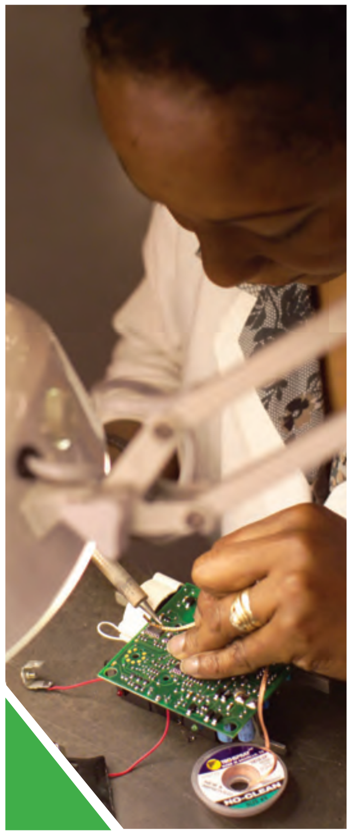


Companies Tribunal
a member of the dti group

annual report | **2016**

Companies Tribunal
Annual Report

Vision Statement

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

Values

The Tribunal's values are:

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

COMPANIES TRIBUNAL ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

TABLE OF CONTENTS

PART A

General Information

COMPANY INFORMATION

1. Companies Tribunal General Information

Registered name:

Companies Tribunal

Registered office address:

The dti Campus

Block E 3rd floor

77 Meintjies Street

Sunnyside

Pretoria, 0002

Postal address:

Companies Tribunal

PO Box 27549

Sunnyside

Pretoria

0002

Contact information:

Telephone number: (012) 394 3071

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

Website address: www.companiestribunal.org.za

External auditors:

Auditor-General of South Africa

Bankers:

Standard Bank of South Africa

Corporation for Public Deposits

LIST OF ABBREVIATIONS AND ACRONYMS

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

FOREWORD BY THE MINISTER

> “ One of the requirements of the Companies Act is the establishment of social and ethics committees (SECs) as a means of promoting good corporate governance and safeguarding the interests of stakeholders.”

The Companies Tribunal (the Tribunal) has been established to adjudicate applications made in terms of the Companies Act No. 71 of 2008 and resolve disputes through mediation, conciliation and arbitration. The Tribunal remains one of the important pillars in the creation of a just, fair and ethical regulatory business environment that is conducive to sustainable enterprise development and attracts investments. The speedy and effective resolution of company disputes is critical as the risks, time and costs associated with protracted litigation negatively impact on the economy. A significant number of commercial disputes are still being referred to the Courts. This is more concerning given the fact that the majority of cases handled by the Tribunal are related to name disputes.

It is important that we change the litigious culture of resolving company disputes towards an alternative dispute resolution (ADR) culture. The Tribunal is beginning to play a significant role in this regard. Some of the disputes that the Tribunal handled in relation to ADR involve directorship and shareholding disputes. The increased use of the Tribunal’s ADR has given ordinary South Africans access to justice that would otherwise have been denied by the prohibitive costs associated with litigation.

One of the requirements of the Companies Act is the establishment of social and ethics committees (SECs) as a means of promoting good corporate governance and safeguarding the interests of stakeholders. The Tribunal is assigned the function of considering applications for exemptions by qualifying companies from establishing an SEC. Although there has been an increase in the number of applications for exemptions, it is encouraging to note that 80% of such exemption applications have not been granted by the Tribunal as the social and ethical responsibility of companies should not be taken lightly.

A lapse by companies in these matters could have a detrimental impact on the economy as a result of unethical business practices that may harm communities, the environment and the sustainability of enterprises in the long term.

The Tribunal has increased its outreach initiatives to ordinary citizens and other stakeholders in an effort to increase awareness about its services which are offered at no cost to its clients. The fact that the Tribunal’s services are offered at no cost to the public has resulted in enormous legal expenses saving to businesses.

The Companies Tribunal is continually making progress in delivering on its mandate as evident in the increase in its overall caseload and particularly in ADR cases compared to the previous financial year which can be attributed to enhanced outreach initiatives. The Tribunal has also achieved good performance in its turnaround times for the issuing of decisions and consistently maintains a good track record regarding the management of finances, as reflected in the audited financial statements.

I am therefore confident of the Tribunal achieving its mandate of being an effective, efficient, independent and impartial regulatory institution which contributes to the realisation of a globally competitive South African economy characterised by the promotion of good corporate governance and fair and ethical business practices.

I would like to thank the Chairperson and Accounting Authority of the Companies Tribunal, Advocate S. Lebala SC, and his team for their work and support in delivering services to the people of South Africa.

Dr Rob Davies, MP
Minister of Trade and Industry

SUBMISSION OF ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

" The report highlights the Companies Tribunal's achievements for the year under review which was marked by improvement in the Tribunal's performance and the Tribunal obtaining a clean audit report from the Auditor General of South Africa."

It gives me great pleasure to present to the Minister the Fourth Annual Report together with the Financial Statements of the Companies Tribunal for the period ended 31 March 2016. The report highlights the Companies Tribunal's achievements for the year under review which was marked by improvement in the Tribunal's performance. The Audited Financial Statements reflect the consistently sound financial management of the Companies Tribunal.

Adv. S Lebala, SC
Chairperson
Companies Tribunal
27 July 2016

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

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

The caseload for the year under review was 397 cases of which 314 were finalised. This caseload represents a 22% increase from the last financial year. The majority of the cases that were not finalised are due to the need to ensure compliance with the statutory filing period before a matter can be adjudicated on. More than eight in ten (88%) of the decided cases were decided within 30 working days from the date of allocation and 80% were decided within 30 working days from the date of hearing.

The majority of the cases handled by the Tribunal related to company name disputes. Most of these company name disputes were lodged on the grounds that the name of the company is either the same as another company name or confusingly similar to a trademark. At the end of the reporting period, 273 company name disputes were handled and 226 finalised. In respect of the company name dispute cases, 68 were granted, 51 refused or dismissed, four postponed sine die, 22 withdrawn and 81 closed.

Other applications that were considered relate to access to financial statements, convening and extensions of time for holding annual general meetings (AGMs), directorship disputes, applications for exemption from establishing an SEC, substituted services, extensions for preparing annual financial statements, reviewing of Company and Intellectual Property Commission (CIPC) decisions and reviewing of compliance orders or notices issued by the CIPC. CIPC notices may relate to the appointment of a company secretary, auditor or audit committee.

There has been a 60% increase in applications for exemption from appointing an SEC. The majority of the applications for exemption are from the property and retail sectors. The main reason advanced by companies in their application is that, due to the nature and extent of their activities, it is not in the public interest to establish an SEC. Although the Tribunal applies High Court rules in its hearings in relation to its adjudication mandate, the Tribunal is mindful of the need for flexibility and responsiveness in order to fulfil its role as a quasi-judicial body. The ADR procedures are, however, informal as Tribunal members serve to facilitate the speedy resolution of the disputes between the parties, thus ensuring the preservation of business relationships in the process.

The Tribunal has seen a 100% increase in the number of ADR cases handled compared to the previous financial year. ADR disputes included the payment of dividends, access to company documents including financial statements and payment of remuneration.

The increase in ADR cases is encouraging as it bears testimony to the positive impact of the Tribunal's outreach efforts through print and electronic media and engagement with the public through the Companies Tribunal Seminar and other forums. The Tribunal also continued its efforts in reaching out to the judiciary and legal fraternity through law societies.

Of the total number of applications for adjudication and ADR cases handled during the year under review, 52% were lodged without utilising the services of a legal representative. Approaching the Tribunal without a legal representative is encouraged as it reduces the cost of conducting business. The Tribunal does not charge fees for its services.

In order to contribute to the body of knowledge on company law, comparative research was undertaken of similar institutions with a view to determining international best practices and improving the effectiveness and efficiency of the Tribunal. The Companies Tribunal continued to participate in the Specialist Committee on Company Law headed by Prof Michael Katz and makes a contribution to the development of company law in general.

The Tribunal submitted proposed amendments to the Companies Act with a view to enhancing the effectiveness of its mandate, particularly around ADR. If implemented, the proposed amendments will ensure that the Tribunal's ADR framework is in line with international best practice of making ADR the first port of call in the resolution of commercial disputes.

The Tribunal continued its efforts to strengthen strategic relationships with the judiciary and business associations including, reaching out to law societies and chambers of commerce.

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

Fruitless and wasteful expenditure incurred as an overpayment for the Skills Development Levy (SDL) resulted from a lack of technical oversight during the establishment of the Companies Tribunal. The Tribunal decided not to recover the amount from the 2012/13 financial year as the benefit of recovering it from the South African Revenue Services (SARS) and paying it back to the National Revenue Fund does not justify the efforts required to do so. All issues raised by the Auditor-General during the previous financial year's audit have been addressed.

The Tribunal received a clean audit report from the Auditor General of South Africa which is confirmation of our committment to good governance, clean and accountable administration. The annual financial statements fairly represent the Tribunal's financial position and performance for the year under review. There are no material facts or circumstances that significantly affect or could affect the financial position of the Tribunal as a going concern. However, the Tribunal's funding has proved insufficient to carry out its mandate, resulting in a deficit of R3.3 million for the year under review. The Tribunal will continue its efforts to engage with **the dti** on increasing the baseline funding. The Tribunal supports the development of SMME and B-BBEE enterprises with 75% of its procurement sourced from B-BBEE level 1, 2 and 3 contributors. Furthermore, the Tribunal paid 99.7% of suppliers within 30 days.

The Tribunal encountered some challenges during the year under review. Major challenges included the budgetary constraints and moratorium placed on the filling of vacant positions which made it impossible for the Tribunal to fill vacant positions such as that of the Manager of Corporate Services. It is important that the Tribunal fill the vacant post of full-time Tribunal member as achieving the turnaround time depends not so much on the number of members but on the availability of members. The inability of the Tribunal to fill the vacant posts had a negative impact on the performance of the organisation as well as placing undue strain on current resources. The acquisition of appropriate hearing rooms also remains a matter of concern.

However, I am confident that, despite these challenges, the Tribunal has effectively and efficiently delivered on its mandate. I am also confident that the Tribunal will continue to enhance its efforts as a world-class adjudicatory and dispute resolution body that will contribute to the promotion of a culture of commercial dispute resolution through mediation, conciliation and arbitration, as well as playing a significant role in promoting a fair regulatory business environment.

I would like to take this opportunity to thank the Executing Authority, the Minister of Trade and Industry, Dr Rob Davies, MP, and the Director General of the Department of Trade and Industry, Mr Lionel October, and his team. I would also like to thank our sister agencies for their continued support, my fellow Tribunal members, the Audit and Risk Committee members, Remuneration and Human Resources Committee (REMCO) members, the Internal Auditors (Business Innovation Group) and the Tribunal staff for their dedication and outstanding contributions.

