer software      | 239 077          | (216 573)                | 22 504           | 239 077          | (205 778)                | 33 299           |
| Case Management System | 1 737 131        | -                        | 1 737 131        | 1 737 131        | -                        | 1 737 131        |
|                        | <b>1 976 208</b> | <b>(216 573)</b>         | <b>1 759 635</b> | <b>1 976 208</b> | <b>(205 778)</b>         | <b>1 770 430</b> |

\*No intangible assets items were pledged as security during the current or prior financial years.

#### Reconciliation of intangible assets – 2021

|                        | Opening balance  | Additions | Amortisation    | Total            |
|------------------------|------------------|-----------|-----------------|------------------|
| Computer software      | 33 299           | -         | (10 795)        | 22 504           |
| Case Management System | 1 737 131        | -         | -               | 1 737 131        |
|                        | <b>1 770 430</b> | <b>-</b>  | <b>(10 795)</b> | <b>1 759 635</b> |

#### Reconciliation of intangible assets – 2020

|                        | Opening balance  | Additions      | Amortisation    | Total            |
|------------------------|------------------|----------------|-----------------|------------------|
| Computer software      | 72 209           | -              | (38 910)        | 33 299           |
| Case Management System | 1 178 277        | 558 854        | -               | 1 737 131        |
|                        | <b>1 250 486</b> | <b>558 854</b> | <b>(38 910)</b> | <b>1 770 430</b> |

### 8. Payables from exchange transactions

|                        |                |                |
|------------------------|----------------|----------------|
| Trade payables         | 330 124        | 11 482         |
| Other accrued expenses | 12 231         | 149 472        |
|                        | <b>342 355</b> | <b>160 954</b> |

### 9. Short-term employee benefits

|                   |                  |                  |
|-------------------|------------------|------------------|
| 13th cheque       | 41 645           | 40 854           |
| Leave accrual     | 1 004 918        | 500 303          |
| Employee accruals | 17 167           | 673 462          |
|                   | <b>1 063 730</b> | <b>1 214 619</b> |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|  | 2021<br>R | 2020<br>R |
|--|-----------|-----------|
|--|-----------|-----------|

### 10. Provisions

#### Reconciliation of provisions for capped leave 2021

|                          |          |           |
|--------------------------|----------|-----------|
| Opening balance          | -        | 268 462   |
| Raised during the year   | -        | -         |
| Utilised during the year | -        | (268 462) |
| <b>Closing balance</b>   | <b>-</b> | <b>-</b>  |

A legal opinion was obtained regarding a liability for capped leave of a staff member who was transferred from CIPC. The capped leave was paid during the 2019/20 financial year.

#### Reconciliation of provisions for additional liability – GEPF 2021

|                          |           |                  |
|--------------------------|-----------|------------------|
| Opening balance          | 1 440 239 | -                |
| Raised during the year   | -         | 1 440 239        |
| Utilised during the year | (444 846) | -                |
| Reversed during the year | (995 393) | -                |
| <b>Closing balance</b>   | <b>-</b>  | <b>1 440 239</b> |

A provision was made during the 2019/20 financial year for additional liability to GEPF, as a result of a staff member who reached an agreement with Tribunal to take early retirement and another staff member whose contract expired. The provision was reversed/utilized during the current financial year, Refer to Note 30 and Note 31.

#### Reconciliation of provisions for Performance bonus

|                          |                |          |
|--------------------------|----------------|----------|
| Opening balance          | -              | -        |
| Raised during the year   | 757 972        | -        |
| Utilised during the year | -              | -        |
| <b>Closing balance</b>   | <b>757 972</b> | <b>-</b> |

