



# **Chartered Secretaries**

Southern Africa

The Southern African Institute of  
Chartered Secretaries and Administrators  
trading as

## Chartered Secretaries Southern Africa

ANNUAL REPORT FOR THE YEAR ENDED  
31 DECEMBER 2010



# THE SOUTHERN AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS

trading as Chartered Secretaries Southern Africa  
(Registration number: 1972/000007/08 – an association not for profit)



## ANNUAL REPORT– 31 DECEMBER 2010

Index	Page
Corporate Information	1
Company Profile	2
Chief Executive Officer's Report	4
Statement on Corporate Governance	8
Governance Committee Report	15
Directors' responsibility in relation to the Annual Financial Statements	15
Independent Auditor's Report	16
Report of the Directors	17
Statement of Comprehensive Income	18
Statement of Financial Position	19
Statement of Changes in Equity	20
Statement of Cash Flows	21
Notes to the Annual Financial Statements	22

## CORPORATE INFORMATION 31 DECEMBER 2010

**Registered office and business address:**

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

**Postal address:**

P O Box 3146, Houghton, 2041

**Telephone:** 011 551 4000

**Fax:** 011 551 4028

**E-mail:** [icsa@icsa.co.za](mailto:icsa@icsa.co.za)

**Website:** [www.icsa.co.za](http://www.icsa.co.za)

**Directors:**

JM Caddy, BM Dialwa, MG Edmunds, CL Farrel, RW Furney, AR Grant, YC Jefferies, L Kok, RD Lees,  
R Likhang, VM Murton, V Naidoo, JM Parratt, R Pillay, JV Roberts, VE Russell, MA Sello, JE Shepherd,  
S Smit, B Thebenyane, W Tichauer, RG Tiffin, RAB Tlhabanelo, CH Wessels, J Wolpert

**Chief Executive Officer:** S Sadie



## COMPANY PROFILE

Chartered Secretaries Southern Africa ("the Institute") is the formal professional body for corporate governance professionals and accounting officers and an expert commentator in Southern Africa on governance. It is further the professional qualifying body for Chartered Secretaries offering an international qualification recognised in more than 70 countries.

The Institute is a division of the global Institute of Chartered Secretaries and Administrators (ICSA) with more than 35 000 members and 27 000 students worldwide.

The career-long programme of study offered by the Institute comprises a number of standalone qualifications and continuing professional development, each of which renders graduates employable at any stage along the education continuum, and which, when accumulated, can lead to the premier qualification of Chartered Secretary.

### "BEYOND ACADEMIA"

Membership of the Institute evidences not merely academic qualifications but also practical experience, character, integrity and responsibility. Only on fulfilment of all these criteria will a governance professional or accounting officer, who has graduated from the CIS Board qualification to become a Chartered Secretary, be admitted as a Member of the Institute.

In 2002 the King II Report on Corporate Governance introduced the primary tenets of corporate governance in South Africa. In September 2009 King III was launched, encompassing changes which anticipate the new South African Companies Act and changes in international governance best practice.

Notable in new legislation is an even greater emphasis of the role of appropriately qualified governance professionals and accounting officers such as Chartered Secretaries.

## Executive Committee

### BERT KOK FCIS PRESIDENT

Bert was appointed as President of the Institute in 2010. He was Group Company Secretary of Netcare.



### NICKY EDMUNDS FCIS SENIOR VICE PRESIDENT

Nicky is the Company Secretary of E Oppenheimer & Son.



### CARINA WESSELS FCIS VICE PRESIDENT

Carina is the legal consultant (Company Secretarial) with Investec.

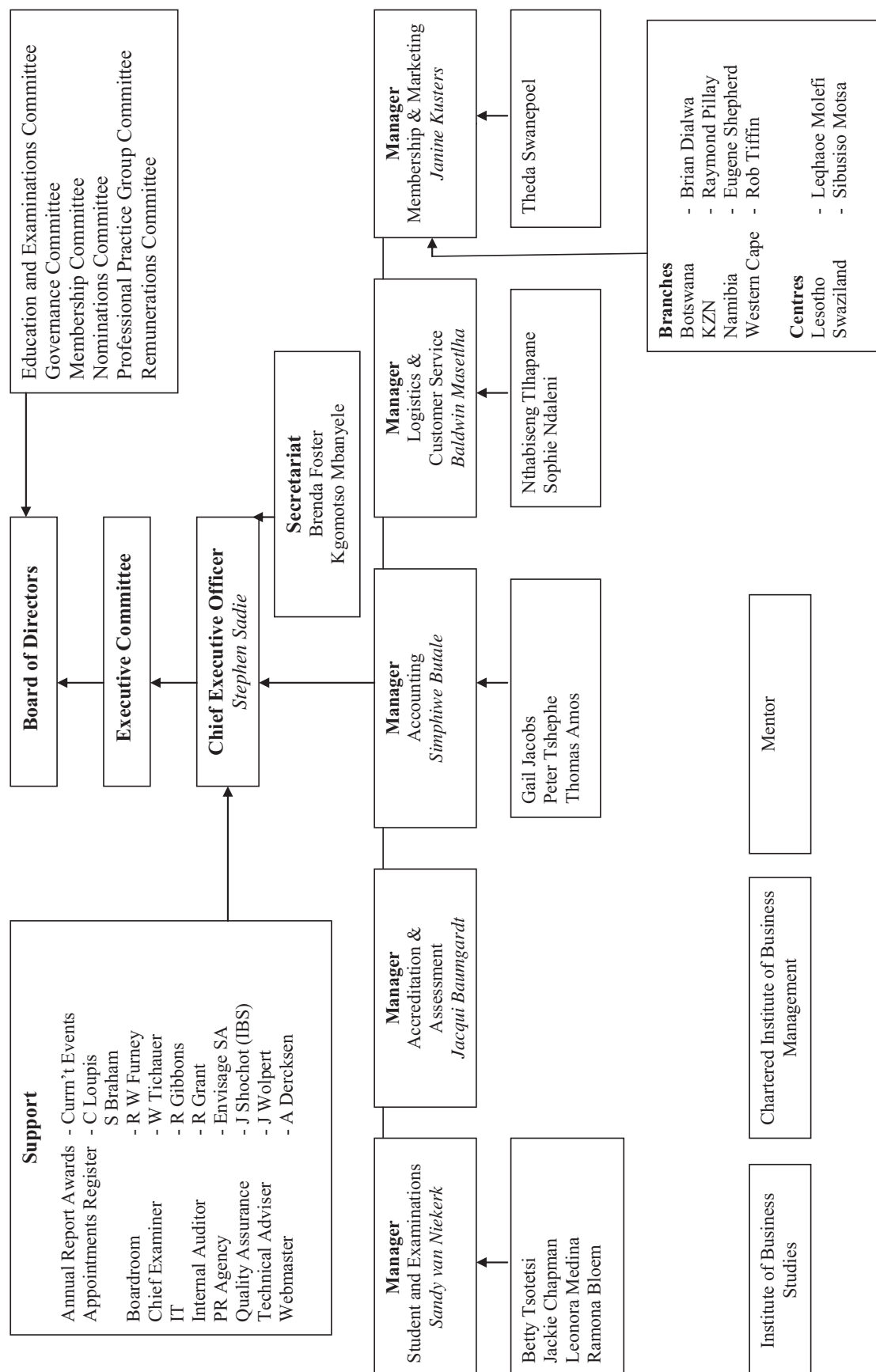


### JILL PARRATT FCIS PAST PRESIDENT

Jill is the Group Secretary of Liberty Holdings Limited.



## Chartered Secretaries Southern Africa – Organogram







# Chief Executive Officer's Report

## INTRODUCTION

2010 was a successful year for Chartered Secretaries Southern Africa ("the Institute"), with a focus on continuous improvement reflected in a variety of aspects. Significant inroads were achieved in further elevating the Institute's profile and entrenching the growing importance of the Chartered Secretarial profession in the wider business environment.

A re-branding exercise was successfully rolled out during the year, underpinned by a dynamic marketing strategy. The website was completely revitalised and re-launched, exposure in relevant media was greatly increased and our direct marketing programmes were improved. Further blowing the winds of change, the Institute moved to new premises in Johannesburg with the capacity to meet all internal needs.

For our members 2010 was a year of coming to grips with the changing corporate governance landscape, in which the King III Report on Corporate Governance and the new Companies Act took centre stage. King III became effective from financial years commencing on or after 1 March 2010. At the date of this report we await the legal promulgation of the new Companies Act together with its amendments and regulations. The Institute provided numerous opportunities for members to enhance their knowledge and understanding of the new legislation - successful CPDs and the second premier corporate governance conference, both offering the expertise of industry leaders, positioned the Institute as a guiding light in uncharted waters.

A domino benefit of the latest regulations and higher expectations regarding corporate behaviour was the elevation in importance of the role of company secretary and accounting officer, in turn giving further impetus to our goal of attracting new students and members.

## CPDs

The CPD seminars offered company secretaries and accounting officers, as well as industry at large, the opportunity to stay abreast of current regulatory changes and developments in global best practice. A record number of well-attended CPD sessions took place over the year covering a wide range of topics, with the seminars on the Companies Act drawing the highest attendance. Speakers included leading presenters such as



Stephen Sadie CEO

Tom Wixley, Carina Wessels, Walter Geach, Maiendra Moodley, Andrew Johnston, Glynnis Carthy, Joel Wolpert and Zubair Wadee.