Adv. S Lebala, SC
Chairperson of the Companies Tribunal
Date: 27 July 2016

6.1 Vision

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

6.2 Mission

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

6.3 Values

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

7. Legislative Mandate

The Companies Tribunal is established in terms of Section 193 of the Companies Act, Act No. 71 of 2008, as a juristic person. In terms of the Act, the Tribunal has jurisdiction throughout the Republic. It is independent and subject only to the Constitution and the law.
The Tribunal's mandate, in terms of Section 195 of the Companies Act, is to:

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

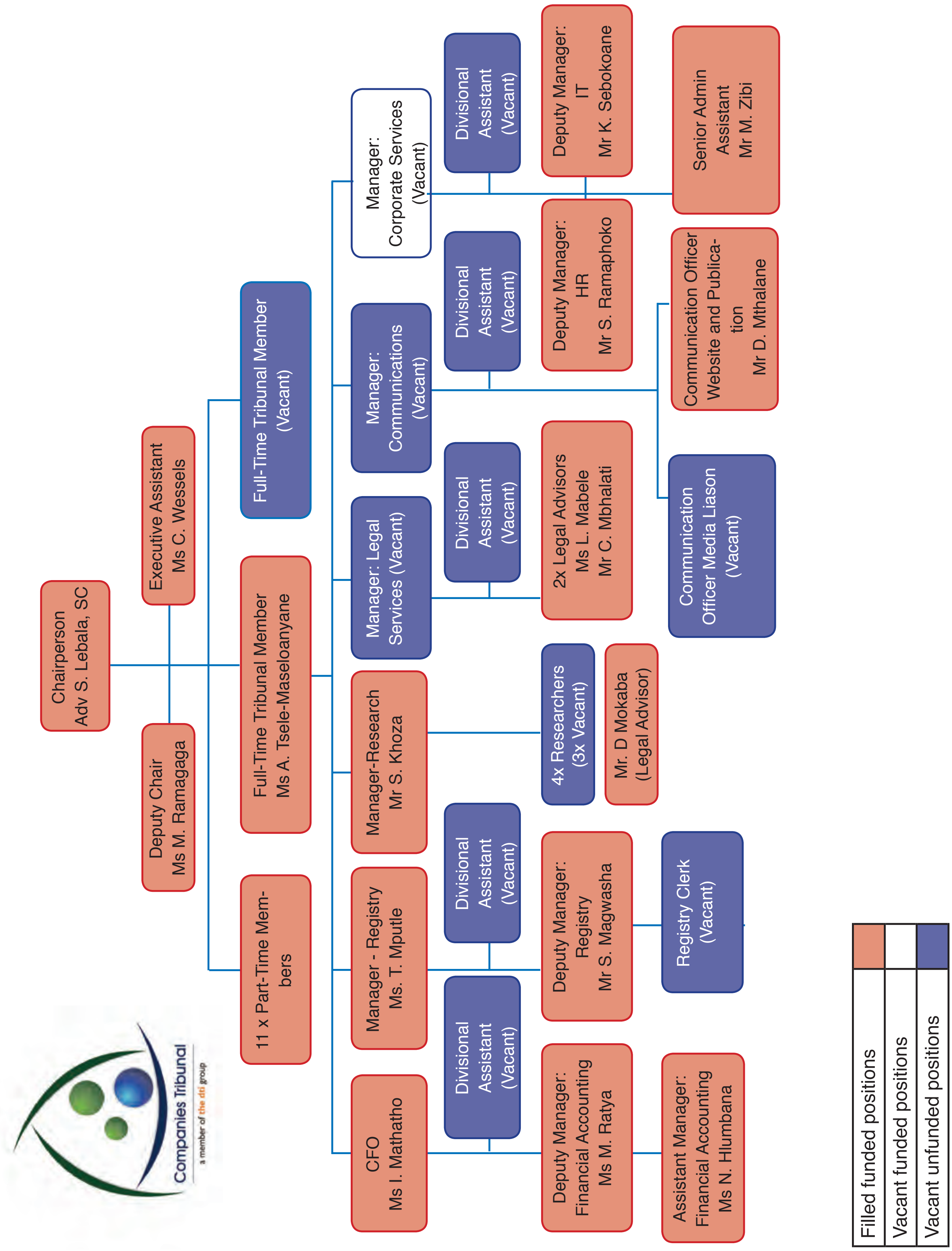
In delivering on this mandate, the Companies Tribunal is expected to exercise and perform its functions in line with the spirit, purpose and objects of the Constitution, International Law and the Companies Act, and in a manner which is transparent, impartial and without fear, favour or prejudice.
In addition to the founding legislation, that is, the Companies Act as well as the Tribunal's Guidelines, the Tribunal considers the legislation and policy prescripts, including the Constitution in addressing the purpose and policy of the Act. The role of the Constitution in the Tribunal's processes is discussed below.

The Constitution of the Republic of South Africa

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

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

Companies Tribunal Organisational Structure as at 31 March 2016



STAFF MEMBERS

Irene Mathatho

Mpho Ratya

Ntombi Hlumbana

Tebogo Mohasoa

Tebogo Mputle

Selby Magwasha

Mandla Zibi

Douglas Mokaba

Lydia Mabele

Curtis Mbhalati

Simukele Khoza

Dumisani Mthalane

Siyabonga Ntshangase

Keikanetswe Sebokoane

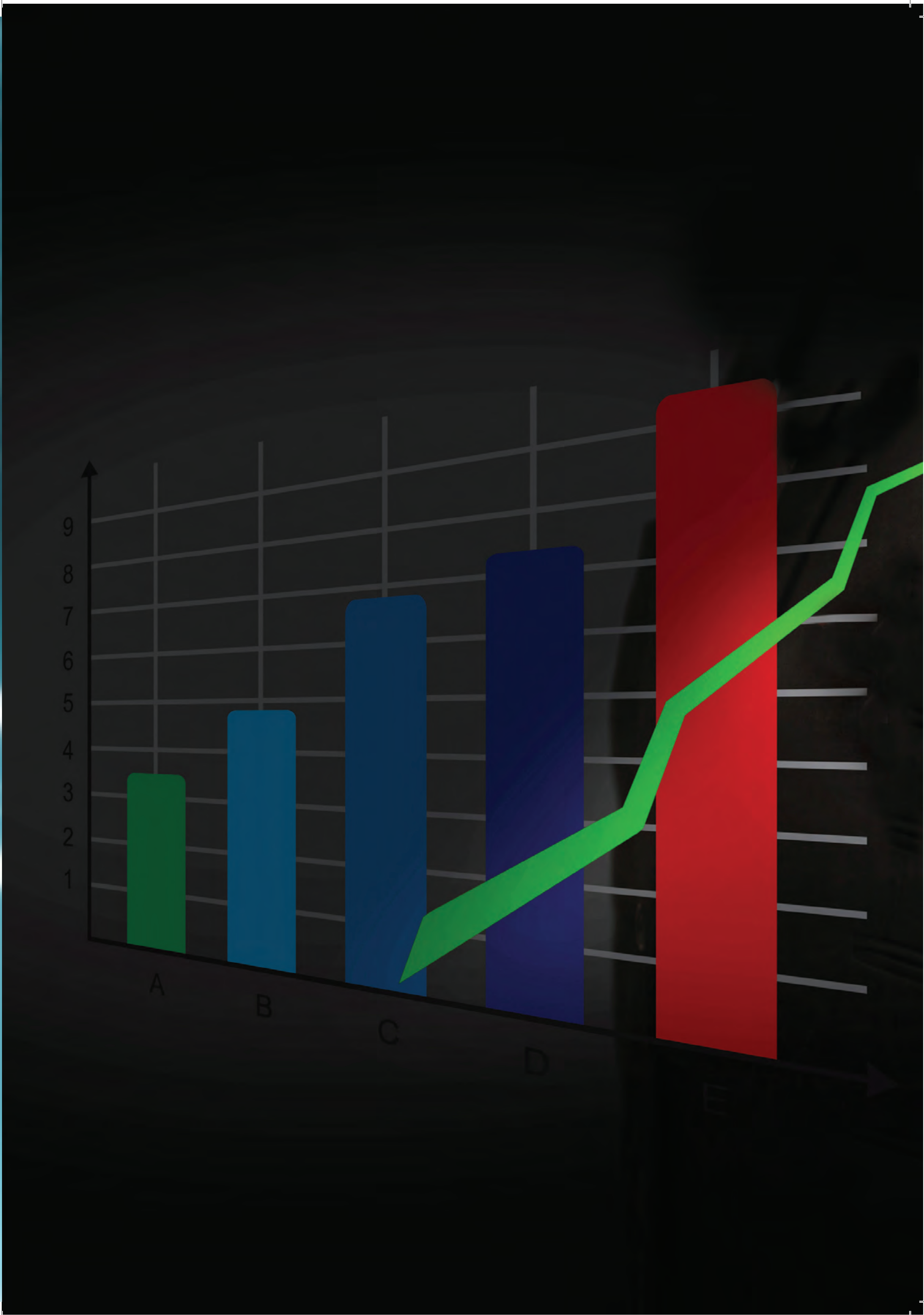
Sammy Ramaphoko

Charmaine Wessels

Dineo Mosetlha

PART B

Performance Information



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1. Auditor-General's Report: Predetermined Objectives

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on performance is measured against predetermined objectives and is included in the report to management. Material findings are reported under the predetermined objectives heading in the other legal and regulatory requirements section of the auditor's report.

2. Situational Analysis

2.1 Service Delivery Environment

The Companies Tribunal operates in an economy with an active citizenry that enforces its rights in terms of service delivery. There is, however, still a need to protect the rights of vulnerable persons such as those who are illiterate and historically disadvantaged vis-à-vis established corporates in the enforcement of rights. The majority of new entrants into the economy are not aware of their rights and therefore need assistance from institutions such as the Tribunal to enforce their rights. There is thus a need for the Tribunal to continue placing more effort on its education and awareness initiatives.

The services provided by the Tribunal during the year under review include the adjudication of applications in terms of the Act as well as the resolution of disputes through ADR.

The adjudication programme has exceeded its expected performance for one out of the three outputs and fell only marginally short of achieving the other two outputs. Underperformance was due mainly to resource constraints and a review of the current model relating to Tribunal members is required to address this. It must be noted that 100% of cases set for hearing under ADR were finalised.

2.2 Organisational Environment

The Tribunal operated under severe budgetary constraints and as such has not been able to fill key posts which are necessary for service delivery such as the Managers of Communication, Corporate Services and Legal Services. This has resulted in the partial achievement of output relating to corporate services and some delays in finalising the Risk Management framework and Human Resources policies reviews as well as challenges in the coordination of Corporate Support Services.

There has been one resignation by the Deputy Manager: Human Resources and appointments for a replacement Deputy Manager: Human Resources as well as a Deputy Manager: Financial Accounting and an Assistant Manager: Financial Accounting. One research intern was also appointed.

The Tribunal continues to experience challenges with regard to suitable office space including hearing rooms.

2.3 Key Policy Developments and Legislative Changes

The Tribunal submitted a proposal to **the dti** for the amendment of the Companies Act relating to its mandate. Key among the changes was the amendment of the ADR Framework to ensure that it is effective as a mechanism for resolving disputes.

2.4 Strategic Outcome-Oriented Goals

- Adjudicate and make orders in relation to any application

The Tribunal has made good progress in achieving this goal given the increase in the workload. The Tribunal managed to maintain the 80% performance success rate in performance for decisions issued within 30 workings days from the date of hearing. Furthermore, the Tribunal achieved 88% performance success rate in respect of decisions issued within 30 working days after the date of allocation. It must be noted that these turnaround times are significantly shorter than the Courts' processes.

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

The Tribunal made significant progress as 100% of cases allocated for ADR hearings were finalised.

- Ensure operational effectiveness and efficiency of the Tribunal

The Tribunal has managed to attain 50% of the targets set under this goal.

- Effective stakeholder engagement

The Tribunal has met all the targets set in terms of ensuring effective stakeholder engagement. Furthermore, the seminar on promoting a culture of resolving dispute through ADR hosted by the Tribunal in the year under review attracted more than 200 delegates.

3. Performance Information by Programme

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

3.1 Programme 1: Adjudication

Adjudication: To adjudicate and make an order in relation to applications made in terms of the Companies Act (2008) as well as to resolve disputes in terms of ADR.

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

TRIBUNAL MEMBERS

The Tribunal is comprised of members with suitable qualifications and experience in economics, law, commerce, industry or public affairs, they are appointed in terms of section 194 of the Companies Act.

Adv. Simmy Lebala, SC
Chairperson

BJuris, LLB, University of Zululand; LLM, Georgetown University; Diploma in Trial Advocacy, University of Colorado; Certificate in Mediation.

Matshego Ramagaga
Deputy Chairperson

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

Lucia Glass

LLM, BProc, BA (Law), Unisa.

Randall Williams

BProc, LLB, LLM.