A provision has been made for Performance bonus as at 31 March 2021

### 11. Tribunal members' fees accrual

|                  |                |                |
|------------------|----------------|----------------|
| Members' accrual | 458 750        | 130 999        |
|                  | <b>458 750</b> | <b>130 999</b> |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|                                                     | 2021<br>R         | 2020<br>R         |
|-----------------------------------------------------|-------------------|-------------------|
| <b>12. Other income – exchange transactions</b>     |                   |                   |
| Fruitless and wasteful expenditure recoverable      | -                 | 1 334             |
|                                                     | <b>-</b>          | <b>1 334</b>      |
| <b>13. Interest received</b>                        |                   |                   |
| Short-term deposit – Corporation for Public Deposit | 353 976           | 483 920           |
| Current Account – Standard Bank                     | 14 767            | 258 220           |
|                                                     | <b>368 743</b>    | <b>742 140</b>    |
| <b>14. Government grants</b>                        |                   |                   |
| Transfer from the dtic                              | 20 752 000        | 17 352 000        |
|                                                     | <b>20 752 000</b> | <b>17 352 000</b> |
| <b>15. Revenue in-kind</b>                          |                   |                   |
| Revenue in-kind                                     | 1 853 886         | 1 685 351         |
|                                                     | <b>1 853 886</b>  | <b>1 685 351</b>  |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|                                           | 2021<br>R         | 2020<br>R         |
|-------------------------------------------|-------------------|-------------------|
| <b>16. Employee related costs</b>         |                   |                   |
| Basic earnings                            | 11 847 465        | 10 772 579        |
| Performance bonus                         | 757 972           | 673 462           |
| Medical aid contributions                 | -                 | 46 158            |
| Unemployment Insurance Fund               | 25 172            | 24 319            |
| Workers' Compensation Assistance          | 1 775             | 12 521            |
| Skills Development Levy                   | 8 348             | 116 930           |
| Leave accrual expense                     | 540 412           | 293 297           |
| Other allowances                          | 39 000            | 43 900            |
| Defined contribution pension plan expense | (313 997)         | 4 562 624         |
| Long-service awards                       | 2 000             | 23 897            |
| 13th cheques                              | 71 089            | 128 229           |
| Interns stipend                           | -                 | 56 802            |
|                                           | <b>12 979 236</b> | <b>16 754 718</b> |

Note: During the current financial year, Acting allowances of R129 450 (2020: R80 958) was paid to staff members. The Workers Compensation Assistance decreased in line with the decrease in employee costs. Medical aid and SDL were discontinued in the current year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|                                  | 2021<br>R        | 2020<br>R        |
|----------------------------------|------------------|------------------|
| <b>17. Operating expenses</b>    |                  |                  |
| Computer expenses                | 497 162          | 427 892          |
| Consulting and professional fees | 544 154          | 738 702          |
| Courier, postage and stamps      | 2 044            | 4 110            |
| Employee wellness programme      | 51 787           | 61 957           |
| Insurance                        | 114 714          | 187 926          |
| Lease payments – photocopier     | 100 664          | 88 822           |
| Lease payments – premises        | 1 853 886        | 1 685 351        |
| Motor vehicle expenses           | 2 354            | 13 056           |
| Offsite storage                  | 6 805            | 15 646           |
| Impairment loss                  | -                | 21 034           |
| Parking fees                     | 4 562            | 3 917            |
| Recruitment fees                 | 7 409            | 142 514          |
| Repairs and maintenance          | 225              | 3 740            |
| Telephone expenses               | 20 867           | 27 519           |
| Training expenses                | 18 400           | 73 753           |
| Transcripts and recordings       | 61 815           | 68 732           |
| Travel and subsistence           | 42 381           | 238 547          |
|                                  | <b>3 329 229</b> | <b>3 803 218</b> |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|                                    | 2021<br>R        | 2020<br>R        |
|------------------------------------|------------------|------------------|
| <b>18. Administrative expenses</b> |                  |                  |
| Audit and Risk Committee fees      | 129 208          | 110 072          |
| Advertising and marketing          | 111 529          | 526 509          |
| Internal Audit fees                | 363 607          | 344 928          |
| Bank charges                       | 22 842           | 19 927           |
| Debts Written off                  | 25 210           | -                |
| Membership fees                    | 6 016            | 11 887           |
| Legal fees                         | 131 742          | 13 800           |
| Catering                           | 27 113           | 32 857           |
| Fines and penalties                | 95 729           | 2 266            |
| Gifts and flowers                  | -                | 387              |
| Office consumables                 | 9 164            | 10 046           |
| Publications, printing and books   | 204 271          | 293 043          |
| Stationery                         | 18 864           | 32 603           |
| System support and maintenance     | -                | 576 366          |
| Remuneration Committee fees        | 70 147           | 59 556           |
| Bursaries – employees              | 43 490           | 24 000           |
| Venues and facilities              | 7 198            | 21 035           |
|                                    | <b>1 266 130</b> | <b>2 079 282</b> |

## 19. External audit fees

|                     |                |                |
|---------------------|----------------|----------------|
| External audit fees | 474 846        | 620 441        |
|                     | <b>474 846</b> | <b>620 441</b> |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|                                          | 2021<br>R      | 2020<br>R      |
|------------------------------------------|----------------|----------------|
| <b>20. Depreciation and amortization</b> |                |                |
| Computer equipment                       | 133 818        | 168 552        |
| Furniture and fittings                   | 3 782          | 7 553          |
| Motor vehicles                           | 34 510         | 34 510         |
| Office equipment                         | 10 060         | 17 238         |
| Software                                 | 10 795         | 38 910         |
|                                          | <b>192 965</b> | <b>266 763</b> |