### Continuing professional development

A Corporate Conversation on:

**Estates, wills, trusts and compliance**

**Adv. Errol Meyer**  
B. Juris, LL.B.  
Founder: The House of Financial Planning

**The expanded role of the audit committee under the 2008 Companies Act and King III**

**Tom Wixley**  
B. Com (CA(SA))  
Chairman Ernst & Young, Non-exec director Anglo Platinum, Sasol, Avusa, Member: King III Committee on Boards and Directors

**Venue:** Chartered Secretaries Southern Africa, Riviera Road Office Park, 6-10 Riviera Road, Killarney

**Date:** Thursday 25 November 2010  
**Time:** 17h30 - 19h30 (includes snacks)

The workshop will cover:

- Recent changes in tax law relevant to estate planning and the drafting of wills
- Latest legal developments in insurance policies and beneficiary nominations
- Policies and marital regimes
- Trust law, investments, life policies and risk profiling
- FAIS requirements
- Is there a place for para-planners in SA?

**Prices:**  
Members: R350  
Students: R200  
Public: R650

**Venue:** Chartered Secretaries Southern Africa, Riviera Road Office Park, 6-10 Riviera Road, Killarney

**Date:** Tuesday 9 November 2010  
**Time:** 08h00 - 11h30 (includes breakfast)

The session will include presentations as well as case studies and practical examples:

- Understanding the new responsibilities
- Developing an annual plan
- Dealing with membership, attendance and meetings
- The audit committee's role in risk governance
- Reporting to the board and shareholders

**Prices:**  
Members: R450  
Students: R300  
Public: R750

**Contact:** [kgomoto@icsa.co.za](mailto:kgomoto@icsa.co.za) to make your booking. Book before 23 November 2010 for Adv. Errol Meyer and book before 8 November 2010 for Tom Wixley to avoid disappointment.

CEO - Stephen Sadie  
Telephone: +27 11 551 4000 Fax: 086 698 5095  
E-mail: [icsa@icsa.co.za](mailto:icsa@icsa.co.za) Block C, Riviera Office Park, 6 - 10 Riviera Road, Killarney, Johannesburg, South Africa (PO Box 3146, Houghton, 2041)

Website: [www.icsa.co.za](http://www.icsa.co.za)

100 years  
BusinessDay  
NEWS WORLD KNOWING

## CONFERENCE



The Institute held its second annual premier corporate governance conference in September - *Corporate governance after the crisis: The companies Act and King III*. A panel of renowned speakers was hosted, each of whom addressed topical issues such as King III and the new

Companies Act as well as global developments in corporate governance. In addition, reflecting current news, governance in the public sector featured strongly. The conference provided the ideal forum for lively debate and interchange of ideas with high profile speakers including representatives of National Treasury, the Gauteng MEC for Finance and Economic Affairs, Mandla Nkomfe, the Public Protector Adv. Thuli Madonsela, Prof Walter Geach, Noah Greenhill, Theo Botha, Samuel Isaacs and Anton van Wyk.

## ANNUAL REPORT AWARDS



The Annual Report Awards took on new relevance with the introduction of the Premier Award recognising companies, which have consistently excelled in various categories over the years. Congratulations went to the recipients: Edcon which has won 20 times, SABMiller which has won 16 times and Barloworld having won 10 times. The Institute has hosted these prestigious awards since 1956 and they are today undoubtedly an established benchmark. A distinguishing characteristic of our



### The Premier Conference

Corporate governance after the crisis:  
The Companies Act and King 3



**A beacon of hope**  
Southern Sun Grayston

**7 - 8 September 2010**

A panel of renowned speakers will address current issues such as the new Companies Act, King 3 and the lessons learned from the financial crisis.

**Speakers include:**

- Freeman Nomvalo – Accountant General of South Africa, National Treasury;
- Adv Thuli Madonsela – Public Protector;
- Mandla Nkomfe – MEC for Finance and Economic Affairs, Gauteng;
- Prof. Walter Geach – Senior Professor at the Graduate School of Business at the University of KwaZulu-Natal;
- Chris Hart – Economist, Investment Solutions;
- Noah Greenhill – Senior GM, JSE Ltd;
- Samuel Isaacs – CEO, SAQA;
- Seamus Gillen – Senior Policy Advisor, Institute of Chartered Secretaries and Administrators, International;
- Carina Wessels – Vice-President, Chartered Secretaries Southern Africa;
- Dominik Heil – Senior Lecturer: Strategy at Wits Business School;
- Stephen Sadie – CEO, Chartered Secretaries Southern Africa;
- Anton van Wyk – Director, PricewaterhouseCoopers;
- Theo Botha – Shareholder Activist;
- Jayne Mammatt – Director: Sustainability, Ernst & Young;
- Joel Wolpert – Technical Adviser, Chartered Secretaries Southern Africa;
- Paul Hoffman – Director, Institute of Accountability in Southern Africa;
- Kevin Cron – Director, Denys Reitz;
- Jacqui Baumgardt – Assessment Manager, Chartered Secretaries Southern Africa;
- Helen Starke – Consultant/Partner, KDS Consulting;
- Clive Kneale – Governance Consultant;
- Michael Campbell – COO, Blue Label; and
- Gerald Seegers – Director, PricewaterhouseCoopers.

Book now to avoid disappointment  
Tel: 011 706 4339. Email: premierconference@successfulventures.co.za

Website: [www.icsa.co.za](http://www.icsa.co.za)

**BusinessDay**  
NEWS SOUTH AFRICA




### Annual Report Awards 2010

The benchmark for sustainable business reporting



- Does your annual report stand out in your industry?
- Is your disclosure in line with the latest global and local best practice?
- Do you exceed global and local reporting benchmarks?

If you answered yes to any of these questions then this is the accolade for you.

These are the oldest-established Annual Report Awards on the Southern African business calendar – jointly hosted by Chartered Secretaries Southern Africa and the JSE Limited.

**Judging criteria include:** General Presentation Sustainable Reporting Human Capital Reporting Corporate Governance Financial Reporting Directors' and Management Objectives Company Information

**2010 Judges**

Zubair Wadde – Partner/Director, PricewaterhouseCoopers;  
Stephan Cranston – Associate Editor, Financial Mail;  
John Burke – Executive Director, Issuer Services JSE Limited;  
Joel Wolpert – Director, Chartered Secretaries SA;

Helen Starke – Company Secretary, Soul City;  
Rob Furney – Director, Chartered Secretaries SA;  
Vaughan Russell – Director, Chartered Secretaries SA; and  
Gordon Martin – Past President Chartered Secretaries SA.

[www.icsa.co.za](http://www.icsa.co.za) for more information on the Annual Report Awards

**BusinessDay**  
NEWS SOUTH AFRICA

**sappi**  
PROFOLE GROUP

**The Kelly Group**  
10 YEARS 2000-2010



scope of critical assessment, which encompasses the full spectrum of the annual report. It was pleasing to see the new categories, NGOs and Unlisted companies, showing good progress amongst contenders.

An increase in entries from the public sector was also encouraging. The Awards continue to highlight the Institute's determination to see excellent corporate reporting and adherence to best practice in the profession.

## MARKETING



The screenshot shows the homepage of the Chartered Secretaries Southern Africa website. It features a navigation bar with links like Home, The Institute, The Profession, and About Us. The main content area includes a welcome message, a section for 'What is a Chartered Secretary?', and a list of 'Important Links'. There are also sections for 'Upcoming CPD', 'Latest News', and 'e-Zine'. The footer contains contact information for the Institute, including its address, phone, and fax numbers.



**Chartered Secretaries Southern Africa**

**A future so bright Gotta wear shades**

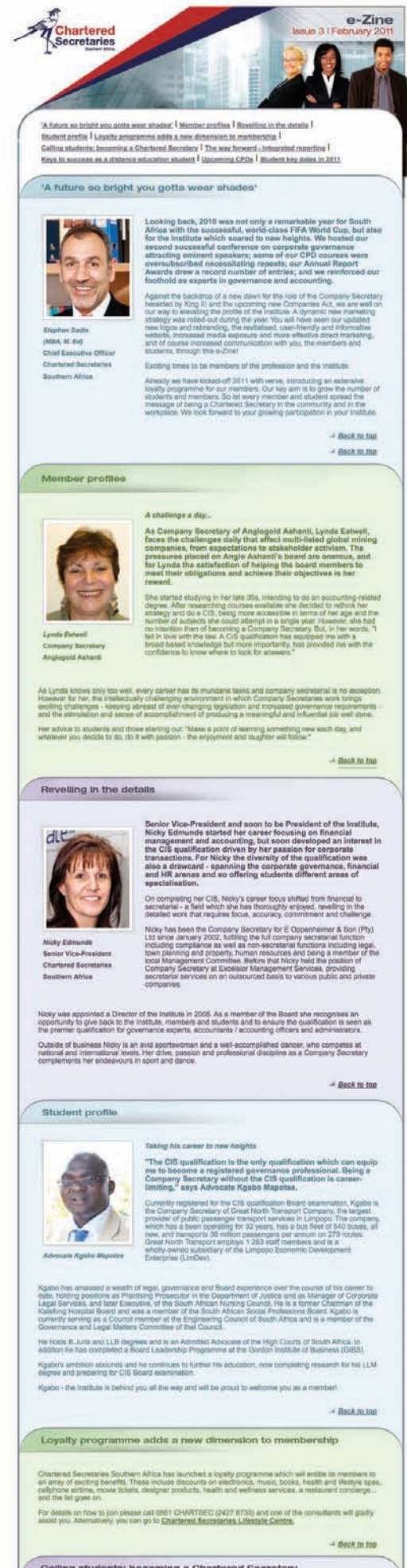
- Efficient and organised
- Pay strict attention to detail
- Likes to influence others
- Interested in business and the economy
- Possess a developed sense of integrity and ethics
- Looking for an internationally recognised professional qualification

Have you considered a career as a Chartered Secretary – a satisfying corporate career choice which requires steady, detailed work driven by focus and accuracy?