Prof Piet Delport

LLB, LLD, University of Pretoria; Higher Diploma in Tax Law, University of the Witwatersrand.

Khashane Manamela

BA, University of Venda; LLB, LLM (Commercial Law), University of Pretoria; LLM (Tax Law) University of the Witwatersrand; Master of Business Leadership, Unisa-SBL.

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), Unisa; Postgraduate Certificate in Advanced Taxation.

Maake Francis Kganyago

BProc, LLB, University of the North; LLM, Vista University; Certificate in Deceased Estate, Law Society of SA in collaboration with the College of Law, Unisa; Certificate in Pension Funds Law, Unisa; Insolvency Law and Practice, RAU (now the University of Johannesburg).

Sathie Gounden

BCompt, Unisa; Postgraduate Diploma in Accounting, University of Durban Westville; Certificate in Forensic Auditing and Fraud Examination, University of Pretoria; CA (SA), Registered Auditor, Professional Accountant (SA), CD (SA).

Adv. Lizelle Haskins

LLB, LLM (Corporate Law), Advanced Certificate in Tax Practice, University of Pretoria; Advanced Corporate Law, University of the Witwatersrand.

Mmoledi Malokane

BProc, UNIN (now University of Limpopo); Advanced Diploma in Corporate Law, RAU (now University of Johannesburg); Certificate in Mergers and Acquisition Law and Regulations, University of Pretoria; Advanced Diploma in Banking Law, Advanced Diploma in Insolvency Law, University of Johannesburg.

Peter Veldhuizen

BProc, Certificate in Taxation, MBA, Unisa; LLM, University of Cape Town.

Prof Kasturi Moodaliyar

BProc, LLB, LLM, University of Natal (now University of KwaZulu Natal); MPhil (Criminological Research), University of Cambridge; Programme in Economics and Public Finance, Unisa; Programme in Legislative Drafting, University of Pretoria.

Agnes Tsele-Maseloanyane

BJuris, University of Zululand; LLB, North West University; LLM (Mercantile Law), University of Pretoria; Diploma in Labour Law, University of Johannesburg; Advanced Taxation Certificate, Unisa.

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

Programme: Adjudication

Strategic Goal/ Outcome	Strategic Objective	Output	Performance Indicator/ Measure	Actual Achievement 2014/15	Planned Target 2015/2016	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	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 within 30 working days after the date of the hearing	80% of decisions and orders issued within 30 working days after the date of hearing	85%	80%	5%	Only one case out of all the cases that were heard was decided outside the agreed timeline (it took three days longer than the stipulated 30 days to be completed). The reason for this is that the three panel members needed more time to finalise the decision.
Adjudicate and make orders in relation to any application	Adjudicate applications timeously, fairly and in a transparent manner	Adjudicated applications	Percentage of decisions and orders issued within 30 days[1] after the date of allocation	90% of decisions and orders issued within 30 days after the date of allocation	90%	88%	2%	Members took longer to issue decisions and an increase in the number of reminders has since been implemented. There is also a need to employ another full-time member to ensure that this target is met as the current member is engaged mostly in operational matters
Resolution of disputes in terms of ADR	Resolve disputes in a cost-effective, informal and timeous manner	Resolved disputes	Percentage of cases finalised in terms of ADR after the date of final hearing	40%	70%	100% of cases finalised within 30 days[1] after the date of final hearing	Target exceeded	Voluntary nature of ADR in terms of the Companies Act No. 71 of 2008

[1] The time factor was not included in the target, however, the percentage is based on the time factor of 30 working days after the date of final hearing which is in line with the turnaround times for adjudicated applications.

3.1.2 Purpose of the Programme

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

The Tribunal comprises 13 part-time Members, including the Chairperson and Deputy Chairperson and one full-time Member appointed by the Minister of Trade and Industry. These Members have expertise in the different areas envisaged in the Act such as law, economics, commerce, industry or public affairs. Some of the members also serve as Acting Judges of the High Court. Among the Members are Senior Advocates and Attorneys, two Law Professors and a Chartered Accountant. The Registry is responsible for, among others, the management of cases, assisting the Chairperson with the allocation of cases to Tribunal Members, communicating and informing parties on the progress and outcome of their cases. The Registry is also responsible for the management of all enquiries made with the Tribunal and is the custodian of all Tribunal cases, documents and record management systems.

The Tribunal strives to be accessible to the public and matters are brought before it at no cost. For the year under review, the Tribunal's caseload consisted of 397 cases and 314 of these were finalised. The majority of cases that have not been finalised could not be considered as the statutory filing period had not yet closed.

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

Nature of cases	2015/2016	2014/2015	2013/2014
Access two records	1	1	2
ADR	20	10	1
Change to the financial year end	0	6	5
Company restoration	0	0	1
Compliance notice	5	2	0
Directors' dispute	13	10	8
Extension of time to prepare annual financial statements	3	5	0
Extension of time to convene the AGM	14	9	7
Holding of an AGM	3	2	1
Name disputes	273	233	190
Outstanding information	0	1	0
Review of CIPC decision	2	2	3
Social and Ethics Committee (s 72)(5)	57	36	76
S 2(3) exemption	0	0	1
S 6(2) exemption	1	4	0
Substituted service	5	4	1
Variation of an order	0	1	0
TOTAL	397	326	296

The Tribunal's turnaround times for issuing decisions are within 30 days after the date of hearing and 30 days after the date of allocation of a matter to a Member(s). In the year under review, of all the cases that were decided, 88% were decided within the 30-day period and only 12% outside the period. More than one in eight (88%) of the decisions were issued within 30 days after the date of allocation compared to 90% in the previous financial year. Although the percentage is slightly less (2%) compared to the previous financial year, it should be noted that there was an increase in the actual number of decisions that were issued. The percentage of cases decided within 30 days after the date of hearing is 80%, which is similar to the previous financial year.

The following chart is a comparison of matters resolved within the 30-day period of allocation and hearing for the 2013/14, 2014/15 and the 2015/16 financial years.

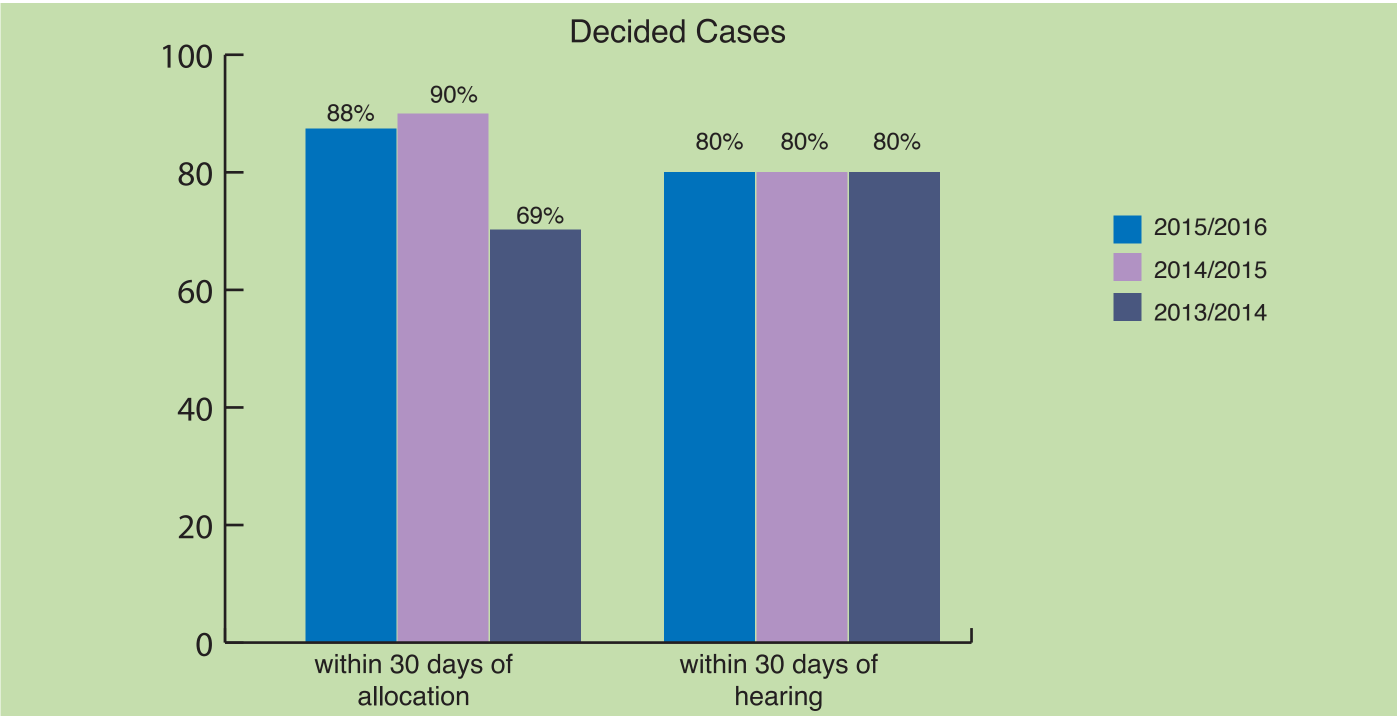

Figure 1: A comparison of cases decided within the 30-day period of allocation and hearing (2013/14, 2014/15 and 2015/16)

The graph below is a comparison of various cases categorised according to their nature and resolved within and outside the 30-day period between the 2013/14, 2014/15 and 2015/16 financial years.

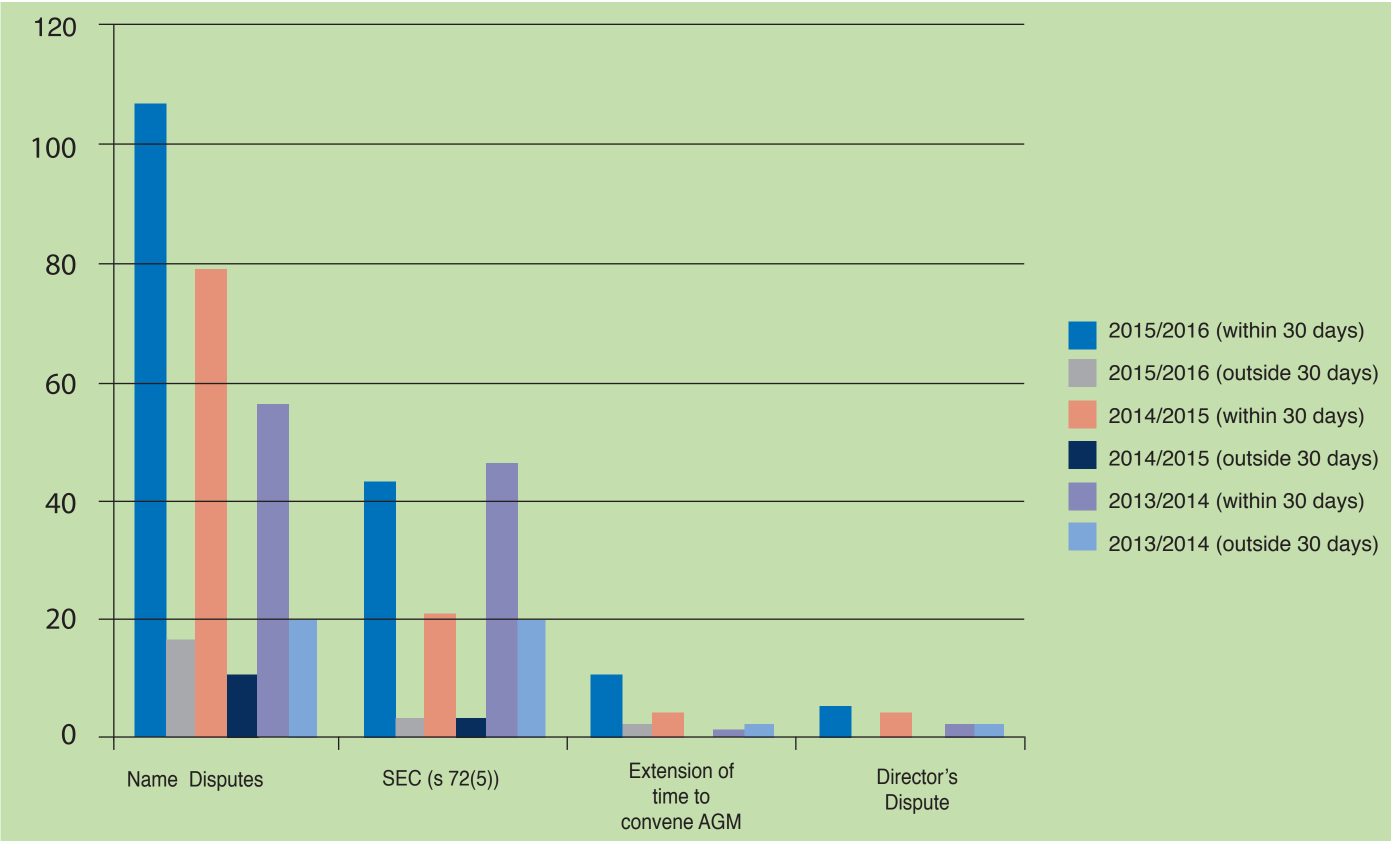

Figure 2: A comparison of cases categorised according to their nature and resolved within and outside the 30-day period (2013/14, 2014/15 and 2015/16)