## 21. Cash generated from (used in) operations

|                                           |                  |                    |
|-------------------------------------------|------------------|--------------------|
| Deficit                                   |                  |                    |
| <b>Adjustments for:</b>                   |                  |                    |
| Depreciation and amortisation             | 1 896 645        | (6 635 236)        |
| Debt impairment                           | 25 210           | -                  |
| Impairment of assets                      | -                | 21 034             |
| Movements in short-term employee benefits | (150 890)        | 263 254            |
| Movements in provisions                   | (682 267)        | 1 171 777          |
| Revenue in-kind                           | (1 853 886)      | (1 686 685)        |
| Operating lease Expense in-kind           | 1 853 886        | 1 686 685          |
| <b>Changes in working capital:</b>        |                  |                    |
| Inventories                               | (22 274)         | (26 087)           |
| Receivables from exchange transactions    | 51 817           | 10 809             |
| Debtors Impairment                        | -                | -                  |
| Payables from exchange transactions       | 181 402          | 85 988             |
| Members' accrual                          | 327 750          | (258 004)          |
|                                           | <b>1 820 359</b> | <b>(5 099 703)</b> |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### 22. Tribunal members' fees

2021

|                           | Member's fees    | Allowances*    | Reimbursive expense | Total            |
|---------------------------|------------------|----------------|---------------------|------------------|
| Chicktay MA (Chairperson) | 581 000          | 18 000         | 693                 | 599 693          |
| Bodasing K                | 270 000          | 18 000         | 663                 | 288 663          |
| Delpont PA                | 265 000          | 18 000         | -                   | 283 000          |
| Glass LA                  | 305 000          | 18 000         | -                   | 323 000          |
| Manamela KLM              | 325 000          | 18 000         | -                   | 343 000          |
| Moodaliyar K              | (15 000)         | -              | -                   | (15 000)         |
| Sikhitha L                | 265 000          | 18 000         | 1 222               | 284 222          |
| Toofla KY                 | 290 000          | 18 000         | -                   | 308 000          |
| Zulu B                    | 275 000          | 18 000         | -                   | 293 000          |
| Ramagaga MJ               | 110 000          | 18 000         | -                   | 128 000          |
|                           | <b>2 671 000</b> | <b>162 000</b> | <b>2 578</b>        | <b>2 835 578</b> |

\*Tribunal members received computer and cellphone allowances

2020

|                           | Member's fees    | Allowances*    | Re-imbursive expenses | Total            |
|---------------------------|------------------|----------------|-----------------------|------------------|
| Chicktay MA (Chairperson) | 385 000          | 18 000         | 10 700                | 413 700          |
| Bodasing K                | 270 000          | 18 000         | 3 108                 | 291 108          |
| Delpont PA                | 195 000          | 18 000         | -                     | 213 000          |
| Glass LA                  | 300 000          | 18 000         | 11 195                | 329 195          |
| Haskins L**               | 40 000           | 9 000          | 319                   | 49 319           |
| Malokane M**              | 80 000           | 9 000          | -                     | 89 000           |
| Manamela KLM              | 270 000          | 18 000         | 913                   | 288 913          |
| Moodaliyar K**            | 135 000          | 9 000          | 718                   | 144 718          |
| Sikhitha L                | 255 000          | 18 000         | 3 985                 | 276 985          |
| Toofla KY                 | 280 000          | 18 000         | 5 737                 | 303 737          |
| Veldhuizen PJ**           | 145 000          | 9 000          | 1 094                 | 155 094          |
| Zulu B                    | 270 000          | 18 000         | 870                   | 288 870          |
| Ramagaga MJ               | 30 000           | 18 000         | -                     | 48 000           |
|                           | <b>2 655 000</b> | <b>198 000</b> | <b>38 639</b>         | <b>2 891 639</b> |