**You can become a:**

- Company Secretary • Legal Adviser • Risk Officer • Compliance Officer
- Financial Manager • Business Administrator/Manager • Accounting Officer

For more information about this exciting career choice go to [www.icsa.co.za](http://www.icsa.co.za)



**Chartered Secretaries Southern Africa e-Zine**  
Issue 3 | February 2011

**'A future so bright you gotta wear shades'**

Looking back, 2010 was not only a remarkable year for South Africa with the successful world-class FIFA World Cup, but also for the Institute which soared to new heights. We hosted our second successful conference on corporate governance attracting eminent speakers; some of our CPD courses were oversubscribed necessitating repeats; our Annual Report Awards drew a record number of entries; and we reinforced our foothold as experts in governance and accounting.

Against the backdrop of a new dawn for the role of the Company Secretary heralded by King II and the upcoming new Companies Act, we are well on our way to elevating the profile of the Institute. A dynamic new marketing strategy was rolled out during the year. You will have seen our updated new logo and rebranding, the refreshed, user-friendly and informative website, increased media exposure and more effective direct marketing, and of course increased communication with you, the members and students, through this e-Zine!

Exciting times to be members of the profession and the Institute.

Already we have kicked-off 2011 with verve, introducing an extensive loyalty programme for our members. Our key aim is to grow the number of students and members. So let every member and student spread the message of being a Chartered Secretary in the community and in the workplace. We look forward to your growing participation in our Institute.

**Member profile**

**A challenge a day...**

As Company Secretary of AngloGold Ashanti, Lynda Estwell, faces the challenges daily that affect multi-listed global mining companies, from expectations to stakeholder activism. The pressures placed on Anglo Ashanti's board are onerous, and for Lynda the satisfaction of helping the board members to meet their obligations and achieve their objectives is her reward.

She started studying in her late 30s, intending to do an accounting related degree. After researching courses available she decided to rethink her strategy and to do a CIS, being more accessible in terms of her age and the number of subjects she could attempt in a single year. However, she had no intention then of becoming a Company Secretary. But, in her words, "I fell in love with the law. A CIS qualification has equipped me with a broad based knowledge but more importantly, has provided me with the confidence to know where to look for answers."

As Lynda knows only too well, every career has its mundane tasks and company secretarial is no exception. However for her, the intellectually challenging environment in which Company Secretaries work brings exciting challenges – keeping abreast of ever-changing legislation and increased governance requirements and the stimulation and sense of accomplishment of producing a meaningful and influential job well done.

Her advice to students and those starting out: "Make a point of learning something new each day, and whatever you decide to do, do it with passion – the enjoyment and laughter will follow."

**Revealing in the details**

Senior Vice-President and soon to be President of the Institute, Nicky Edmunds started her career focusing on financial management and accounting, but soon developed an interest in the CIS qualification driven by her passion for corporate transactions. For Nicky the diversity of the qualification was also a drawcard – spanning the corporate governance, financial and HR areas and so offering students different areas of specialisation.

On completing her CIS, Nicky's career focus shifted from financial to secretarial – a field which she has thoroughly enjoyed, reveling in the detailed work that requires focus, accuracy, commitment and challenge.

Nicky has been the Company Secretary for E Oppenheimer & Son (Pty) Ltd since January 2002, fulfilling the full company secretarial function including compliance as well as non-secretarial functions including legal, town planning and property, human resources and being a member of the local Management Committee. Before that Nicky held the position of Company Secretary at Exceller Management Services, providing secretarial services on an outsourced basis to various public and private companies.

Nicky was appointed a Director of the Institute in 2005. As a member of the Board she recognises an opportunity to give back to the Institute, members and students and to ensure the qualification is seen as the premier qualification for governance experts, accountants, accounting officers and administrators.

Outside of business Nicky is an avid sportswoman and a well-accomplished dancer, who competes at national and international levels. Her drive, passion and professional discipline as a Company Secretary complements her endeavours in sport and dance.

**Student profile**

**Taking his career to new heights**

"The CIS qualification is the only qualification which can equip me to become a registered governance professional. Being a Company Secretary without the CIS qualification is career-limiting," says Advocate Kgabo Mapotse.

Currently registered for the CIS qualification Board examination, Kgabo is the Company Secretary of Great North Transport Company, the largest provider of public passenger transport services in Limpopo. The company, which has been operating for 32 years, has a bus fleet of 540 buses, all new, and transports 50 million passengers per annum on 279 routes. Great North Transport employs 1 263 staff members and is a wholly-owned subsidiary of the Limpopo Economic Development Enterprises (Ltd/De).

Kgabo has amassed a wealth of legal, governance and Board experience over the course of his career to date, holding positions as Practising Prosecutor in the Department of Justice and as Manager of Corporate Legal Services, and later Executive, of the South African Nursing Council. He is a former Chairman of the KwaZulu Natal Board of the South African Social Professions Board. Kgabo is currently serving as a Council member at the Engineering Council of South Africa and is a member of the Governance and Legal Matters Committee of that Council.

He holds a B Juris and LLB degrees and is an Admitted Advocate of the High Courts of South Africa. In addition he has completed a Board Leadership Programme at the Gordon Institute of Business (GIB).

Kgabo's ambition abounds and he continues to further his education, now completing research for his LL.M degree and preparing for CIS Board examination.

Kgabo – the Institute is behind you all the way and will be proud to welcome you as a member!

**Loyalty programme adds a new dimension to membership**

Chartered Secretaries Southern Africa has launched a loyalty programme which will entitle its members to an array of exciting benefits. These include discounts on electronics, music, books, health and lifestyle spas, cellphone airtime, movie tickets, designer products, health and wellness services, a restaurant concierge... and the list goes on.

For details on how to join please call 0861 CHARTSEC (2427 8733) and one of the consultants will gladly assist you. Alternatively you can go to [CharteredSecretaries.LoyaltyCentre](http://CharteredSecretaries.LoyaltyCentre).

**Calling students: becoming a Chartered Secretary**



## MARKETING

As touched on briefly above, improved marketing efforts remained a key imperative and significant milestones were achieved. The launch of the new website and upgraded marketing collateral have invigorated the Institute's brand. Specifically new branding included a new logo launched early in 2010, followed by an innovative new student sub-brand launched in July as the foundation for a future marketing strategy aimed exclusively at this sector. An advertising campaign in Business Day as well as editorial coverage in print - including Beeld, Enterprise Risk, Finweek, fin24.co.za and broadcast media including Classic FM drove an enhanced public profile for the Institute. The effective direct marketing campaign and the introduction of an e-Zine has re-opened a useful channel of communication with members, students and the public.

## NEW PREMISES



After 30 years in our office at Sable Centre in Braamfontein, we relocated to a new office in Killarney in August. The new premises include a boardroom which accommodates 80 people, providing, amongst other advantages, our own fully-equipped venue for CPDs.

## STUDENTS

An increasing number of young people are recognising the excellent opportunities available to those with a professional qualification. Despite the fact that the country's economy hit a low and students really felt the crunch in 2010, the need for qualified all-rounders with skills in accounting, business management and company secretaryship is growing.

Students have chosen their course of study wisely and the Institute will endeavour to support them on their path to a successful and fulfilling career. A number of students with degrees are registering directly for the Board subjects. This is a positive trend for the Institute.

The CIS Qualification continues to be a world class qualification, internationally recognised with local content.

## MEMBERSHIP

Membership remained largely constant. The Institute continues to offer members invaluable opportunities for professional development through discounted rates for CPD seminars, our monthly Technical Newsletter, an in-house dedicated Technical Adviser, networking opportunities and access to the Institute's endorsed appointments register. Further, on behalf of corporate South Africa the Institute continues to oversee that members are of requisite character, integrity and accountability to fulfil the now more demanding role of a company secretary and accounting officer.

## SUSTAINABILITY AND TRANSFORMATION

The Institute is committed to genuine transformation at all levels of the organisation and as such prioritises advancement of employees through upskilling and training programmes. The Board and management are appropriately representative of the South African demographic profile.