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

3.1.3 Highlights of some of the cases

(a) Name disputes

In ***The Lion Match Company (Pty) Ltd v Fire Boys Paraffin and Petrol (Pty) Ltd and CIPC***, the Applicant successfully sought an order directing that the first Respondent change its name to one which did not incorporate "FIRE BOYS". The Applicant submitted that the phrase "FIRE BOYS" was confusingly and/or deceptively similar to the Applicant's trademarks, namely "FIRE BOYS". Furthermore, the Applicant correctly submitted that "FIRE BOYS" was a dominant part of the Respondent's name which was visually and phonetically identical to the Applicant's trademark. The remaining part of the Respondent's name, namely, "Paraffin and Petrol" did not distinguish the Respondent's company from that of the Applicant's trademark since it was merely descriptive. The first Respondent therefore contravened Section 11 of the Companies Act, 2008.

As stated in ***Cowbell AG v ICS Holdings 2001 (3) SA 941 (SCA)***, the ultimate test for establishing passing-off is "whether, on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both marks are to be used together in a normal and fair manner, in the ordinary course of business". The Companies Tribunal decided in favour of the Applicant on the basis that there was a "real likelihood that members of the public will be misled by the similarity of the names." The Tribunal further held that the name of the first Respondent falsely implied or suggested, and had an impact of reasonably misleading a person to believe incorrectly, that the Respondent is part of, or associated with the Applicant's trademark.

Order: The Companies Tribunal ordered the first Respondent to change its name to one which does not incorporate and is not confusingly and/or deceptively similar to the Applicant's trademark.

(b) Social and Ethics Committees (SECs)

Links Golf Club (RF) Ltd (the Applicant) applied for an exemption from appointing an SEC in terms of Section 75(5)(b) of the Companies Act, No. 71 of 2008. In terms of this Section the Tribunal will grant exemption if it is satisfied that "it is not reasonably necessary in the public interest to require a company to have a social and ethics committee, having regard to the nature and extent of the activities of the company."

The Applicant is a public company established for the "management of a golf club and related facilities to the benefit of all members." It submits that it has about 40 permanent employees, a total revenue of R5.9 million and a negative operating profit or deficit for the year ended 30 September 2012. As a result, the Applicant has a public interest score exceeding 500 points and is required in terms of regulation 43, read with regulation 26(2)(d)(ii) of the Companies Regulations, 2011, to appoint an SEC.

The Applicant stated that it is involved in a number of community activities in St Francis Bay, that the SEC requirements will result in "additional costs" being incurred and, due to the Applicant's "current economic environment", this will ultimately "reduce the benefits enjoyed by the local community".

The Tribunal found that the submission by the Applicant is limited and does not reveal the nature and extent of the Applicant's activities. The Tribunal was consequently precluded from determining whether it is reasonably necessary in the public interest to require the Applicant to have an SEC or not. The Tribunal further found that the Applicant failed to consider the functional areas of an SEC, as stated in regulation 43(5), which serves as a useful guide in drafting the application. The application was silent on a number of the functional areas mentioned in regulation 43(5) such as the social and economic development (which incorporates employment equity and black economic empowerment issues) and the impact of the Applicant's activities on the environment, health and public safety and consumer relationships.

Order: The application for exemption to appoint an SEC was refused.

(c) Directorship Disputes

The Tribunal heard a matter between ***Drifter SA (Pty) Ltd v Dean Glen Nel*** which was brought in terms of Section 71(8)(b) and regulation 153 of the Companies Act. The Applicant sought an order removing the Respondent as both a shareholder and a director of the company. Although the Tribunal found that the application was procedurally defective, the Tribunal stated "the concern of the Tribunal in this case was that there was a confusion in the Applicant's application as to whether the Respondent has resigned or whether the director is to be removed."

The Tribunal stated further that in the ordinary course of events and if justified the Tribunal can only grant the order for removal of a director if all the requirements are met. In this case the requirements, which include, among others, the grounds to remove the director as set out in Section 71(3) and regulation 142(3)(a), were not met.

The Tribunal held that since it has been alleged that the Respondent resigned, "it could not be said that the removal of the director was the right course of action." In the ordinary course of events, where a director has resigned, the CIPC, as custodian of the company records, may be approached in this regard. The relief to remove the Respondent as a shareholder was also refused since it fell outside the jurisdiction of the Tribunal.

Order: The application was refused.

(d) Alternative Dispute Resolution (ADR)

In this example ADR case, the Applicant is a natural person whereas the Respondent is a juristic person. The Applicant deposed in an affidavit that he is a shareholder of the Respondent and that he applied unsuccessfully for financial assistance from the Respondent. The Applicant sought an order from the Tribunal directing the Respondent to afford the Applicant financial assistance as a shareholder of the Respondent in terms of Section 45(1) read with Section 2 of the Companies Act.

The Applicant specifically indicated that the dispute arose in terms of Section 2 and Section 45(3)(a)(ii) of the Companies Act. The Respondent submitted that the ADR processes, as contemplated in Section 166 of the Act, are voluntary. The Respondent submitted further that the Applicant had to obtain consent from the Respondent for the proceedings before the Tribunal to proceed. In the absence of the Respondent's consent to participate in the ADR proceedings, the process was impossible and also the application lacked the necessary merits.

The essence of the Respondent's case lies in the submission that the Respondent has not consented to ADR and, as it is a voluntary process, is not and cannot be bound to participate in the process. The Tribunal is not empowered, in the absence of the Respondent's consent, to grant relief in terms of the ADR processes. The Respondent's assertions in relation to the merits of the case were that the Applicant is not a company, nor is he related or inter-related to the Respondent and there is no duty (according to the facts relied on by the Applicant and/or generally in law) on the Respondent to provide the Applicant with the financial assistance sought. The mediation process was thus unsuccessful on the basis that the consent of both parties is required for the mediation to proceed.

For the financial year under review, 20 cases were handled. Three were closed, 12 were finalised and five were pending hearing. This data is illustrated in Figure 3 below.

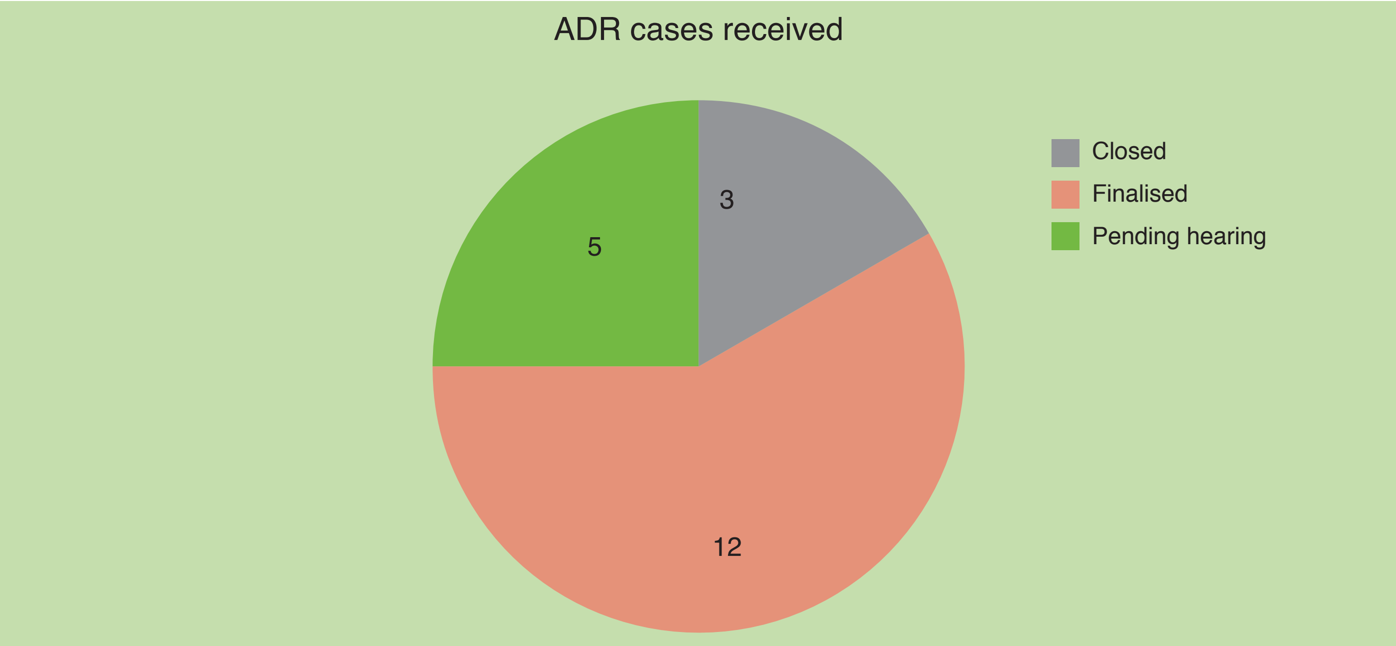

Figure 3: ADR cases closed, finalised and awaiting hearing for the 2015/16 period

3.1.4 Appeals and Reviews

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

Parties	Nature of Application	Date of Application to High Court for review	Decision of the High Court as at end of the year
AllLife (Pty) Ltd/All Life Investments (Pty) Ltd	Name Dispute	10/06/2015	Order Granted
Phinda Private Game Reserve (Pty) Ltd/Holyland and Beyond SA (Pty) Ltd	Name Dispute	12/11/2015	Pending
Comair/Kalula Carriers (Pty) Ltd	Name Dispute	27/11/2015	Pending
The New Reclamation Group (Pty) Ltd/CIPC	Review of CIPC decision in terms of Section 212	29/12/2015	Pending

PROGRAMME 2: ADMINISTRATION

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

Companies Tribunal Staff Members

PROGRAMME 2: ADMINISTRATION

3.2.1 Strategic Objectives, Outputs, Performance Indicators, Planned Targets and Actual Achievements

Programme: Administration

Strategic Goal/ Outcome	Strategic Objectives	Output	Performance Indicator/ Measure	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
Ensure operational effectiveness and efficiency of the Tribunal	To promote and maintain sound corporate governance	Sound financial management	Percentage of budget spent	N/A	90%	102%	Target exceeded	100% budget spent and additional 2% spent from approved surplus funds to meet organisational mandate and service delivery requirements

Programme: Administration

Strategic Goal/ Outcome	Strategic Objectives	Output	Performance Indicator/ Measure	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
Ensure operational effectiveness and efficiency of the Tribunal	To promote and maintain sound corporate governance	Sound financial management	No irregular, fruitless and wasteful expenditure incurred	N/A	None	No irregular expenditure incurred in the current year. R573 337 irregular expenditure incurred in previous years. R53 959 for fruitless and wasteful expenditure in the current year. R77 900 fruitless and wasteful expenditure incurred in the previous years.	Target not met	Irregular expenditure relates to transactions that happened in 2012/13 and 2013/14 when the Tribunal was established and awaiting condonement. The fruitless and wasteful expenditure relates to the Skills Development Levy (SDL) overpayment dating back to 2012/13 up until the 2015/16 financial year and other expenditure incurred by staff. Internal controls enhanced, consequence management implemented and all other amounts recovered for fruitless and wasteful expenditure except SDL which has been written off.