\*Tribunal members received computer and cellphone allowances

\*\*The term for these members ended 30 September 2019

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### 23. Related parties

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Controlling entity</b>             | Department of Trade, Industry and Competition                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Accounting Authority</b>           | Dr Alli Chicktay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Members of key management</b>      | Ms Maletlatsa Monica Ledingwane<br>Ms Irene Mathatho                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Entities under common control*</b> | Companies and Intellectual Property Commission<br>Export Credit Insurance Corporation<br>National Consumer Commission<br>National Consumer Tribunal<br>National Credit Regulator<br>National Empowerment Fund<br>National Gambling Board<br>National Lotteries Commission<br>National Lotteries Trust Fund<br>National Metrology Institute of South Africa<br>National Regulator for Compulsory Specifications<br>South African Bureau of Standards<br>South African National Accreditation Systems |

| Nature                 | Reason                                   | Financial Effect 2021 | Financial Effect 2020 | Balance 2021   | Balance 2020   |
|------------------------|------------------------------------------|-----------------------|-----------------------|----------------|----------------|
| Grant received         | Government grant received from the dtic  | 20 752 000            | 17 352 000            | -              | -              |
| Services in-Kind       | Office space at the dtic at no Cost      | 1 853 886             | 1 685 351             | -              | -              |
| Lease premises in-Kind | Office space at the dtic at no Cost      | (1 853 886)           | (1 685 351)           | -              | -              |
| Telephone Expenses     | Telephone charges are billed by the dtic | (20 867)              | (27 519)              | (2 709)        | (1 914)        |
|                        |                                          | <b>20 731 133</b>     | <b>17 379 519</b>     | <b>(2 709)</b> | <b>(1 914)</b> |

\* The entities are under common control of the Department of Trade, Industry and Competition, of which the CT forms part.

\*\* CT is currently occupying office space at the dtic campus at no cost. If the transaction was at an arm's length, the Tribunal would have paid rent amounting to R154 491 per month.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### 24. Executive Management emoluments

2021

|                     | Basic salary     | Other benefits* | Allowances    | Re-imbursive expenses | Performance bonus | Total            |
|---------------------|------------------|-----------------|---------------|-----------------------|-------------------|------------------|
| MM Ledingwane (COO) | 1 670 729        | 89 736          | 10 200        | 373                   | -                 | 1 771 038        |
| I Mathatho (CFO)    | 1 510 074        | 81 058          | 10 200        | -                     | -                 | 1 601 332        |
|                     | <b>3 180 803</b> | <b>170 794</b>  | <b>20 400</b> | <b>373</b>            | <b>-</b>          | <b>3 372 370</b> |

2020

|                     | Basic salary     | Other benefits* | Allowances    | Re-imbursive expenses | Performance bonus | Total            |
|---------------------|------------------|-----------------|---------------|-----------------------|-------------------|------------------|
| MM Ledingwane (COO) | 1 463 413        | 80 189          | 12 100        | 9 925                 | 91 690            | 1 657 317        |
| I Mathatho (CFO)    | 1 442 623        | 161 419         | 13 200        | 3 060                 | 90 352            | 1 710 654        |
|                     | <b>2 906 036</b> | <b>241 608</b>  | <b>25 300</b> | <b>12 985</b>         | <b>182 042</b>    | <b>3 367 971</b> |

\*Other benefits include, inter alia, contributions to pension fund, medical aid, car allowances, leave paid out and acting allowances where applicable.

### 25. Commitments

|  | 2021 | 2020 |
|--|------|------|
|  | R    | R    |

Authorised operational expenditure already contracted for but not provided for:

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Operating expenditure | 3 548 529        | 3 599 965        |
| Capital expenditure   | 28 752           | 28 752           |
|                       | <b>3 577 281</b> | <b>3 628 717</b> |

### 26. Fruitless and wasteful expenditure

|                                                              |               |              |
|--------------------------------------------------------------|---------------|--------------|
| Opening balance                                              | 2 266         | -            |
| Add: Fruitless and wasteful expenditure for the current year | 95 729        | 3 600        |
| Less: Transferred to debtors                                 | -             | (1 334)      |
| <b>Closing balance</b>                                       | <b>97 995</b> | <b>2 266</b> |

2020/21

R34 715 included in fruitless and wasteful expenditure relates to interest and penalties charged to the Tribunal for late payment of a EMP201 declaration. The Tribunal has submitted a request for remission to the South African Revenue Service(SARS). The process to recover the finances internally has also began.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|  | 2021<br>R | 2020<br>R |
|--|-----------|-----------|
|--|-----------|-----------|

R61 014 included in fruitless and wasteful expenditure relates to penalties charged by SARS for prior years SDL short payments. The Tribunal has submitted a dispute with SARS.

### 2019/20

R437 included in fruitless and wasteful expenditure relates to additional charges that had to be paid for reprinting of business cards.