The Institute acknowledges the imperative, particularly due to its area of expertise, to conduct its operations in a sustainable manner. When making decisions the Board and executive management have long-term sustainable development and triple-bottom line concerns in mind. As an educational organisation, the Institute has a vital role in the upliftment of the educationally disadvantaged.

## APPRECIATION

The achievements of the Institute during the year would not have been possible without the hard work and commitment of Bert Kok, our President, Exco, directors and all our employees. I thank everyone for their invaluable contribution. The year ahead promises to be another challenging and rewarding one and I look forward to working together as we take the Institute, and the profession, to new heights.

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

Stephen Sadie (MBA, M.Ed)  
Chief Executive Officer  
March 2011





# Statement on Corporate Governance

## 31 DECEMBER 2010

Chartered Secretaries Southern Africa, a company incorporated under Section 21 of the Companies Act, is fully committed to applying sound corporate governance principles in accordance with the highest global and local standards. To this end, it is in the process of adapting the Institute's policies and processes to comply as necessary with the King III Report, which became effective on 1 March 2010.

In line with the 'apply or explain' approach set out in the King III Report, the Directors will continue to state the extent to which good corporate governance principles are applied in the group. The Board does not consider this a static responsibility and will continue to ensure ongoing compliance in line with developments in corporate governance in South Africa and internationally.

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

### BOARD OF DIRECTORS

All Directors are non-executive and are elected in terms of the Institute's Articles of Association. The Articles codify the Board's composition, appointment, authorities, responsibilities and processes and set out the fiduciary duties and roles of each Director. In terms of the Articles the Board should comprise between ten and thirty members. As at 31 December 2010, the Board comprised 28 Directors who meet regularly, retain effective management over the affairs of the Chartered Secretaries Southern Africa and monitor management. A list of directors is set out on page 1 and a photo of each director can be found on page 9.

The President of the Institute acts as Chairman of the Board. The roles of President, Mr L Kok, and Chief Executive Officer, Mr S Sadie, a non-Director, are separated in accordance with recommendations to ensure that no single Director can exercise unfettered powers of decision-making.

The Board deliberates over a range of key issues to ensure proper direction and management of the company. The President provides the Board with leadership and guidance, encourages proper deliberation of all matters requiring the Board's attention and obtains optimum input from Directors. Within defined levels of authority, the Chief Executive Officer has the responsibility to implement all decisions by the Board. Further, he is accountable to the Board for the effective functioning of the Institute within Board-determined policy guidelines.

The Board meets at least four times a year with additional ad-hoc meetings convened when required. Directors are comprehensively briefed well in advance of these meetings to facilitate meaningful deliberation and contribution. Where possible the Board aims to unanimously approve Board decisions.

All Directors have unhindered access to all company records, information, documents and property. Directors further have access to the Institute's internal auditor. All Directors are entitled to seek independent professional advice on any matters pertaining to the company where they deem this to be necessary, at the expense of the Institute.

The following changes took place in 2010:

Name	Notes
Bridges DJ	Resigned 6 May
Dialwa MB	Appointed 1 December
Dlamini P	Resigned 12 March
Lachporia Z	Appointed 6 May
Mathole KN	Appointed 6 May
Mphotho B	Resigned 1 December
Ntuli SC	Resigned 12 March
Sithole AM	Appointed 6 May



## BOARD OF DIRECTORS

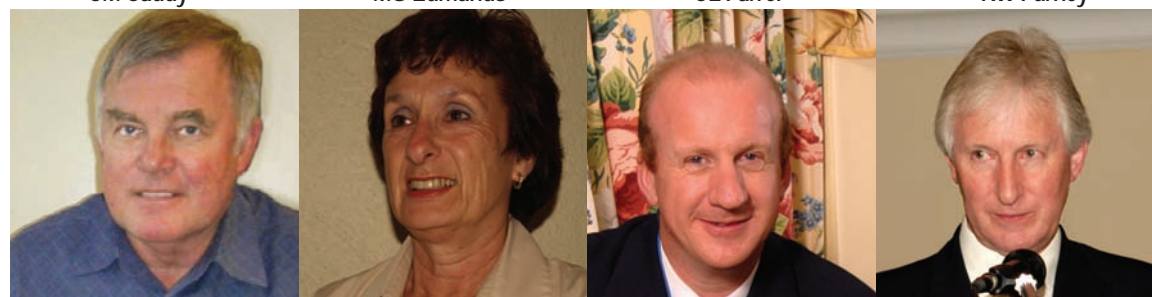


JM Caddy

MG Edmunds

CL Farrel

RW Furney



AR Grant

YC Jefferies

L Kok

RD Lees



R Likhanga

VM Murton

V Naidoo

JM Parratt



JV Roberts

VE Russell

MA Sello

JE Shepherd

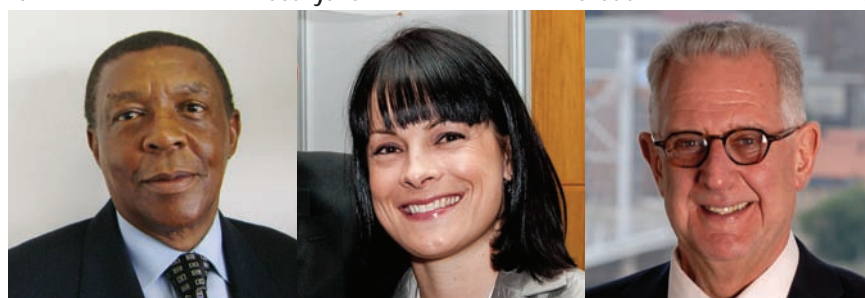


S Smit

B Thebenyane

W Tichauer

RG Tiffin



RAB Tihabanelo

CH Wessels

J Wolpert







## **BOARD PROCESSES**

### **Annual evaluation**

The group's Directors, associate Boards and Chief Executive Officer are assessed on an annual basis.

### **Annual General Meetings and Board meetings**

Board members are encouraged to attend the Institute's Annual General Meeting in order to promote meaningful interaction with stakeholders. Attendance by all Board committee chairmen is mandatory. Where possible the Board aims to unanimously approve Board decisions.

The Annual General Meeting has the purpose of:

- receiving and considering the annual financial statements for the past year and the report of the Board of Directors on the business of the Institute and the auditors' report;
- the appointment and fixing of the remuneration of the auditors;
- announcing the result of the election of members to the Board of Directors for the following year; and
- the consideration of any other matter of which due notice has been given.

Minutes of procedures and resolutions at all meetings are distributed timeously to members.

### **Rotation of the Board**

According to the Articles of Association, one-third of the longest-serving Board members (excluding branch chairmen, functional chairmen, International Office bearers, and past Presidents) are required to retire at each Annual General Meeting. Being eligible, these Directors may be re-elected without re-nomination.

### **Nominations and appointments**

The Board is responsible for appointing new Directors in a formal and transparent process, with the Board as a whole being responsible for approval. Nomination as a Director requires nomination by two members and the consent of the nominated member. The CEO assumes responsibility for the informal but comprehensive induction programme which provides new appointees with a comprehensive strategy and operational briefing including copies of the most recent financial results, budgets as well as management accounts. Some of the documents that are distributed to the directors include the annual report, Articles of Association, the charter and bye laws, the declaration of interest forms, the rights and duties of directors, the risk report and the strategic plan.

### **Remuneration of Directors and members of Committees**

Directors of the Board and Board Committee members receive no remuneration for their services as directors.

### **Conflicts of interest**

All Directors are obligated to disclose any conflict or potential conflict of interest at Board and Board Committee meetings.

### **Company Secretary**

The Institute does not deem it necessary to appoint a full-time Company Secretary. The Chief Executive Officer under the guidance of the Executive Committee is responsible for ensuring compliance with relevant legislation and regulations. He is further responsible for continually updating the Board on legislative and/or regulatory developments.

Jealnic Business Services CC, on behalf of the Institute, lodged all necessary statutory returns required with the Registrar of Companies.

## **BOARD COMMITTEES**

In order to effectively discharge its duties and responsibilities, the Board has a number of Committees that attend to specific aspects of the Institute's affairs. The President is an *ex-officio* member of all Committees. Certain committees also co-opt specialists, who are not members of the Institute, to assist in their deliberations. Senior members of staff attend, but are not members of the Committees.

The Board of Directors recognise that they are ultimately accountable and responsible for the performance and affairs of the company and that the use of these delegated authorities in no way absolves the Board of the obligation to carry out its duties and responsibilities. The external auditors are given unrestricted access to the President and members of the Board and attend all meetings of the Governance Committee. The Board is of the opinion that its interests, and those of the Institute, are suitably served by retaining the auditors to fulfil this function.

### **Executive Committee**

The Executive Committee comprises the President, two Vice-Presidents and the immediate Past-President. The Committee looks after the management of the Institute in-between board meetings. The Committee considers detailed matters such as issues relayed to the Committee by the Board or those matters which are yet to be referred to the Board.

### **Governance Committee**

The Governance Committee is chaired by J. Wolpert. This Committee considers matters pertaining to good corporate governance arising from the Institute's business, covering areas such as internal controls, risk and audit. The Governance Committee Report is set out on page 15 of the annual report.

### **Nominations Committee**

A nominations committee has the responsibility of nominating members to the board.