Programme: Administration								
Strategic Goal/ Outcome	Strategic Objectives	Output	Performance Indicator/ Measure	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
Ensure operational effectiveness and efficiency of the Tribunal	To ensure the efficient management of cases	Automated/ electronic case management system	Mapped business process for the case management system	Excel Spreadsheet	Draft case management business process mapping	Terms of reference drafted and tender advertised and evaluated	Target not met	The draft case management business process mapping was to be produced by an IT service provider. None of the bidders met the required functionality threshold. Threshold was revised and the tender re-advertised.
Ensure operational effectiveness and efficiency of the Tribunal	To build a body of knowledge around Company law	Production of research reports	Number of research reports produced	One research report produced	Produce one research report on Comparative analysis of Companies Tribunals in other jurisdictions	One research report on comparative analysis of Companies Tribunals in other jurisdictions produced	Target met	N/A

Programme: Administration								
Strategic Goal/ Outcome	Strategic Objectives	Output	Performance Indicator/ Measure	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
Effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy services	Number of seminars hosted	Hosted one seminar on understanding the role of the Companies Tribunal	Host one seminar on ADR	One seminar hosted on ADR	Target met	N/A
Effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy services	Number of media engagements	One media statement released	Release two media statements	Released two media statements	Target met	N/A
					Participated in two radio interviews	Participated in one radio interview on Sedibeng FM. One radio advert was produced and aired on Radio 702 as well as live reads for five days.	Target met	N/A

Programme: Administration

Strategic Goal/ Outcome	Strategic Objectives	Output	Performance Indicator/ Measure	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
Effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy services	Number of participations in outreach programmes and/or exhibitions	Participated in three outreach programmes in Sedibeng, Cullinan (City of Tshwane) and Alexandra	Participate in seven outreach programmes and/ or exhibitions targeting business people, aspiring business people and the youth. Two outreach programmes and/ or exhibitions are planned for the City of Tshwane and one each for Limpopo, Soweto, Ekurhuleni, East London and Durban.	Participated in seven outreach programmes and/or exhibitions targeting business people, aspiring business people and the youth as follows: two in the City of Tshwane and one each in Limpopo, Soweto, Ekurhuleni, East London and Durban.	Target met	N/A

3.2.2 Research

The Research unit conducts research in order to build a body of knowledge on company law to ensure the operational effectiveness of the Tribunal.

The Research unit produced a consolidated research report benchmarking the Companies Tribunal with institutions in other jurisdictions with a similar mandate, namely, Canada, Ghana, India and the United States of America. The Tribunal identified best practices which should be emulated to improve its effectiveness, i.e. the development of Mediation and Arbitration rules and procedures as well as a code of conduct and ethics for Mediators and Arbitrators. Ghana has a separate ADR framework which could also be adopted for South Africa instead of the current framework as contained in the Companies Act.

The Research Guidelines for conducting research were developed and approved. These Guidelines are also applicable to part-time Tribunal members when conducting research for the Tribunal.

Lastly, the Research unit developed the Tribunal's Official Language Policy as required by the Use of Official Languages Act of 2012. In addition, due to financial constraints, an application for exemption to appoint a Language unit within the Tribunal was lodged with the Minister of Arts and Culture.

3.2.3 Communication and Marketing

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

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

The Tribunal values the media as a key stakeholder in information dissemination to the public. During the year under review, a radio interview was held on Sedibeng FM where listeners were afforded the opportunity to ask questions. A radio campaign in the form of an advertisement and live reads were aired on Radio 702 for five days. Newspaper advertisements raising awareness about ADR and social and ethics were placed in The Star, The Business Day and Isolezwe.

The Tribunal believes that strategic partnerships play an important role in delivering on its mandate. As a result, the Tribunal collaborated with Buffalo City Municipality in the Eastern Cape and the National Youth Development Agency (NYDA) through a workshop held to create awareness about the Tribunal among established and aspiring business people including the youth. This workshop was aimed at educating attendees about the services provided by all institutions. Furthermore, the Tribunal partnered with the City of Tshwane at a Business Information Roadshow in Bronkhorstspruit.

The Tribunal engaged with the Durban Chamber of Commerce and Industry with the aim of forming a strategic partnership. This chamber was identified because it is the largest business chamber in KwaZulu-Natal with over 3 000 members who play a significant role in economic development activities in the province. It is hoped that this engagement will yield results in 2016/17 financial year.

Delegates asking questions at the seminar on ADR

The Tribunal participated in a number of outreach campaigns which included "taking **the dti** to the people" in Modjadji (Limpopo) and in Sedibeng (Vereeniging) and the Economic Opportunities Open Day in Wattville (Ekurhuleni). The Tribunal will continue to participate in outreach programmes in partnership with other stakeholders as it provides opportunities to raise awareness among the previously disadvantaged.

The Tribunal on its own hosted and participated in exhibitions by other stakeholders at:

- Cape Law Society Annual General Meeting in Kimberly
- Maponya Mall in Soweto
- Watercrest Mall in Durban
- the dti Open Day in Pretoria
- Parliament of South Africa in Cape Town.

The Tribunal will continue to foster strategic partnerships with law societies similar to the one initiated with the Cape Law Society and the Tribunal has already reached out to most law societies in the country.

In order to raise the profile of the Tribunal and promote a positive corporate image, a quarterly bulletin was launched. The bulletin covers topics related to the Tribunal mandate and highlights some of the cases for each quarter. The bulletin is distributed to stakeholders by email and is published on the Tribunal website. The quarterly bulletin has been distributed to over 300 stakeholders, besides those who accessed the bulletin online.

Seminar

The Companies Tribunal hosted a seminar at Gallagher Convention Centre and attended by over 200 delegates. The seminar was aimed at promoting a culture of resolving commercial disputes through ADR. Speakers included the Honourable Dustan Mlambo, Judge President of the Gauteng Division of the High Court both North and South Gauteng; the acting Deputy Director General at the dti, Mr Macdonald Netshitendze; ADR Specialist at Bowman Gilfillan, Mr John Brand; and CEO of the Black Business Council, Mr Ralebitso Mohale.

3.2.4 Corporate Services

The objective of Corporate Services is to promote and maintain sound corporate governance as well as to ensure the recruitment, appointment and development of competent staff for the Tribunal. The Chairperson of the Tribunal is the Accounting Authority of the Tribunal. The Tribunal reports to the Executing Authority, who is the Minister of Trade and Industry. The current organisational structure comprises 28 positions. Only 16 of the 28 posts were funded for the year under review.

The Corporate Services division experienced challenges during the year as the post of Corporate Services Manager could not be filled and the Human Resources Deputy Manager resigned. This left the division severely under resourced resulting in challenges with regard to coordination of corporate services matters particularly human resources and risk management. A number of human resources policies and the risk management framework were reviewed. There were delays in the finalisation of these policies and the framework as a result of capacity constraints.

As at the end of the year under review, the Tribunal staff complement consisted of 15 staff members, one research intern and one temporary worker dealing with Supply Chain Management (SCM). The SCM internship term ended during the course of the year. The internship programme of the Tribunal focuses on providing South African youth with experiential learning and thus contributes to the country's skills development.

The Tribunal recognises that training builds the skills and knowledge of each staff member and contributes to a more productive and motivated staff. Moreover, providing employees with opportunities for further education and personal development is necessary for the long-term sustainability of the Tribunal.

Consequently, 60% of the Tribunal's staff attended training. Training attended covered VIP Payroll, Supply Chain Management, Alternative Dispute Resolution, Property Law, Debt Collection, Basic Archive and Records Management, Outcome Based Monitoring and Evaluation, Contract Management and Secretariat. In-house training on new or revised policies was also facilitated during the year.

3.2.5 Office of the Chief Financial Officer (CFO)

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

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

Various internal controls were enhanced during the year by means of a review of various policies and the development of new policies and workshops held with staff to ensure compliance with these policies. Two staff members were appointed during the year, namely, the Deputy Manager: Financial Accounting and Assistant Manager: Financial Accounting to assist the CFO in managing Tribunal funds efficiently and effectively.

3.3 Strategy to overcome areas of underperformance

Area of underperformance	Proposed actions
Adjudicate and make orders/decisions in relation to any application	Appointment of an additional full-time Tribunal member and performance agreement to improve turnaround times for part-time Tribunal Members.
Ensure operational effectiveness and efficiency of the Companies Tribunal	Staff trained on policy and controls around prevention of irregular, fruitless and wasteful expenditure. Consequence management in relation to incurring of fruitless and wasteful expenditure is being implemented. Case management system to be developed in the next financial year.

3.4 Changes to Planned Targets

Area of underperformance	Reason for change
Issue 90% of decisions within 30 working days after date of the hearing	The annual target was revised from 90% to 85% due to capacity constraints.
Automated electronic case management system	The target was revised due to capacity constraints. Only one new person dealing with IT had to prioritise between previous audit findings and the development of the necessary governance frameworks.

3.5 Linking Performance with Budgets

2015-2016				2014-2015		
Programme	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	4 179	5 000	(821)	2 752	3 077	(325)
Administration	14 530	15 110	(580)	11 851	10 814	1 037
Total	**18 709**	**20 110**	**(1 401)**	**14 603**	**13 891**	**712**

The Tribunal's budget for the year under review was R18.7 million. The Tribunal had a deficit of R3.3 million. The deficit was funded by funds from an approved surplus from prior years. The majority of the funds utilised during the year were spent on employee costs, Tribunal members' fees and advocacy services.

Revenue Collection

2015-2016				2014-2015		
Source of revenue	Budget R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Budget R'000	Actual Amount Collected R'000	(Over)/ Under Collection R'000
Government Grant	14 221	14 221	-	13 313	13 313	-
Interest received	1 200	1 391	(191)	1 290	1 344	(54)
Donations received	-	-	-	-	196	(196)
Other income	3 288	1 163	2 125	-	-	-
Total	**18 709**	**16 775**	**1 934**	**14 603**	**14 853**	**(250)**

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

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

PART C

Governance

1. Overview of the Governance Structure

The Tribunal has two governance committees that are responsible for auditing and risk management as well as remuneration and human resources.

2. Portfolio Committee

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

3. Executing Authority

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

4. Accounting Authority

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

5. Risk Management

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

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

6. Internal Audit

The Business Innovation Group (BIG) has been appointed as the Tribunal's Internal Auditors. The internal audit undertaken used a risk-based approach. The following internal audits were performed during the year under review: audit of performance information, case management, IT audit, IT governance review, tribunal members' claims, assets management, human resources and payroll, and follow-up reviews of previous audits.

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

7. Audit and Risk Committee

Name of member	Alternate Member	Status of member	Number of meetings attended
A Sithebe *		Chairperson	2
L Kali *		Non executive	2
L Nevondwe ***		Non executive	6
K Maupa *		Non executive	1
	M Ramatla	Alternate to Mr Naidoo	1
	L Phahlamohlaka	Alternate to Mr Naidoo	2
K Naidoo		Non executive	-
S Ngobeni **		Chairperson	4
S Simelane **		Non-executive	3
N Baloyi **		Non-executive	2

* Members were appointed for a three-year period which effectively ended on 31 July 2015.
** Members were appointed for a three-year period effective from 15 October 2015. Meeting attendance includes an induction session.
***Member reappointed to the committee after expiry of the first term.

