



# ANNUAL REPORT 2022/2023

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## **PART A**

# **General Information**

# 1. General Information

## **PUBLIC ENTITY'S GENERAL INFORMATION** Companies Tribunal

### **PHYSICAL ADDRESS**

**the dtic** Campus, Block E, Third Floor  
77 Meintjies, Sunnyside  
Pretoria  
0002

### **POSTAL ADDRESS**

Companies Tribunal  
P.O. Box 27549  
Sunnyside  
Pretoria  
0002

### **TELEPHONE NUMBER/S**

012 394 1000

### **EMAIL ADDRESS**

registry@companyestribunal.org.za

### **WEBSITE ADDRESS**

<http://www.companiestribunal.org.za>

### **EXTERNAL AUDITORS**

Rain Chartered Accountants Inc

### **BANKERS**

Standard Bank of South Africa  
Corporation for Public Deposits

## 2. List of Abbreviations/Acronyms

<b>ACT</b>	Companies Act 71, 2008
<b>ADR</b>	Alternative Dispute Resolution
<b>Adv</b>	Advocate
<b>AFS</b>	Annual Financial Statements
<b>AGM</b>	Annual General Meeting
<b>ASB</b>	Accounting Standards Board
<b>APP</b>	Annual Performance Plan
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>CFO</b>	Chief Financial Officer
<b>COO</b>	Chief Operating Officer
<b>CIPC</b>	Companies and Intellectual Property Commission
<b>CMS</b>	Case Management System
<b>GEPF</b>	Government Employees' Pension Fund
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>IoDSA</b>	Institute of Directors of Southern Africa
<b>ICT</b>	Information Communication Technology
<b>IT</b>	Information Technology
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>NT</b>	National Treasury
<b>NWU</b>	North-West University
<b>PAYE</b>	Pay-As-You-Earn
<b>PFMA</b>	Public Finance Management Act, Act No1 of 1999
<b>PPPFA</b>	Preferential Procurement Policy Framework Act, Act No 5 of 2000
<b>REMCO</b>	Remuneration and Human Resources Committee
<b>SAB &amp; T</b>	Nexia SAB&T
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>SAJEI</b>	South African Judicial Education Institute
<b>SARS</b>	South African Revenue Service
<b>SCM</b>	Supply Chain Management
<b>SDL</b>	Skills Development Levy
<b>SEC</b>	Social and Ethics Committee
<b>SCCL</b>	Specialist Committee on Company Law
<b>the dtic</b>	Department of Trade, Industry and Competition
<b>Tribunal</b>	Companies Tribunal
<b>UIF</b>	Unemployment Insurance Fund
<b>Unisa</b>	University of South Africa
<b>UP</b>	University of Pretoria
<b>VAT</b>	Value-added Tax
<b>WITS</b>	University of the Witwatersrand



## FOREWORD BY THE MINISTER

It is my pleasure to table the Annual Report of the Companies Tribunal for the 2022/23 financial year. In terms of Section 195 of the Companies Act, the Tribunal is mandated to adjudicate applications, resolve disputes through Alternative Dispute Resolution (mediation, conciliation and arbitration) and to perform any other function assigned to it by any law in terms of Schedule 4 of the Act.

During the year under review, eleven Tribunal Members were appointed with Judge Dennis Davis appointed as Chairperson and Ms Minah Tong-Mongalo as Deputy Chairperson.

The Tribunal achieved targets set for adjudication. 100% of decisions and orders were issued as were 100% finalisation of cases. The report also reflects the work of the Tribunal in implementing their core mandate, and the outcome of joint efforts to align work of **the dtic's** 18 entities towards a set of three shared outcomes:

- Increased industrialisation
- Strengthened transformation in the economy; and
- Building a capable state.

Focusing around these central outcomes allows the combined impact of **the dtic-group** – comprising regulators, financiers and technical institutions – to best deliver for the South African people.