### **Professional Practice Group ("PPG")**

This Committee considers issues pertaining to PPG activities and communicates with and assists members by providing seminars and technical information. The Committee ensures practising members of the Institute conduct themselves in such a manner and with professional efficiency to create public awareness of, and demand for, the professional services available from practising members.

### **Technical Committee**

This Committee considers matters arising from changes to legislation, the Listings Requirements of the JSE Limited and corporate governance and how these changes or proposed changes can have an impact on enterprises, accounting practices and taxation.

### **Education and Examinations Committee**

All examination and educational matters, as well as maintaining the standard and integrity of the examinations fall under the brief of this Committee.

### **Assessment and Review Committee**

As a sub-committee of the Education and Examinations Committee, this Committee manages the Institute's overall assessment process and ensures compliance by all role players. Further, it reviews all examination question papers and results to ensure international and local standards are maintained.

### **Membership Committee**

This Committee decides on applications for admission as Associate or Fellow members of the Institute. It takes its delegation from the Committee for Southern Africa, but has to adhere to international standards and practices.

### **Disciplinary Committees**

Members do not convene for meetings but discuss issues telephonically and by email.

#### **1. The National Disciplinary Investigations Group**

This body is required to investigate all matters relating to alleged misdemeanours of members.

#### **2. National Disciplinary Tribunal**

This body has the responsibility of reviewing the findings of the National Disciplinary Investigations Group.

#### **3. National Appeals Committee**

This body reviews any appeals lodged.



## 2010 MEETING ATTENDANCE SCHEDULE

Board of Directors		Nominations Committee		Executive Committee		Governance Committee	
Bridges DJ	0 (2)	Caddy J (Chair)	1 (1)	Kok L (Chair)	5 (5)	Wolpert J (Chair)	3 (3)
Caddy J	2 (4)	Parratt J	1 (1)	Edmunds MG	4 (5)	Broome R	3 (3)
Dailwa MB	0 (0)	Sello MA	1 (1)	Parratt J	5 (5)	Foster R	2 (3)
Dlamini P	0 (0)	Thebenyane B	0 (1)	Sello MA	1 (2)	Furney RW	3 (3)
Edmunds MG	4 (4)	Tichauer W	1 (1)	Wessels CH	2 (3)	Grant AR	3 (3)
Farrel C	1 (4)					Lees RD	2 (3)
Furney RW	3 (4)	Technical Committee		EDEX Committee		Murton VM	1 (3)
Grant AR	4 (4)	Wolpert J (Chair)	3 (3)	Tichauer W (Chair)	2 (2)	Tichauer W	2 (3)
Jefferies Y	2 (4)	Caddy J	1 (3)	Martin G	1 (2)		
Kok L	3 (4)	Foster R	3 (3)	Murton VM	1 (2)	Membership Committee	
Lachporia Z	2 (2)	Holt A	2 (3)	Munro K	1 (1)	Furney RW (Chair)	4 (4)
Lees RD	3 (4)	Jefferies Y	1 (3)	Naik K	0 (2)	Caddy J	2 (4)
Likhang R	4 (4)	Kirsten E	2 (3)	Shochot J	2 (2)	Farrel C	0 (4)
Mathole KN	1 (2)	Mandy J	3 (3)	Wessels C	1 (2)	Lees RD	3 (4)
Mphotho BT	4 (4)	Marx B	0 (2)			Roberts JV	4 (4)
Murton VM	2 (4)	Mayor J	1 (3)	Assessment & Review Committee		Russell V	2 (4)
Naidoo V	1 (4)	Peachey F	2 (3)	Tichauer W (Chair)	2 (2)	Smit S	2 (2)
Ntuli SC	0 (0)	Pinto M	2 (2)	Martin G	2 (2)	Tichauer W	3 (4)
Parrat J	3 (4)	Sadie S	3 (3)	Murton VM	0 (2)		
Pillay R	1 (2)	Sander C	3 (3)	Naik K	0 (2)		
Roberts JV	3 (4)			Shochot J	2 (2)		
Russell VE	4 (4)	PPG Committee		Wessels C	0 (2)		
Sello MA	4 (4)	Jefferies Y (Chair)	5 (5)				
Shepherd E	0 (4)	Bridges D	1 (5)				
Sithole AM	2 (2)	Knight H	2 (5)				
Smit S	2 (4)	Linder N	3 (5)				
Thebenyane B	3 (4)	Malan D	5 (5)				
Tichauer W	4 (4)	Moyo K	0 (5)				
Tiffin RG	4 (4)	Mpye T	4 (5)				
Tlhabanelo RB	4 (4)	Nkuna R	3 (5)				
Wessels CH	4 (4)	Piyose T	1 (3)				
Wolpert J	4 (4)	Russell V	4 (5)				
		Tichauer R	3 (5)				



## INTERNAL CONTROL AND RISK MANAGEMENT

### Internal Control

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

Any identified deficiencies in the system of internal controls are corrected immediately to improve these systems. An effective internal control system can provide only reasonable, but not absolute, assurance with respect to financial statement preparation and the safeguarding of assets. Therefore, inherent limitations to the effectiveness of any system of internal control exist, including the possibility of human error and the circumvention or overriding of controls. Furthermore, the effectiveness of an internal control system can change with circumstances. The Governance Committee regularly receives reports on and reviews the effectiveness of internal controls and the exercise of delegated authority. As part of an internal audit during the year, an assessment of various internal control functions across the Institute was carried out.

### External Audit

It is the responsibility of the external auditor, Valentine Sargeant, to report on whether the annual financial statements are presented in compliance with International Financial Reporting Standard (IFRS). They perform an assessment of internal controls as part of the audit, but the preparation of the annual financial statements remains the responsibility of the Directors.

Where the external auditors are appointed for non-audit purposes, such as tax compliance services, the Governance Committee must approve these services in line with anti-conflict guidelines designed to maintain independence, and ensure these are in line with independence requirements.

### Internal Audit

The internal audit function is the ongoing responsibility of the Governance Committee. It is conducted by Richard Grant. However, due to the active involvement of the members of the Executive and the Governance Committee and the size and nature of the Institute, a permanent internal audit function has not been established.

The internal audit function contributes to improved operations by examining and evaluating operational activities, identifying relevant risks and affirming the accuracy and effectiveness of internal control systems. It has the responsibility of monitoring risk, the accuracy of information within the Institute, compliance with standard operating procedures, regulatory compliance by the Institute and its employees, the economic and efficient use of Institute resources and output quality control.

### Risk Management

The Governance Committee is responsible for identifying and addressing the management of all operational, reputational and financial risks. The Committee is satisfied that all key business risks are being addressed. The Chief Executive Officer presents a risk report to every Board, Exco and Governance Committee meeting.

## STAKEHOLDER COMMUNICATIONS

Chartered Secretaries Southern Africa is committed to timely, consistent, open and transparent communication with all relevant stakeholders. Stakeholders are timeously informed about and encouraged to attend special and Annual General Meetings. Stakeholder queries are directed on an ongoing basis to the Chief Executive Officer who also communicates with the press to ensure accurate reporting and to raise the profile of the Institute.





- The Institute further communicates with stakeholders through:
- The e-Zine – a bi-monthly electronic newsletter;
  - BoardRoom magazine – a quarterly magazine covering industry issues;
  - The website;
  - Regular CPD seminars;
  - Regular emailers to members on upcoming events or news; and
  - An annual conference on corporate governance.

### **CODE OF ETHICS**

The Institute operates in terms of a formal Code of Ethics ("the Code"). The Code aims to facilitate the enforcement of ethical standards through disciplinary procedures. Adherence to the Code is a condition of membership. Overall, the Institute requires its members to perform their duties and responsibilities with objectivity, honesty, integrity, diligence and with courtesy towards others. The Code requires members not to act in conflict with the legitimate interest of their employer or client or to act in any way which may detract from the reputation of the Institute. The Code outlines the commitment to sound and ethical business practices and stipulates the operational standards to which all employees are required to subscribe. It further supports good corporate governance and responsibility.

According to the Code, members are obliged to maintain current knowledge by way of attending CPD courses. Practising members are required to retain professional independence, ensure confidentiality when dealing with sensitive information, deliver professional work and to use the designation 'Chartered Secretary' correctly.

Procedures exist whereby allegedly errant members not following the provisions of the Code may be investigated by the National Disciplinary Investigation Group, which would in turn forward its findings to the National Disciplinary Tribunal.

### **SUSTAINABLE DEVELOPMENT**

The Institute is strongly committed to sustainability and transformation and continually strives to act as a responsible corporate citizen. It acknowledges the business imperative to conduct its operations in a sustainable manner. When making decisions the Board and executive management have long-term sustainable development and triple-bottom line concerns in mind.

The Institute's qualification has a unique role in the upliftment of the educationally disadvantaged. The Institute is linked to its associate organisations, the Institute of Business Studies (IBS) and the Chartered Institute of Business Management (CIBM).

### **Employment Equity**

The Institute has the commitment to create a workplace in which individuals, regardless of their background, race or gender can develop rewarding careers at all levels. The Board and management are appropriately representative of the South African demographic.

- Black and female representation make up 43% and 25% of the Board, respectively.
- Black and female representation make up 40% for both categories in management.
- Black and female representation make up 65% and 71% of the staff, respectively.