8. Remuneration and Human Resources Committee (REMCO)

The Tribunal established the REMCO to provide oversight in terms of human resources and remuneration matters. The Committee comprises three independent human resources specialists.

Name of member	Status of member	Number of Meetings
BQ Zimu	Chairperson	3
LG Dirksen	Non-executive member	3
MD Mnisi	Non-executive member	3

9. Compliance with Laws and Regulations

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

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

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

10. Fraud and Corruption

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

10.1 Principles underpinning the Tribunal's anti-fraud and corruption policy

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

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

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

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

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

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

11. Minimising Conflict of Interest

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

o the Disclosure of Interests forms by members of the Committees and management; and

o the Disclosure of Hospitality and Gifts Register.

12. Code of Conduct

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

13. Health, Safety and Environmental Issues

The Tribunal is located in the Department of Trade and Industry Campus. Most of the issues pertaining to health and safety are therefore the responsibility of the dti.

MEMBERS OF THE AUDIT AND RISK COMMITTEE

Members of the Audit and Risk Committee, from left: Adv. L Nevondwe, S Ngobeni (Chairperson), S Simelane and N Baloyi

14. Report of the Audit and Risk Committee

The Audit and Risk Committee (the Committee) is pleased to present its report for the financial year ended 31 March 2016. The Committee has been in operation since August 2012. The Committee charter deals with the manner in which the members of the Committee should undertake their duties and responsibilities. The term of office of the first committee ended in July 2015. The new Committee comprising of independent members was appointed in October 2015.

The previous Committee consisted of the members listed in the table below.

Name of Member	Status of Member	Number of meetings attended
A Sithebe	Chairperson	2
L Kali	Non executive	2
L Nevondwe	Non executive (re-appointed Member)	2
K Maupa	Non executive	1
K Naidoo	Non executive	-

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

Name of Member	Status of Member	Number of meetings attended
S Ngobeni	Chairperson	4
L Nevondwe	Non executive (re-appointed Member)	4
K Naidoo	Non executive	-
S Simelane	Non-executive	3
N Baloyi	Non-executive	2
M Ramatla	Alternate	1
L Phahlamohlaka	Alternate	2

During the year under review, the Committee held six meetings. Meetings attended included an induction for the new Committee Members. Alternative members from the dti served in place of Mr Naidoo.

14.1 Audit Committee Responsibility

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

14.2 The Effectiveness of Internal Control

Although the Tribunal is accountable for the process of risk management and systems of internal control, these on-going processes are reviewed by the Audit and Risk Committee for effectiveness. The Committee has considered and made recommendations with regard to corporate governance measures and the risk management framework. The Committee regularly reports to the Accounting Authority on its activities as well as making recommendations regarding the execution of its activities.

14.3 Quality Management, Monthly/Quarterly Reports and PFMA Compliance

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

14.4 Evaluation of Annual Financial Statements and Performance report

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

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

14.5 Internal Audit

The Internal Audit function is operational and new internal auditors have been appointed. Internal audit reports were presented to the Committee during the year under review. The internal audit reports provide assurance that the internal controls in place in most of the audited areas are satisfactory. The reports also highlight areas where mitigating controls should be implemented. Management's actions in addressing the internal audit findings were monitored during the year. In the previous year the Committee recommended the appointment of a Compliance Manager to oversee all compliance requirements for the Tribunal including the audit function. However, this recommendation could not be implemented due to budgetary constraints and a moratorium placed on appointing new staff members.

14.6 Performance Management

The committee reviewed functionality of the performance management system and it appears to be functional.

14.7 Risk Management

The Committee is of the opinion that entity's risk management is effective in material respect, and the entity did implement a comprehensive risk management strategy and related policies.

14.8 Auditor-General of South Africa

The committee reviewed the final management and audit report issued by the Auditor-General of South Africa. The committee concurs with the findings of the AGSA.

14.9 Commendations

The committee commends management and staff for unqualified audit opinion with no findings.

14.10 Conclusion

The Audit Committee wishes to acknowledge the commitment from Chairperson, management and staff of the Companies Tribunal. The stability in terms of the leadership of the entity has contributed to these improvements as reported above.

SAB Ngobeni (Mr)
Chairperson of the Audit and Risk Committee
Companies Tribunal of South Africa
Date: 25 July 2016

Adjudication Hearing in process

PART D

Human Resources

1. Introduction

At the end of the year under review, the Tribunal staff complement comprised 15 permanent employees, one temporary worker and one intern. Three positions were filled during the financial year, namely, the Deputy Manager: Financial Accounting, Assistant Manager: Financial Accounting and Deputy Manager: Human Resources. There was only one resignation from the position of Deputy Manager: Human Resources which was subsequently filled.

The Remuneration and Human Resource Committee (REMCO) was established. Its main function is to provide oversight on human resources matters, particularly remuneration and performance rewards. It comprises independent members and has contributed significantly to the review of the Tribunal's human resources policies and the finalisation of the outstanding 2014/15 performance assessments.

Remuneration and Human Resource Committee Members with Full-Time Tribunal member (FTM)
From Left: Agnes Tsele-Maseloanyane (FTM), Mcezi Mnisi, Qondile Zimu (Chairperson)
** Not in the picture: LG Dirksen*

2. Human Resources Oversight Statistics

2.1 Personnel cost by programme

Programme	Total expenditure R'000	Personnel expenditure R'000	Personnel expenditure as a percentage of the total expenditure R'000	Number of employees	Average personnel cost per employee R'000
Administration	20 110	10 140	50%	15	676

Note: The difference between the personnel expenditure and the amount disclosed in the statement of financial performance is the R76 500 paid to the interns.

2.2 Personnel Cost by Salary Band

Level	Personnel expenditure R'000	Percentage of personnel cost to total personnel cost	Number of Employees	Average personnel cost per employee R'000
Top management	1 445	14%	1	1 445
Senior management	2 985	29%	3	995
Professional qualified	5 012	50%	9	557
Skilled	698	7%	2	349
Total	**10 140**	**100%**	**15**	**676**

2.3 Performance Rewards

Programme	Performance Rewards	Personnel Expenditure	% of performance rewards to total personnel cost
Top management	-	1 445	-
Senior management	-	2 985	-
Professional qualified	-	5 012	-
Skilled	-	698	-
Total	**-**	**10 140**	**-**

The performance rewards for the financial year 2015/16 were not due to be reported at the end of the reporting period.

2.4 Training Costs

Programme	Personnel Expenditure R'000	Training Expenditure R'000	Training Expenditure as a % of Personnel cost R'000	Number of Employees Trained	Average Training cost per employee
Administration	10 140	216	2%	9	24

Training attended by the staff covered VIP Payroll, Supply Chain Management, Alternative Dispute Resolution, Property Law, Debt Collection, Basic Archive and Records Management, Outcome Based Monitoring and Evaluation, Contract Management and Secretariat.

2.5 Employment and Vacancies

2.5 Employment and Vacancies

Programme	Number of Employees 2014/2015	Approved Posts 2015/2016	Number of Employees 2015/2016	Vacancies 2015/2016	Percentage of Vacancies
Administration	13	28	15	13	46%

Level	Number of Employees 2014/2015	Approved Posts 2015/2016	Number of Employees 2015/2016	Vacancies 2015/2016	Percentage of Vacancies
Top Management	1	1	1	-	-
Senior Management	3	6	3	3	50%
Professional qualified	7	14	9	5	36%
Skilled	2	7	2	5	72%
Total	**13**	**28**	**15**	**13**	**46%**

Attempts to fill the Manager: Corporate Services post were made. However, due to the moratorium on the filling of vacancies, it has been postponed. There are no funds to fill the other vacant positions.

2.6 Employment Changes

Level	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top Management	1	-	-	1
Senior Management	3	-		3
Professional qualified	7	3	1	9
Skilled	2	-	-	2
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
Total	**13**	**3**	**1**	**15**

2.7 Reasons for Leaving

Reason	Number	Percentage of total number of staff leaving
Death	-	-
Resignation	1	7%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	**1**	**7%**

2.8 Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number	Percentage of total number of staff disciplined
Verbal warning	-	-
Written warning	-	-
Final written warning	-	-
Dismissal	-	-
Total	**-**	**-**

2.9 Equity Targets and Employment Equity Status

Level	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	-	-	-	-	-	-	-
Senior management	1	-	-	1	-	-	-	-
Professional qualified	6	1	-	-	-	-	-	-
Skilled	1	-	-	1	-	1	-	1
Semi-skilled	-	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	**8**	**1**	**-**	**2**	**-**	**1**	**-**	**1**

Level	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	-	-	-	-	-	-	-
Senior management	2	1	-	1	-	-	-	-
Professional qualified	3	-	-	-	-	-	-	-
Skilled	-	3	-	1	-	1	1	1
Semi-skilled	-	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	**6**	**4**	**-**	**2**	**-**	**1**	**1**	**1**

Level	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	-	-	-	-
Senior management	-	-	-	-
Professional qualified	-	-	-	-
Skilled	-	-	-	1
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
Total	**-**	**-**	**-**	**1**

PART E

Financial Information

1. Statement of Responsibility and Confirmation of Annual Report and Annual Financial Statements

The Chairperson, in his capacity as the Accounting Authority, is responsible for the preparation, integrity and fair presentation of the financial statements of the Tribunal. The financial statements presented on pages 69 to 94 have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB), in accordance with Section 55 of the PFMA to the extent indicated in the accounting policies. The financial statements include amounts based on judgements and estimates. The Chairperson, in consultation with the responsible staff members, prepared the other information included in the Annual Report and is responsible for both its accuracy and its consistency with the financial statements.

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

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

In my opinion, the Annual Report fairly reflects the operations, performance information, human resources information and financial affairs of the Companies Tribunal for the financial year ended 31 March 2016.

The Audit Report of the Auditor-General of South Africa is presented on page 63.

Adv. S Lebala SC
Chairperson: Companies Tribunal
Date: 27 July 2016

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Companies Tribunal set out on pages *69* to *94*, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. 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 policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Companies Tribunal as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

Report on other legal and regulatory requirements

7. 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 findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following programmes presented in the annual performance report of the Companies Tribunal for the year ended 31 March 2016

- Programme 1: Adjudication on page 22
- Programme 2: Administration on pages *30* to 3*4*

9. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

11. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:

- Adjudication on page 22
- Administration on pages *30* to *34*

Additional matter

12. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

13. Refer to the annual performance report on pages *22* and *30* to *34* for information on the achievement of the planned targets for the year.

Compliance with legislation

14. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

15. I considered internal control relevant to my audit of the financial statements, performance information and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

29 July 2016

AUDITOR-GENERAL
SOUTH AFRICA

Annual Financial Statements

The reports and statements set out below comprise the annual financial statements.

3.1 Accounting Authority's Responsibilities and Approval

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

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

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

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

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

The Accounting Authority has reviewed the Tribunal's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, he is not satisfied that the Companies Tribunal has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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

The external auditors are responsible for independently reviewing and reporting on the Tribunal's annual financial statements. The annual financial statements have been examined by the Tribunal's external auditors and their report is presented on page 63.

The annual financial statements set out on pages 69 to 94, which have been prepared on the going-concern basis, were approved by the Accounting Authority and were signed on its behalf by Adv. S.M. Lebala, SC.