R897 included in fruitless and wasteful expenditure relates to the penalty charged to the Tribunal for changing flight dates.

R2 266 included in fruitless and wasteful expenditure relates to penalty charged by SARS for late submission of returns.

## 27. Irregular Expenditure

No irregular expenditure was incurred during the current financial year.

## 28. Operating lease – Lessee

|                                  |               |                |
|----------------------------------|---------------|----------------|
| Payable in one year              | 73 348        | 97 798         |
| Payable within two to five years | -             | 73 348         |
|                                  | <b>73 348</b> | <b>171 146</b> |

The Companies Tribunal has an operating lease with Konica Minolta for a period of two years, the lease expires on 31 December 2021.

## 29. Change in estimate

### Property, plant and equipment

Changes in the estimated useful lives of some computer, furniture and fittings, and office equipment has resulted in a change in depreciation for the year.

The following categories are affected:

|                        | Value derived using the<br>original estimate | Value derived using<br>amended estimate | Value impact of change in<br>estimate |
|------------------------|----------------------------------------------|-----------------------------------------|---------------------------------------|
| Office equipment       | 22 872                                       | 26 493                                  | (3 621)                               |
| Furniture and fittings | 5 288                                        | 8 833                                   | (3 545)                               |
| Computer equipment     | 341 411                                      | 363 234                                 | (21 823)                              |
|                        | <b>369 571</b>                               | <b>398 560</b>                          | <b>(28 989)</b>                       |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### Intangible assets

Changes in the estimated useful lives of some items of software resulted in a change in amortisation for the year.

|                 | Value derived using the<br>original estimate | Value derived using<br>amended estimate | Value impact of change in<br>estimate |
|-----------------|----------------------------------------------|-----------------------------------------|---------------------------------------|
| <b>Software</b> | <b>1 742 115</b>                             | <b>1 759 635</b>                        | <b>(17 520)</b>                       |

### 30. Contingent liabilities

#### 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.

- CT013Apr2019,
- CT00148/ADJ/2019,
- CT0010May 2015,
- CT019Jun2017,
- CT010May2018,
- CT012Oct2018, and
- CT00142/ADJ/2019.

The outcome of the review is not yet known and should the court rule not in favour of the Companies Tribunal, it is estimated that this will cost around R500 000.

#### GEPF Additional liability

During the 2019/20 financial year, the Tribunal became aware of a possible additional liability to the amount of R995 393 to GEPF because of early retirement of the former Fulltime Tribunal Member (FTM). The said liability is additional to the R2 498 015,62 that the Tribunal already made a conditional payment of to GEPF. GEPF seeks to increase the liability by R995 393 due to the proposed adjustment of the employment commencement date of the said FTM. The FTM alleges an error and seeks to adjust the employment commencement date from 1<sup>st</sup> June 1997 (date originally given date) to 1<sup>st</sup> September, 1989 (the date claimed to be the correct one). The Tribunal disputes this liability as it opposed the original GEPF liability on the basis that it is not owing by the Tribunal. The expert opinions subsequently received, fortifies the view the Tribunal has always held.

#### Accumulated Surplus

As at 31 March 2021, The Tribunal has an accumulated surplus of R3.4 million. A contingent liability is therefore raised of R3.4 million if approval from National Treasury is not granted to retain the surplus after year end.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### 31. Contingent Asset

During March 2020, the Tribunal conditionally paid an amount of R2 498 015,62 to GEPF for a pension liability that related to the alleged "early retirement" of the former staff member. Subsequent to the payment, the Tribunal commissioned and received two expert opinions on the liability. Both opinions indicate that the Tribunal is not liable to pay the liability. Consequently, the Tribunal initiated disciplinary proceedings against the employee involved.

Concurrently with the disciplinary proceedings, the Tribunal further sent a letter demanding a repayment of the amount already paid to GEPF. The total of possible refund from GEPF including interest is R2 672 418. The matter is still ongoing.

### 32. Risk Management

#### Financial Risk Management

The Tribunal's activities expose it to a variety of financial risks including market risk (such as currency risk, fair value interest rate risk, cash flow interest rate risk and price 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. These policies were established to identify and analyse the risks faced by the organisation, set appropriate risk limits and controls, 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 Liquidity risk is a result of the funds available to cover future commitments. It manages liquidity risk through an ongoing review of future commitments and credit facilities. Risk is regarded as 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.