### **Skills Development and Training**

The Institute prioritises ongoing training to facilitate continual development of staff attending relevant CPD seminars and FASSET workshops.

### **Health and Safety**

The Institute is committed to a safe and healthy working environment and ensures its strict compliance with the South African Occupational Health and Safety Act, 1993. Matters of employee health and safety are addressed as part of the responsibilities of management.

## Governance Committee Report

The information below constitutes the report of the Governance Committee which serves as the Audit Committee.

The Committee is chaired by J. Wolpert and further comprises RW Furney, AR Grant, RD Lees, VM Murton, W Tichauer and R Foster. R Broome (external auditor) attends by invitation.

The committee meets three times a year with additional meetings where required. Attendance at Committee meetings is set out on page 12. The Board of Directors is responsible for the administration of the funds of the Institute. The internal auditor has direct access to the committee. The committee has an understanding of management's accounting processes, the method by which it compiles financial information, and the nature and extent of the external auditor's involvement in these processes.

The external auditors are appointed by the Board of Directors at the Annual General Meeting who also determines their fees on an annual basis.

The Committee further determines the key risk areas facing the company and recommends measures to effectively mitigate these. Further, it is the responsibility of the Committee to advise and update the Board on issues ranging from accounting standards to published financial information.

The Governance Committee is evaluated annually by the Board. The latter has concluded that the Committee has duly completed its responsibilities during the year. The Committee has assessed and is satisfied with the independence of the external auditor.



Joel Wolpert  
Governance Committee Chairman  
Johannesburg, March 2011

## Directors' Responsibility in relation to the Annual Financial Statements

The Directors of the Institute are responsible for the maintenance of adequate accounting records and for the preparation of annual financial statements that fairly present the state of affairs of the Institute. The annual financial statements have been prepared by management in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in South Africa. They are based on appropriate accounting policies and incorporate full and reasonable disclosure which has been consistently applied.

The Directors are also responsible for the Institute's systems of internal control, which are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of its assets and to prevent and detect material misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements have been prepared on a going concern basis and nothing has come to the attention of the Directors to indicate that the Institute will not remain a going concern for the foreseeable future.

These annual financial statements set out on pages 17 to 33 were approved by the Board of Directors on 10 March 2011 and signed on its behalf by:



L Kok  
Director



M G Edmunds  
Director



S Sadie  
Chief Executive Officer





**Chartered Accountants (SA)**

4th Floor Wale Street Chambers, 38 Wale Street

PO Box 905 Cape Town 8000 South Africa

Tel (021) 424 8817/18/19 Fax (021) 424 4898

International +27 21 • E-mail: valsarge@iafrica.com

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTHERN  
AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND  
ADMINISTRATORS**

We have audited the annual financial statements of Chartered Secretaries Southern Africa, which comprise the report of the directors, the balance sheet as at 31 December 2010, the income statement and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 17 to 33.

*Directors' Responsibility for the Financial Statements*

The Institute's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in South Africa. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

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

*Opinion*

In our opinion, these financial statements fairly present, in all material respects, the financial position of the Institute at 31 December 2010 and the results of its operations and cash flows for the year then ended in accordance with the International Financial Reporting Standards and in the manner required by the Companies Act in South Africa.

*Valentine Sargeant*

Chartered Accountants (S.A.)  
Registered Accountants & Auditors  
10 March 2011



A Member of AGN International Ltd  
A worldwide association of separate and independent  
accounting and consulting firms

Richard Ernest Broome CA (SA)

Dennis George Irwin B Comm CA (SA)

# REPORT OF THE DIRECTORS

## 31 DECEMBER 2010

### INTRODUCTION

The Institute operates as an association not for gain incorporated under Section 21 of the Companies Act, 1973. Being a professional examining body, it continues to provide an examination that satisfies the demands for competence on the part of trained and qualified administrators and company secretaries in the private and public sectors. The Institute serves qualified professionals and provides a wide range of services to its members such as technical information and seminars. A further purpose is ensuring the name and reputation of the Institute, and thereby its members, remains uppermost in the mind of decision makers and employers. In addition, it provides administrative services to associated Institutes.

There has been no material change in its activities during the year under review. Directors of the Board are required to perform their duties in accordance with the Companies Act whilst at all times embracing the principles of good corporate governance.

### GENERAL REVIEW OF BUSINESS AND OPERATIONS

Details of the results and financial position are set out in the accompanying annual financial statements.

### RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board is of the opinion that the annual financial statements fairly present the financial position of the Institute at 31 December 2010, and the results of its operations and cash flow information for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in South Africa. The Directors are satisfied that the internal accounting controls are adequate to ensure the reliability and integrity of financial information, the safeguarding of assets and the accomplishment of established objectives.

The Board, based on the Institute's current financial position, the projected cash flows and the budget for 2011, is satisfied that the Institute has adequate resources to continue to operate for the foreseeable future. Accordingly, the Institute continues to adopt the going concern assumption in preparing the annual financial statements.

### BOARD OF DIRECTORS

The Directors received no remuneration for their services as directors during the year under review. Any related party transactions with directors are disclosed in note 18 to the annual financial statements.

### CORPORATE GOVERNANCE

The Directors support the principles of openness, integrity and accountability. Fundamental to the fulfilment of corporate responsibilities and the achievement of financial objectives is an effective system of corporate governance.

The Institute has endorsed the King Code of governance principles which forms part of the King III Report on Corporate Governance. The Directors will endeavour to ensure that the Institute and its associated Institutes comply substantially with those recommendations of King III which are relevant to the affairs of the Institute.

### ASSOCIATED INSTITUTES

The Institute manages the Institute of Business Studies and The Chartered Institute of Business Management, both of which are associations incorporated under Section 21 of the Companies Act, as well as The Business Administrators' Educational Foundation (MENTOR). Neither the financial results nor the financial position of these entities has been incorporated into these financial statements.

### POST BALANCE SHEET EVENTS

There were no significant events or circumstances between the date of the financial statements and the date of this report.

### REGISTERED OFFICE AND BUSINESS ADDRESS

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

### POSTAL ADDRESS

P O Box 3146, Houghton, 2041

### CHIEF EXECUTIVE OFFICER

S. Sadie



# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010



	Notes	2010 R	2009 R
<b>INCOME</b>			
Fees - students		3 602 058	3 536 882
Subscriptions – members and technical newsletter		4 004 437	3 844 458
Interest received	3	216 640	268 358
Other income	4	1 963 296	1 785 541
Total income		<u>9 786 431</u>	<u>9 435 239</u>
<b>EXPENDITURE</b>			
Operating and administration costs	5	9 020 212	8 770 502
International Institute charges		252 590	264 941
Depreciation		81 803	42 493
Audit fees		99 000	90 000
Total expenditure		<u>9 453 605</u>	<u>9 167 936</u>
<b>OPERATING SURPLUS</b>		<b>332 826</b>	<b>267 303</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Cost of Relocation	20	(201 118)	-
Post-retirement medical expense	12	<u>(112 488)</u>	<u>(102 480)</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u><u>19 220</u></u>	<u><u>164 823</u></u>



# STATEMENT OF FINANCIAL POSITION

at 31 December 2010



	Notes	2010 R	2009 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment	6	286 024	111 879
Trade Marks	7	15 000	-
		<u>301 024</u>	<u>111 879</u>
<b>Current assets</b>			
Inventories	8	51 973	36 259
Trade and other receivables	9	473 409	658 867
Bank balances, cash and short term deposits	10	4 712 473	4 073 655
		<u>5 237 855</u>	<u>4 768 781</u>
<b>TOTAL ASSETS</b>		<u>5 538 879</u>	<u>4 880 660</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated profit		1 671 556	1 652 336
Professional Practice Group Fund	11	916 644	889 342
		<u>2 588 200</u>	<u>2 541 678</u>
<b>Non-current liability</b>			
Post-retirement medical aid liability	12	<u>900 000</u>	<u>900 000</u>
<b>Current liabilities</b>			
Trade and other payables	13	1 941 644	1 339 527
Amounts due to International Institute		109 035	99 455
		<u>2 050 679</u>	<u>1 438 982</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5 538 879</u>	<u>4 880 660</u>

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2010



	Accumulated profit R	Professional Practice Group Fund R	Total R
<b>Balance at 1 January 2009</b>	1 487 513	639 564	2 127 077
Net surplus for the year	164 823	249 778	414 601
<b>Balance at 31 December 2009</b>	1 652 336	889 342	2 541 678
Net surplus for the year	19 220	27 302	46 522
<b>Balance at 31 December 2010</b>	1 671 556	916 644	2 588 200

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2010



	Notes	2010 R	2009 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		9 786 431	8 957 765
Payments made to suppliers and employees		<u>(8 987 490)</u>	<u>(9 108 058)</u>
Cash generated by/ (utilised in) operations	14	798 941	(150 293)
Investment income		216 640	268 358
Post-retirement medical aid contributions		<u>(112 488)</u>	<u>(102 480)</u>
<b>Net cash from operating activities</b>		<u>903 093</u>	<u>15 585</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment to maintain operations:			
Acquisition of furniture, computers and equipment		<u>(264 275)</u>	<u>(16 896)</u>
<b>Net cash used in investing activities</b>		<u>(264 275)</u>	<u>(16 896)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		638 818	(1 311)
Cash and cash equivalents at the beginning of the year		<u>4 073 655</u>	<u>4 074 966</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	10	<u><u>4 712 473</u></u>	<u><u>4 073 655</u></u>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2010



## PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are presented in South African Rand, the currency of the country in which the Institute is incorporated.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis, modified by the revaluation of financial instruments where applicable, and in accordance with International Financial Reporting Standards. The principal accounting policies adopted in the presentation of these financial statements and which are consistent with the prior year, are set out below:

#### 1.1 EQUIPMENT

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated lives, using the straight line method.