Adv. S.M. Lebala, SC

Chairperson: Companies Tribunal

Date: 27 July 2016

3.2 Statement of Financial Position as at 31 March 2016

	Notes	2016 R	Restated 2015 R
ASSETS			
Current Assets		**18 712 230**	**22 123 179**
Cash and cash equivalents	3	18 461 814	22 099 277
Receivables from exchange transactions	4	239 736	10 709
Inventories	5	10 680	13 193
Non-current Assets		**633 293**	**316 023**
Property, plant and equipment	6	429 945	277 197
Intangible assets	7	203 348	38 826
Total Assets		**19 345 523**	**22 439 202**
LIABILITIES			
Current Liabilities		**1 372 081**	**1 131 124**
Payables from exchange transactions	8	438 881	100 780
Short-term employee benefits	9	594 169	586 223
Members' accrual	10	339 031	444 121
Total Liabilities		**1 372 081**	**1 131 124**
NET ASSETS			
Net Assets		**17 973 442**	**21 308 078**
Accumulates Surplus		17 973 442	21 308 078
Total Net Assets and Liabilities		**19 345 523**	**22 439 202**

3.3 Statement of Financial Performance for the period ended 31 March 2016

	Notes	2016 R	Restated 2015 R
Revenue			
Revenue from exchange transactions		**1 402 753**	**1 343 733**
Interest received	11	1 391 182	1 343 733
Other income - exchange transactions	12	11 571	-
Revenue from non-exchange transactions		**15 372 114**	**13 508 615**
Transfers from the dti	13	14 221 000	13 313 000
Donations received	14	-	195 615
Other income from non-exchange transactions	15	1 151 114	-
Total Revenue		**16 774 867**	**14 852 348**
Expenditure			
Employee related costs	16	10 216 647	8 123 022
Other operating expenses	17	2 859 460	1 162 040
Administrative expenses	18	1 882 643	1 359 869
External audit fees	19	463 701	342 083
Depreciation and amortisation	20	181 203	23 226
Tribunal Members' fees	24	4 505 848	2 881 092
Total expenditure		**20 109 502**	**13 891 332**
(Deficit) /surplus for the year		**(3 334 635)**	**961 016**

3.4 Statement of Changes in Net Assets for the year ended 31 March 2016

	Notes	Accumulated Surplus R
Balance as at 31 March 2014		**20 290 188**
Correction of prior period errors	28	56 874
Balance as at 31 March 2014 (restated)		**20 347 062**
Surplus for the period		1 092 766
Balance as at 31 March 2015		**21 439 828**
Correction of prior period errors	28	(131 751)
Balance as at 31 March 2015 (Restated)		**21 308 077**
Deficit for the period		(3 334 635)
Balance as at 31 March 2016		**17 973 442**

3.5 Cash Flow Statement as at 31 March 2016

	Notes	2016 R	Restated 2015 R
Cash flows from operating activities			
Receipts		**15 625 865**	**14 656 733**
Government grant		14 221 000	13 313 000
Other income		13 683	-
Interest received		1 391 182	1 343 733
Payments		**(18 764 854)**	**(12 981 887)**
Employee related costs		(10 207 491)	(7 843 773)
Member's fees		(4 660 938)	(2 440 245)
Suppliers		(3 896 425)	(2 697 869)
Net cash flows from operating activities	21	**(3 138 989)**	**1 674 846**
Cash flows from investing activities			
Purchase of property, plant and equipment		(314 096)	(68 961)
Purchase of other intangible assets		(184 378)	(46 308)
Net cash flows from investing activities		**(498 474)**	**(115 269)**
Net increase/(decrease) in cash and cash equivalents		**(3 637 463)**	**1 559 577**
Cash and equivalents at the beginning of the year		22 099 277	20 539 700
Cash and equivalents at the end of the period	3	**18 461 814**	**22 099 277**

3.6 Statement of Comparison of Budget and Actual Amounts for the year ended 31 March 2016

	Approved Budget R	Adjust-ments R	Final Budget R	Actual Amount on comparable basis R	Difference between final budget & actual R	Reference
Revenue from non-exchange transactions	**14 821 000**	**2 687 903**	**17 508 903**	**15 372 114**	**2 136 789**	
Transfer from **the dti**	14 221 000	-	14 221 000	14 221 000	-	
Other income - non-exchange transactions	600 000	2 687 903	3 287 903	1 151 114	2 136 789	**30.2**
Revenue from exchange transactions	**800 000**	**400 000**	**1 200 000**	**1 402 753**	**(202 753)**	
Interest received	800 000	400 000	1 200 000	1 391 182	(191 182)	**30.1**
Other income - exchange transactions	-	-	-	11 571	(11 571)	**30.3**
Total revenue	**15 621 000**	**3 087 903**	**18 708 903**	**16 774 867**	**1 934 036**	
Expenditure						
Employee related costs	11 044 391	206 995	11 251 386	10 216 647	1 034 739	**30.4**
Other operating expenses	935 100	1 391 228	2 326 328	2 859 460	(533 132)	**30.5**
Administrative Expenses	950 227	515 462	1 465 689	1 882 643	(416 954)	**30.6**
Tribunal members' fees	2 373 282	797 158	3 170 440	4 505 848	(1 335 408)	**30.7**
External audit fees	303 000	-	303 000	463 701	(160 701)	**30.8**
Depreciation and amortisation	15 000	177 060	192 060	181 203	10 857	**30.9**
Total expenditure	**15 621 000**	**3 087 903**	**18 708 903**	**20 109 502**	**(1 400 599)**	
(Deficit) / Surplus for the period	**-**	**-**	**-**	**(3 334 635)**	**3 334 635**	

1. Accounting Policies for the year ended 31 March 2016

1.1 Presentation of Annual Financial Statements

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

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

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

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

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

1.2 Presentation currency

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

1.3 Significant judgements and sources of uncertainty

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

1.4 Property, plant and equipment

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

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

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

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

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

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

1.5 Intangible assets

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

Item	Useful life
Computer software	5 years

Intangible assets are derecognised:

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

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

1.6 Provisions and contingencies

Provisions are recognised when:

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

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

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

1.7 Commitments

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

1.8 Inventories

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

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

1.9 Financial instruments

1.9.1 Initial recognition

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

1.9.2 Initial measurement of financial assets and financial liabilities

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

1.9.3 Subsequent measurement of financial assets and financial liabilities

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

1.9.4 Gains and losses

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

1.9.5 Impairment and uncollectability of financial assets

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

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

1.9.6 Cash and cash equivalents

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

1.9.7 Trade Receivables

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

1.9.8 Financial liabilities

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

1.9.9 Trade payables

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

1.9.10 Presentation

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

1.10 Revenue from exchange transactions

1.10.1 Measurement

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

1.10.2 Investment income

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

1.11 Revenue from non-exchange transactions

1.11.1 Recognition

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

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

1.11.2 Measurement

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

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

1.11.3 Transfers

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

1.11.4 Gifts and donations, including goods in-kind

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

1.11.5 Services in-kind

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

1.12 Leases

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

1.12.1 Operating leases - lessee

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

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

1.13 Employee benefits

1.13.1 Short-term employee benefits

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

1.13.2 Post-employment benefits: Defined contribution plans

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

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

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

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

1.14 Impairment of non-cash-generating assets

1.14.1 Identification

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

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

1.14.2 Reversal of an impairment loss

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

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

1.15 Irregular expenditure

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

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

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

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

- Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at the financial year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

- Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

1.16 Fruitless and wasteful expenditure

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

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

1.17 Related parties

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

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

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

1.18 Budget information

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

The approved budget covers the fiscal period from 1 April 2015 to 31 March 2016. The annual financial statements and the budget are drawn up on the same basis of accounting, therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.19 Events after the reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

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

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

1.20 Comparative figures

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

1.21 Going concern

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

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard	Applicability and impact
GRAP 18 Segment Reporting	Not applicable. The Tribunal does not have any segments of activities that may affect the operations
GRAP 32 Service Concession Arrangements: Grantor	Presently not applicable. The Tribunal is not engaged in any service concession arrangements.
GRAP 105 Transfer of Functions between entities not under Common Control	Presently not applicable. No transfer of functions between another entity in the National sphere of Government and the Tribunal has occurred or is expected to occur in the near future.
GRAP 106 Transfer of Functions between entities not under Common Control	Not applicable. It is not expected that the Tribunal would be party to transfers of functions with entities in the other spheres of Government in the near future.
GRAP 107 Mergers	Presently not applicable. No merger with another entity in the National sphere of Government and the Tribunal has occurred or is expected to occur in the near future.
GRAP 108 Statutory Receivables	Not applicabe. Receivables of the Tribunal arise from contracts or other agreements and not as a result of legislation, supporting regulations, or similar means.
IGRAP 17 Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	Not applicable. The Tribunal is not engaged in any service concession arrangements.

The Tribunal has not applied the standards and interpretations listed in the table below. These standards and interpretations have been published and are mandatory for the entity’s accounting periods beginning on or after 1 April 2016 or for later periods.

Standard	Applicability and impact
GRAP 20 Related Parties	Applicable. The adoption of this amendment has not had a material impact on the results of the entity but has resulted in more disclosure that would have previously been provided in the financial statements (refer to note 21)
GRAP 16 (as amended 2015) Investment Property	Presently not applicable. The Tribunal does not own investment property.
GRAP 17 (as amended 2015) Plant and equipment	Applicable. The impact of the amendment is considered to be minimal.
GRAP 21 (as amended 2015) Impairment of non-cash generating assets	Applicable. The impact of the amendment is considered to be minimal.
GRAP 26 (as amended 2015) Impairment of cash generating assets	Applicable. The impact of the amendment is considered to be minimal.
GRAP 109 - Accounting by Principals and Agents	Not applicable.

3.8 Notes to the Annual Financial Statements

	2016 R	Restated 2015 R
3 Cash and cash equivalents		
Cash on hand	2 072	3 000
Bank Balances	1 946 557	3 677 708
Short-term deposits•	16 513 185	18 418 569
	18 461 814	**22 099 277**

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

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

	2016 R	Restated 2015 R
4 Receivables from exchange transactions		
Parking deposit	600	600
Employee related costs	8 570	10 109
Amounts recoverable from Tribunal Members	50 000	-
Fruitless and wasteful expenditure recoverable	1 874	-
Prepayments	178 692	-
	239 736	**10 709**

	2016 R	Restated 2015 R
5 Inventories		
Stationery and consumables	**10 680**	**13 193**

6 Property, plant and equipment

	2016 R			Restated 2015 R		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Furniture and fittings	3 621	(945)	2 676	1 345	(448)	897
Motor vehicles	265 466	(25 883)	239 583	-	-	-
Office equipment	62 444	(20 091)	42 353	46 327	(8 755)	37 572
Computer equipment	278 170	(132 837)	145 333	247 934	(9 206)	238 728
	609 701	**(179 756)**	**429 945**	**295 606**	**(18 409)**	**277 197**

Reconciliation of property, plant and equipment - 2016

	Opening Balance	Additions	Depreciation	Total
Furniture and fittings	897	2 276	(497)	2 676
Motor vehicles		265 466	(25 883)	239 583
Office equipment	37 572	16 117	(11 336)	42 353
Computer equipment	238 728	30 237	(123 632)	145 333
	277 197	**314 096**	**(161 348)**	**429 945**

Reconciliation of property, plant and equipment – 2015

	Opening Balance	Additions	Donations received	Depreciation	Total
Furniture and fittings	1 166	-	-	(269)	897
Office equipment	26 136	17 917	-	(6 481)	37 572
Computer equipment	1 063	51 044	195 615	(8 994)	238 728
	28 365	**68 961**	**195 615**	**(15 744)**	**277 197**

7 Intangible Assets

	Cost	Accumulated Amortisation	Carrying Value	Cost	Accumulated Amortisation	Carrying Value
Software	230 686	(27 338)	203 348	46 308	(7 482)	38 826
	230 686	**(27 338)**	**203 348**	**46 308**	**(7 482)**	**38 826**

Reconciliation of Intangible assets – 2016

	Opening Balance	Additions	Amortisation	Total
Software	38 826	184 378	(19 856)	203 348
	38 826	**184 378**	**(19 856)**	**203 348**

Reconciliation of Intangible assets – 2015

	Opening Balance	Additions	Amortisation	Total
Software	-	46 308	(7 482)	38 826
	-	**46 308**	**(7 482)**	**38 826**