At 31 March 2021

|                          | Within 1 year<br>R | Between 2 and 5 years<br>R |
|--------------------------|--------------------|----------------------------|
| Trade and other payables | 342 355            | -                          |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|  | 2021<br>R | 2020<br>R |
|--|-----------|-----------|
|--|-----------|-----------|

### Credit risk

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

|                                        | 2021<br>R | 2020<br>R |
|----------------------------------------|-----------|-----------|
| Receivables from exchange transactions | 2 433     | 9 086     |
| Cash and cash equivalents              | 5 923 938 | 4 202 469 |

### Interest rate 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 returns on its investments with financial institutions. The Tribunal's exposure to interest rate risk is managed by investing, short-term, in a current account and in a Corporation for Public Deposits account.

The interest rate sensitivity analysis is calculated on liabilities representing 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 R59 239 (2020: R42 025) or a decrease of R59 239 (2020: R42 025), respectively.

## 33. Budget differences

### Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters.

For details on these changes please refer to the Statement of Comparison of budget and actual amounts.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

|                                                    | 2021<br>R                                                                                                                                                                                                           | 2020<br>R |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>34. Budget vs. actual expenditure variances</b> |                                                                                                                                                                                                                     |           |
| 34.1                                               | The interest received was slightly less than forecasted due to lower bank balance as accumulated surpluses decreased significantly.                                                                                 |           |
| 34.2                                               | Other income from non-exchange transactions relates to accumulated surplus that was to be used to fund current financial year expenditure.                                                                          |           |
| 34.3                                               | Employee related costs are lower than budgeted mainly due to reversal of provision for additional liability for pension fund..                                                                                      |           |
| 34.4                                               | Administrative expenses are lower than budgeted mainly due to a decrease in advertising expenses and no expenses were incurred for System Support and Maintenance as we utilised internal resources.                |           |
| 34.5                                               | The expenditure is in line with what was budgeted for.                                                                                                                                                              |           |
| 34.6                                               | Tribunal members fees are lower than expected mainly due to a lack of increase in the caseload.                                                                                                                     |           |
| 34.7                                               | The expenditure is in line with what was budgeted for.                                                                                                                                                              |           |
| 34.8                                               | Operating expenditure is lower mainly due to less travel and subsistence because of COVID-19. The other main contributor is the lower amount spent on recruitment fees due to less vacancies in the current period. |           |

## 35. Taxation

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

## 36. Financial Instruments

### Financial assets

#### At amortised cost

|                                        | 2021<br>R        | 2020<br>R        |
|----------------------------------------|------------------|------------------|
| Receivables from exchange transactions | 2 433            | 9 086            |
| Cash and cash equivalents              | 5 923 938        | 4 202 469        |
|                                        | <b>5 926 371</b> | <b>4 211 555</b> |

### Financial liabilities

#### At amortised cost

|                                     | 2021<br>R | 2020<br>R |
|-------------------------------------|-----------|-----------|
| Payables from exchange transactions | 342 355   | 160 954   |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021 (CONTINUED)

### 37. Going concern

We draw attention to the fact that at March 31, 2021, the Tribunal had an accumulated surplus of R 5 774 766 and that the Tribunal's total assets exceed its liabilities by R5 774 766.

The Annual Financial Statements have been prepared on the basis of Accounting Policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Tribunal to continue as a going concern is dependent on a number of factors. The most significant of these, is that the Tribunal is working together with the dtic and the National Treasury on a process to find a long-term sustainable funding model for the Tribunal.

Management have implemented stringent cost control measures in order to avoid overspending. There is however a material uncertainty on whether the Tribunal will be able to adjudicate and mediate all cases that require its attention. The basis presumes that funds will be made 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.



TRIBUNAL MEMBERS: Top row (left to right): Khatija Tootla, Adv Ishara Bodasing, Bongekile Zulu,  
Dr Mohamed Alli Chicktay (Chairperson), Khashane Manamela  
Bottom row (left to right): Matshego Ramagaga, Lindelani Sikhitha, Lucia Glass, Prof Piet Delpont

[illegible]





**Registered office address:**

**the dtic** Campus,  
Block E 3rd floor,  
77 Meintjies Street,  
Sunnyside,  
Pretoria,  
0002

**Postal address:**

Companies Tribunal,  
PO Box 27549,  
Sunnyside,  
Pretoria,  
0002

**Telephone number:**

012 394 1000

**E-mail address:**

[info@companiestribunal.org.za](mailto:info@companiestribunal.org.za)

**Website address:**

[www.companiestribunal.org.za](http://www.companiestribunal.org.za)