To ensure a full write-off over the useful lives of assets, depreciation is provided on a straight-line basis as follows:

	2010	2009
Computers	33% per annum	20% per annum
Equipment	10% per annum	10% per annum
Furniture	10% per annum	10 % per annum
Motor vehicles	20% per annum	20% per annum

Refer to note 2 which sets out the impact of our writing off of computers over a three year period from year 2010 onward.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

#### 1.2 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.3 RETIREMENT BENEFITS

The policy of the Institute, subject to the rules of the Pension Fund, is to provide retirement benefits for its employees. Current contributions to the defined contribution retirement benefit pension fund are based on a percentage of salaries cost and are charged as an expense in the period in which they are incurred.

The Institute has a policy whereby it pays post-retirement medical costs on behalf of certain retired employees. Previously, the liability in this respect was not raised. In accordance with IAS19 – employee benefits, this liability was quantified and a transitional liability was raised in terms of the transitional provisions.

#### 1.4 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

#### Fees

Examination fees are accrued when the examinations are written.



### ***Subscriptions***

Subscriptions are recognised when no significant uncertainty as to its collectability exists.

### ***Interest received***

Interest revenue is accrued on a time apportionment basis, by reference to the principal outstanding and the interest rate applicable.

## **1.5 IMPAIRMENT**

At each balance sheet date, the Institute reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) and is recognised in the income statement.

## **1.6 FINANCIAL INSTRUMENTS**

The Institute's financial instruments consist mainly of investments, bank balances and cash, short term deposits, trade receivables, trade payables and amounts due to the International Institute. Financial instruments mentioned above, are stated at their fair values.

The Institute does not use derivative instruments nor does the Institute speculate in the trading of derivative instruments.

### ***Financial assets***

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

### ***Financial assets at FVTPL***

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Institute manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both,

which is managed and its performance is evaluated on a fair value basis, in accordance with the Institute's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or  
it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.  
Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

### ***Investments***

Investments comprise bank deposits held by the company with an original maturity of three months or less. Investments are recognised on purchase date and are measured at fair value, plus transaction costs. The carrying amount of these assets approximates their fair value.

### ***Loans and receivables***

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Impairment of financial assets***

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the Institute's past experience of collecting payments.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### ***Derecognition of financial assets***

The Institute derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Institute neither transfers nor

retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### Financial liabilities

The Institute does not have any financial liabilities other than borrowings and trade payables which are classified as “other financial liabilities”.

#### **Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

#### **Derecognition of financial liabilities**

The Institute derecognises financial liabilities when, and only when, the Institute’s obligations are discharged, cancelled or they expire.

### **1.7 PROVISIONS**

Provisions are recognised when the Institute has a present constructive or legal obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

### **1.8 LEASING**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

### **1.9 CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

#### ***Critical accounting judgments in applying the entity’s accounting policies***

In the process of applying the entity’s accounting policies, which are described above, management did not make any judgments that had any significant effect on the amounts recognised in the financial statements.

#### ***Key sources of estimation uncertainty***

There were no key assumptions concerning the future, or any other key sources of estimation uncertainty at the balance sheet date, which could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

### **1.10 FOREIGN CURRENCIES**

In preparing the financial statements, transactions in currencies other than the Institute’s functional currency are recorded at the dates of the transactions. At the balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange differences are recognised in profit or loss in the period in which they arise.

## 2. CHANGE IN RATE OF DEPRECIATION

A decision was taken during the year to write off the cost of Computers on a three year straight line basis from the 2010 year. The impact of this change was as follows.

	<b>Gross</b>	<b>Tax</b>	<b>Net</b>
Increase in depreciation	39 310	-	39 310

## 3. INTEREST RECEIVED

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
Interest received - funds on deposit and short-term call	216 640	268 358
Total interest received	216 640	268 358

## 4. OTHER INCOME

Prior year net income recoveries	79 952	92 222
Direct mail	-	2 207
Unallocated deposits	(27 836)	98 786
Conference Endorsements	30 705	77 683
Sale of technical support material	(5 030)	19 706
Seminars	108 692	87 701
Secretarial fees - CIBM	1 273 997	1 001 000
- IBS	249 000	190 000
- PPG	234 400	166 145
Royalties	19 416	50 091
Total other income	1 963 296	1 785 541

## 5. OPERATING AND ADMINISTRATION COSTS

Administration expenses	143 270	229 740
Centenary and Award ceremonies	113 408	366 651
Boardroom magazine	140 456	181 245
Branch expenses	87 333	81 445
Computer expenses	139 357	93 895
Contractors fees – managerial	137 788	209 296
Examination expenses	825 273	835 039
Hire of office equipment	169 929	201 724
Insurance	38 870	44 471
Profit on sale of assets	(3 954)	-
Marketing expenses	760 147	707 842
Motor vehicle expenses	13 924	36 702
Postage and telephones	340 807	295 931
Printing and stationery	175 483	141 304
Rental and electricity	695 421	437 039
Salaries and wages	4 467 603	4 218 282
Technical support	322 350	197 270
Travel and meetings – domestic	272 326	343 369
Travel and meetings – international	180 421	149 257
Total operating and administration costs	9 020 212	8 770 502



## 6. EQUIPMENT

	Cost R	Accumulated depreciation R	Net book value R
<b>At 31 December 2010</b>			
Furniture, computers and equipment	708 076	(422 052)	286 024
Library books - at nominal value	2	(2)	-
Motor vehicles	85 569	(85 569)	-
Trophies and regalia - at nominal value	2	(2)	-
<b>Total equipment</b>	<b>793 649</b>	<b>(507 625)</b>	<b>286 024</b>
<b>At 31 December 2009</b>			
Furniture, computers and equipment	624 798	(512 919)	111 879
Library books - at nominal value	2	(2)	-
Motor vehicles	85 569	(85 569)	-
Trophies and regalia - at nominal value	2	(2)	-
<b>Total equipment</b>	<b>710 371</b>	<b>(598 492)</b>	<b>111 879</b>

Movement in equipment can be reconciled as follows:

	Net book value 2009 R	Additions R	Disposals R	Depreciation R	Net book value 2010 R
Furniture, computers and equipment	111 879	264 275	(8 327)	(81 803)	286 024
Library books - at nominal value	-	-	-	-	-
Motor vehicles	-	-	-	-	-
Trophies and regalia - at nominal value	-	-	-	-	-
	<b>111 879</b>	<b>264 275</b>	<b>(8 327)</b>	<b>(81 803)</b>	<b>286 024</b>

	Net book value 2008 R	Additions R	Disposals R	Depreciation R	Net book value 2009 R
Furniture, computers and equipment	137 476	16 896	-	(42 493)	111 879
Library books - at nominal value	-	-	-	-	-
Motor vehicles	-	-	-	-	-
Trophies and regalia - at nominal value	-	-	-	-	-
	<b>137 476</b>	<b>16 896</b>	<b>-</b>	<b>(42 493)</b>	<b>111 879</b>

	2010 R	2009 R
<b>7. TRADE MARKS</b>		
Trade Marks comprise:		
All Registered Trade Marks	15 000	-
A decision was taken in 2010 to bring Registered Trade Marks to account as a Company asset.		
<b>8. INVENTORIES</b>		
Inventories comprise:		
Books and manuals for resale	51 973	36 259
Inventories are carried at net realisable value and all inventories are expected to be recovered within 12 months.		
<b>9. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	221 822	207 649
Prepaid expenses	14 774	5 439
Sundry debtor	106 413	298 200
Institute of Business Studies	114 693	120 537
Chartered Institute of Business Management	15 587	27 042
The Business Administrators Educational Foundation	120	-
	473 409	658 867
The directors consider that the carrying amount of trade and other receivables approximates its fair value.		
<b>10. BANK BALANCES, CASH AND SHORT-TERM DEPOSITS</b>		
Bank deposits and cash	93 213	589 783
Funds on deposit and short-term call	4 619 260	3 483 872
	4 712 473	4 073 655
The carrying amount of these assets approximates fair value.		
<b>11. PROFESSIONAL PRACTICE GROUP FUND</b>		
Balance at beginning of the year	889 342	639 564
Total income	386 740	436 836
Income received from members	338 340	332 886
Interest received	48 400	103 950
Total expenses	359 438	187 058
Technical manual and newsletter expense	100 000	20 913
Administration expenses	259 438	166 145
Balance at end of the year	916 644	889 342
The Professional Practice Group Fund consists of a surplus to be spent for a specific purpose in relation to members.		