	2016 R	Restated 2015 R
8 Payables from exchange transactions		
Trade Payables	426 107	97 839
Other accrued expenses	12 774	2 941
	438 881	**100 780**
9 Short term employee benefits		
Accrual for 13th cheque	159 971	154 195
Leave accrual	419 580	414 569
Employees accrual	14 618	17 459
	594 169	**586 223**
10 Members' Accrual		
Tribunal Members' fees	**339 031**	**444 121**
11 Interest received		
Short-term deposit - Corporate for Deposit Account	1 294 616	1 270 695
Current Account - Standard Bank	96 566	73 038
	1 391 182	**1 343 733**
12 Other income from exchange transactions		
Fruitless and wasteful expenditure recoverable	**11 571**	**-**
13 Government grants and subsidies		
Transfers from the Department of Trade and Industry	**14 221 000**	**13 313 000**
14 Donations Received		
Computer equipment	**-**	**195 615**
15 Other income from non-exchange transactions		
Revenue in kind	**1 151 114**	**-**
16 Employee related costs		
Basic earnings	8 597 862	6 426 689
Medical aid contributions	222 804	238 254
Statutory contributions	120 184	96 209
Leave provision expenses	5 011	255 125
Other allowances	49 000	38 580
Defined benefit pension plan expense	875 386	702 161
13th cheque provision expense	269 900	354 849
Interns stipend	76 500	11 155
	10 216 647	**8 123 022**

	2016 R	Restated 2015 R
17 Other operating expenses		
Lease payments - photocopier	54 141	61 390
Parking fees	3 740	3 600
Courier, postage and stamps	17 595	13 821
Transcripts and recordings	65 379	28 756
Recruitment fees	33 555	101 800
Travel and subsistence allowances	396 019	174 123
Consulting and professional fees	827 161	516 300
Computer expenses	35 644	147 706
Telephone expenses	32 750	18 284
Training expenses	215 727	96 260
Repairs and maintenance	2 059	-
Motor vehicle expenses	7 886	-
Insurance	16 690	-
Lease premises in kind	1 151 114	-
	2 859 460	**1 162 040**

18 Administrative expenses		
Advertising and marketing	875 206	477 595
Internal audit fees	291 063	386 020
Audit and risk committee fees	102 289	78 122
Bank charges	19 476	27 422
Publications, printing and books	261 462	95 667
Catering	32 640	14 331
Gifts and flowers	-	350
Venues and facilities	200 272	189 350
Honorarium	-	464
Office and consumables	16 585	3 011
Stationery	42 940	87 537
Remuneration Committee fees	40 710	-
	1 882 643	**1 359 869**

19 External Audit Fees		
External audit fees	**463 701**	**342 083**

20 Depreciation and Amortisation		
Furniture and fittings	497	269
Motor vehicles	25 883	-
Office equipment	11 335	6 482
Computer equipment	123 632	8 993
Software	19 856	7 482
	181 203	**23 226**

	2016 R	Restated 2015 R
21 Cash generated from operations		
(Deficit)/ Surplus for the year	(3 334 635)	961 016
Adjustments for:		
Depreciation and amortisation	181 203	23 226
Donations received	-	(195 615)
Revenue in kind	(1 151 114)	-
Lease premises in kind	1 151 114	-
Changes in working capital:		
Decrease in inventories	2 513	34 536
Increase in receivables from exchange transactions	(229 027)	51 877
Increase in payables from exchange transactions	338 101	74 711
(Decrease)/increase in members' accrual	(105 090)	440 848
Movement in short-term employee benefits	7 946	284 247
	(3 138 989)	**1 674 846**

3.9 Disclosure Notes to the Annual Financial Statements

	2016 R	Restated 2015 R

22 Commitments

Already contracted, but not provided for		
Capital expenditure	-	-

23 Related Parties

Controlling Entity	**Department of Trade and Industry**	
Nature	**Reason**	**Financial Effect**
Grant received	Government grant received from **the dti**	R 14 221 000
Services in-kind	Office space at **the dti** campus at no cost	R 1 151 114

Accounting Authority	Adv. Simmy Lebala SC
Members of key management	Ms Agnes Tsele - Maseloanyane
	Mrs Irene Mathatho
Entities under common control*	Companies and Intellectual Property Commission (CIPC)
	Export Credit Insurance Corporation (ECIC)
	National Consumer Commission (NCC)
	National Consumer Tribunal (NCT)
	National Credit Regulator (NCR)
	National Empowerment Fund (NEF)
	National Gambling Board (NGB)
	National Lotteries Commission (NLC)
	National Lotteries Trust Fund (NLTF)
	Natioanl Regulator for Compulsory Specifications (NRCS)
	National Metrology Institute of South Africa (NMISA)
	South African Bureau of Standards (SABS)
	South African National Accreditation Systems (SANAS)

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

Executive management emoluments 31 March 2016	Basic Salary	Other benefits*	Allowances	Reimbursive expense	Total
Ms Agnes Tsele-Maseloanyane (Full time tribunal member)	1 259 475	169 819	13 200	2 955	1 445 449
Ms Irene Mathatho (CFO)	1 044 012	107 717	13 200	3 868	1 168 797
	2 303 487	**277 536**	**26 400**	**6 823**	**2 614 246**

Executive management emoluments 31 March 2015	Basic Salary	Other benefits*	Allowances	Reimbursive expense	Total
Ms Agnes Tsele-Maseloanyane (Full time tribunal member	1 095 003	262 475	7 700	-	1 365 178
Ms Irene Mathatho (CFO)	613 555	68 471	7 700	4 933	694 659
	1 708 558	**330 946**	**15 400**	**4 933**	**2 059 837**

24 Part Time Tribunal Members' fees

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

31 March 2015	Member's fees	Allowances	Reimbursive expenses	SDL	Total
SM Lebala (Chairperson)	531 125	18 000	655	5 537	555 317
PA Delport	155 000	13 500	-	1 685	170 185
LA Glass	402 500	18 000	7 866	4 205	432 571
S Gounden	325 000	18 000	3 848	3 455	350 303
MF Kganyago	255 000	21 000	19 969	2 760	298 729
KLM Manamela	367 500	18 000	799	3 855	390 154
K Moodaliyar	27 500	3 000	501	305	31 306
KY Tootla	397 500	18 000	4 241	4 130	423 871
AN Zondi (Deceased)	60 000	1 500	2 190	615	64 305
M Malokane	22 500	1 500	-	240	24 240
L Haskins	22 500	1 500	226	240	24 466
PJ Veldhuizen	110 000	4 500	-	1 145	115 645
	2 676 125	**136 500**	**40 295**	**28 172**	**2 881 092**

*Tribunal members received computer allowances and cellphone allowances.

	2016 R	Restated 2015 R
25 Irregular Expenditure		
Opening Balance	50 829	-
Add: irregular expenditure for the current year	-	110 634
Add: irregular expenditure relating to previous years	573 337	
Less: amounts condoned	(50 829)	(59 805)
	573 337	**50 829**

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

	2016 R	Restated 2015 R
26 Fruitless and Wasteful Expenditure		
Opening Balance	-	-
Add: fruitless and wasteful expenditure for the current year	53 959	-
Add: fruitless and wasteful expenditure relating to previous years	77 900	-
Less: transferred to debtors	(1 874)	-
Less: amounts recovered from employees	(9 696)	-
Less: fruitless and wasteful expenditure written off	(120 289)	-
Fruitless and wasteful expenditure under investigation	**-**	**-**

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

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

27 Operating lease - Lessee

Payable within one year	40 606	54 141
Payable within two to three years	-	40 606
	40 606	**94 747**

The Tribunal has an operating lease with Konica Minolta for a period of three years. The lease expires on 31 December 2016.
**The Tribunal is currently occupying the office space at the dti campus at no cost. If the transaction was at arm's length the Tribunal would have paid the rental amount of R1 151 114 per annum.

28 Correction of prior period errors

Expenditure relating to Tribunal Members' fees and Audit and Risk Committee fees was recognised in the period in which it was claimed and not in the previous period when it was actually incurred. The error has been corrected retrospectively and comparative figures were appropriately restated.

During 2015/16 management realised that prepayment made in 2013/14 financial period for annual online library subscription was incorrectly recognized as an expense. The prior period error was adjusted retrospectively.

The correction of the errors results in adjustments as follows:

	2016 R	2015 R	2014 R
Statement of financial position			
Increase in members' accrual	-	(71 936)	-
Increase in payables from exchange transactions	-	(2 941)	-
Increase in prepayments	-	-	56 874

Statement of financial performance			
Increase in Tribunal Member's fees	-	71 936	-
Increase in Administrative Expenses	-	2 941	-
Increase / (Decrease) in Other Operating Expenses	-	56 874	(56 874)
Increase / (Decrease) in Surplus	**-**	**131 751**	**(56 874)**

29 Changes in accounting policy

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following revised standard.

GRAP 23

During the year, the Tribunal changed its accounting policy with respect to the treatment of free office space occupied from the **dti,** in order to conform to the revised GRAP 23. The Tribunal now recognises an increase in revenue for services-in-kind received as well as a corresponding increase in leased premises expenditure.

The aggregate effect of the changes in accounting policy on the financial statements for the year ended 31 March 2016 is as follows:

Statement of Financial Performance			
Increase in other Income from non-exchange transaction	1 151 114	-	-
Increase in other operating expenditure	(1 151 114)	-	-
Increase / (Decrease) in Surplus	**-**	**-**	**-**

30 Budget vs Actual Expenditure Variances

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

30.1 The forecast for Interest received from banks is slightly exceeded due to capital expenditure not incurred during the financial period as per the Annual Procurement Plan.

30.2 Budgeted "other income" relates to accumulated surplus which was utilised to fund the current financial year expenditure.

30.3 Other income from exchange transactions relates to fruitless and wasteful expenditure recovered.

30.4 Expenditure is slightly lower due to the vacant post not filled during the year due to the moratorium on posts.

30.5 The over-expenditure mainly relates to to the services in-kind for office accomodation.

30.6 The budget is slightly exceeded due to costs relating mainly to the seminar, advertising and marketing.

30.7 The budgeted amount is exceeded due to accruals at year-end.

30.8 The budget is slightly exceeded as a result of audit which commenced earlier in the current financial year.

30.9 Actual depreciation recognised is slightly lower than the estimates due to recalculations done to align with the accounting policy.

31 Risk Management

Financial risk management

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

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

Liquidity risk

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

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

At 31 March 2016

	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
Trade and other payables	438 881	-	-	-

At 31 March 2015

	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
Trade and other payables	100 780	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The Tribunal only deposits cash with major banks with a high-quality credit standing and limits exposure to any one 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 as follows:

	2016 R	2015 R
Trade and other receivables from exchange transactions not past, due or impaired	239 736	10 709
Cash and cash equivalents not past, due or impaired	18 461 814	22 099 277

Interest risk

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

The interest rate sensitivity analysis is calculated on liabilities that represent the major interest-bearing positions and interest generating financial assets. Based on the calculation performed, the impact on surplus of a 1% shift would be a maximum increase of R184 618 (2015: R220 993) or a decrease of R184 618 (2015: R220 993), respectively.

32 Financial Instruments

Categories of financial instruments

Financial assets

	2016 R	At amortised cost 2015 R
Receivables from exchange transaction	239 736	10 709
Cash and cash equivalents	18 461 814	22 099 277
	18 701 550	**22 109 986**

Financial liabilities

	2016 R	At amortised cost 2015 R
Payables from exchange transaction	438 881	100 780

33 Events after reporting date

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

34 Contingent Liabilities

2015

There is a contingent liability that comprises of the surplus for the year ended 31 March 2015 amounting to R1 092 767.00.

The Tribunal will make an application to National Treasury under section 53 (3) of the PFMA to retain the surplus incurred in the current financial year.

2016

Employee claim

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

35 Taxation

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

Speakers at the ADR seminar held in February 2016

NOTES

A simple, speedy and cost effective way of resolving company disputes

Companies Tribunal

a member of the dti group

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