	2010 R	2009 R
<b>12. POST-RETIREMENT MEDICAL AID LIABILITY</b>		
The Institute has a post-retirement medical aid liability, which has been valued by the Institute.		
Provision utilised for current year contributions	112 488	102 480
Amount recognised in the current year through the income and expenditure statement	(112 488)	(102 480)
Amount to be recognised in future periods	-	-
Principal assumptions at the balance sheet date:		
- Discount rate at 31 December	7.3%	7.3%
- Contribution increases	6.5%	6.5%
- Remaining life expectancy	5.1-10.25 years	6.1-11.96 years
The amount included in the balance sheet arising from the Institute's obligation in respect of defined post-retirement medical benefit was as follows:		
Balance at beginning of the year	900 000	900 000
Amount recognised in the current year through the income statement	112 488	102 480
Amount reversed in the current year through the income statement	-	-
Provision utilised for current year contributions	(112 488)	(102 480)
Fair value of amount recognised	900 000	900 000
<b>13. TRADE AND OTHER PAYABLES</b>		
Accounts payable	459 877	351 560
Fees and subscriptions received in advance	1 194 910	820 646
Leave pay	127 152	120 764
Value Added Tax	159 705	46 557
Total accounts payable	1 941 644	1 339 527
The directors consider that the carrying amount of accounts payable approximates its fair value.		
The average credit period on the purchases of goods and services is 30 days. No interest is charged on trade payables. The company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.		
<b><i>Movement in the leave pay accrual:</i></b>		
Balance at the beginning of the year	120 764	118 675
Utilisation of provision	(120 764)	(118 675)
Additional provision raised	127 152	120 764
Balance at the end of the year	127 152	120 764

	2010 R	2009 R
<b>14. RECONCILIATION OF NET PROFIT FOR THE YEAR TO CASH GENERATED BY/(UTILISED IN) OPERATIONS</b>		
Net surplus for the year	19 220	164 823
Adjusted for:		
Investment income	(216 640)	(268 358)
Net income of the Professional Practice Group	27 302	249 778
Depreciation	81 803	42 493
Depreciation - prior year adjustment	(2 719)	-
Loss on scrapping of assets	(3 954)	-
Net Post-retirement medical expense	112 488	102 480
Cash inflow from operations before working capital changes	17 500	291 216
Decrease/(increase) in inventories	(15 714)	31 561
Decrease/(increase) in trade and other receivables	185 458	(237 396)
Increase/(decrease) in trade and other payables	602 117	(198 100)
Increase/(decrease) in amounts due to International Institute	9 580	(37 574)
Cash generated by/(utilised in) operations	798 941	(150 293)
<b>15. MEMBERS' LIABILITY</b>		
The Institute is incorporated as an Association under Section 21 of the Companies Act and is a company limited by guarantee. In the event of the company being wound-up at any time, the liability of each person being a member at the time is limited to one South African Rand.		
<b>16. COMMITMENTS</b>		
Operating leases in respect of premises and equipment:		
Payable within one year	803 747	191 225
Payable within 2 to 5 years	2 632 247	389 840
	3 435 994	581 065
<b>17. RETIREMENT BENEFITS</b>		
The Institute is a participating employer in a defined contribution umbrella fund. The Fund is a defined contribution fund. It is not actuarially valued as it is an insured fund through an insurance policy and is governed by the Pension Funds Act, 1956. There are no unfunded benefits and all employees are covered by the plan. The current year contributions amounted to R714 851 (2009: R610 013). The number of employees at year end was 16 (2009: 16).		
<b>18. TAXATION</b>		
The Institute is exempt from taxation in terms of Section 10 (1) (d) of the Income Tax Act.		



## 19. RELATED PARTY TRANSACTIONS

The following related transactions were entered into in the current year:

	2010 R	2009 R
<b>Secretarial fee income</b>		
- Institute of Business Studies	249 000	190 000
- Chartered Institute of Business Management	1 273 997	1 001 000
- Professional Practice Group	234 400	166 145
<b>Amounts due by related parties</b>		
- Chartered Institute of Business Management	15 587	27042
- Institute of Business Studies	114 693	120 537
-The Business Administrators Educational Foundation	120	-

The amounts due by related parties have no fixed terms of repayment. There is no interest payable on these loans.

Fees for financial management services were paid to MCG Management Services CC (of which A R Grant is a member) in the amount of R75 200 (2009: R100 200) and to Tichauer Accounting and Management Services CC (of which W Tichauer is a member) in the amount of R 3 300 (2009: R4 995). These amounts are included under contractor fees per note 5.

Publishing costs were paid to Eagle Publishing (Pty) Ltd (of which R W Furney is a shareholder) as follows and are all included under Technical Support and Boardroom Magazine per Note 5 – R178 847 (2009: R235 436).

Fees for payroll administration fees were paid to Commercial and Club Secretaries CC (of which a relative of R W Furney is a member) in the amount of R18 428 (2009: R16 133).

Examination, moderation and marking fees were paid to a number of Directors or Related Parties during the year under review as follows:

- W Tichauer (Examination and Marking Fee) – R2 340 (2009: R1 640)
- C Wessels (Examination and Marking Fee ) –R26 500 (2009: R17 100)

Total amount: R28 840 (2009: R27 955)

In 2010, Tichauers Educational Training CC (of which W Tichauer is a member) received a Chief Examiners Fee of R48 000 (2009: R48 000). These amounts are all included under Examination Fees per Note 5.

Other professional fees were paid as follows during the year and are included under contractor's fees per Note 5:

- Jealnic Business Services (of which J M Caddy is a member) – R2 375 (2009: R2 250).
- J Wolpert (Technical Adviser ) – R300 000 (2009: R50 000)
- C Wessels (CPD Seminars) – R22 000 (2009: R12 000)

## 20. COST OF RE-LOCATION

A decision was taken during the year to re-locate to new premises in Killarney at a once off cost of R201 118.



## 21. FINANCIAL INSTRUMENTS

### **Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1.6 to the financial statements.

### **Foreign currency risk management**

There is limited exposure to foreign currency risk as the only foreign currency transaction entered into is that related to the international capitation fee expense.

### **Foreign currency exposure**

	Foreign Currency amount		Rand amount	
	2010	2009	2010	2009
International Institute				
– British Pound Sterling	10 634	8 119	109 035	99 455

### **Interest rate risk management**

The Institute finances its operations through its retained earnings and cash accumulated in the bank.

Due to there being no external borrowings, exposure to interest rate risk is minimal.

### **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Institute's short term funding and liquidity management requirements. The Institute manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

The Institute also manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowings facilities are maintained.

It is the Institute's policy to deposit short-term cash investments with major financial institutions.

### **Market risk management**

Due to the nature of the Institute and the services they provide, exposure to market risk is minimal.

### **Credit risk management**

Potential concentrations of credit risk consist principally of trade debtors and balances at banks. Trade debtors consist of subscription members, students and external tuition providers. Due to the nature of the debtors, credit evaluations are not performed. However, revenue and the related debtor are only recognised when no significant uncertainty as to its collectability exists. Appropriate allowance for estimated irrecoverable amounts is made and at the year-end, management did not consider there to be any material credit risk exposure that was not already covered by a doubtful debt provision.

### **Fair value**

All financial instruments are carried at fair value or amounts that approximate fair value. The carrying accounts for investments, cash, cash equivalents as well as receivables and payables approximate fair value due to the short-term nature of these instruments.

	2010 R	2009 R
<b>Financial Assets</b>		
Cash and cash equivalents	4 712 473	4 073 655
Trade receivables	221 822	207 649
	<hr/>	<hr/>
<b>Financial Liabilities</b>		
Accounts payable	459 877	351 560
	<hr/>	<hr/>

## 22. ADOPTION OF NEW AND REVISED STANDARDS

### **Standards and Interpretations in issue not yet adopted**

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IIFRS 2 (revised) Amendment to vesting conditions and cancellations (effective 1 January 2009);
- IIFRS 3 (revised) Amendment to comprehensive revision on applying the acquisition method (effective 1 July 2009);
- IAS 1 (revised) Amendment to comprehensive revision including requiring a statement of comprehensive income (effective 1 January 2009);
- IAS 23 (revised) Borrowing Costs (effective 1 January 2009)

### **Standards and Interpretations in issue not yet adopted**

- IAS 32 (revised) Amendments relating to puttable instruments and obligations arising on liquidation (effective 1 January 2009);
- IFRS 8 Operating segments (effective 1 January 2009);
- IFRIC 11 IFRS: Group and Treasury Share Transaction (effective 1 March 2007);
- IFRIC 12 Service Concession Arrangements (effective 1 January 2008);
- IFRIC 13 Customer Loyalty Programmes (effective 1 January 2008); and
- IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2009).

The directors anticipate that all of the above Standards and Interpretations will have no material impact on the financial statements of the Institute in the period of initial application.



**Business address**

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

**Postal address**

P O Box 3146, Houghton, 2041

**Telephone**

011 551 4000

**Fax**

011 551 4028

**E-mail**

[icsa@icsa.co.za](mailto:icsa@icsa.co.za)

**Website**

[www.icsa.co.za](http://www.icsa.co.za)