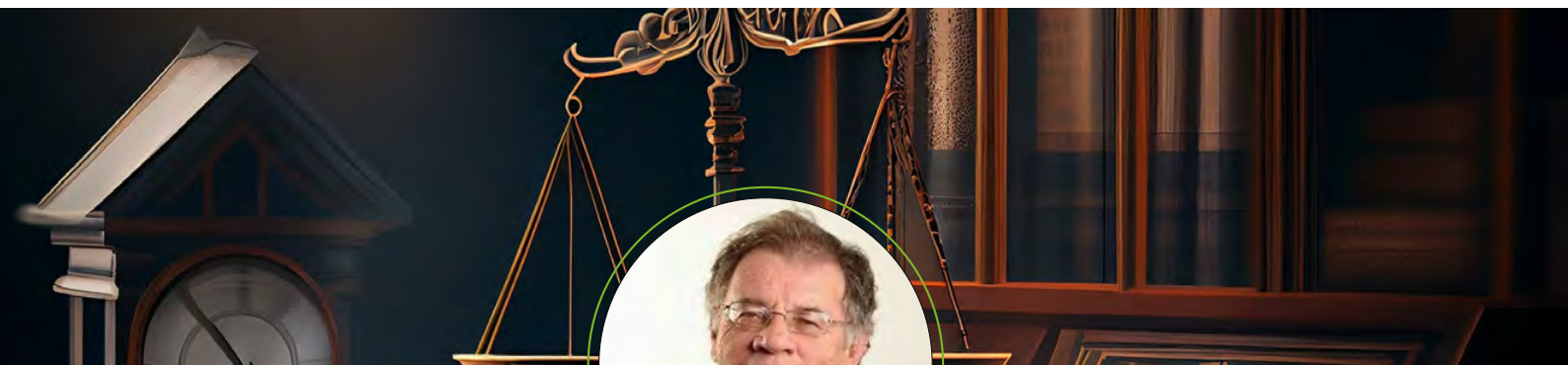
In the 2023/24 financial year, the Tribunal will continue to improve its core mandate and within their legal mandate to align their work around a common set of outcomes defined for **the dtic-group**, including the 45 central outcomes. These outcomes are focused on measuring performance in terms of real impact; defined through key measures like the number of jobs supported, investment unlocked, and output generated by the work of public entities.

I thank Judge Dennis Davis the Chairperson of the Tribunal, Tribunal Members, the Executive team and staff for the work done in the past year.

A handwritten signature in black ink, appearing to read 'Ebrahim Patel', written over a horizontal line.

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





## 4. Report of the Chairperson

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### THE MANDATE

In line with the Companies Act, 2008 (Act No. 71 of 2008) ("the Act") the Tribunal's mandate is to adjudicate applications, resolve disputes through Alternative Dispute Resolution (ADR) and to perform any other function assigned to it by any law in terms of Schedule 4 of the Act. As an agency of the Department of Trade, Industry and Competition (**the dtic**), the Tribunal is informed, among others, by **the dtic**'s strategic objective of creating a fair regulatory environment that enables investment.

### APPLICATION TARGETS (APP)

During the year under review, the Tribunal achieved the targets set for adjudication and resolution of disputes. It has also achieved all its targets stated in the Annual Performance Plan (APP) except on the uptake of the Case Management System (CMS).

### INCREASE IN NEW APPLICATIONS

Despite the delays experienced in appointing Tribunal Members during the year, the 2022/2023 financial year was fruitful. The Tribunal received a total of 292 applications on adjudication and 20 on ADR, totalling to 312 which is one higher than the previous financial year. Though marginal, this increase is significant as a continuation to the upward trend experienced in the past two financial years, as opposed to the steady decrease in new applications experienced from 2016/2017 to 2019/2020.

### PARTICIPATION IN SPECIALIST COMMITTEE ON COMPANY LAW (SCCL)

The Tribunal continues participating in the SCCL established in terms of section 191 of the Act, contributing to company law development. It contributes in the discussions towards extensive amendments to the Act.

I take this opportunity to thank the Executive Authority, Mr Ebrahim Patel, MP and Ms Malebo Mabitje-Thompson, **the dtic** Acting Director-General. My appreciation also goes to my fellow Tribunal members, Audit and Risk Committee (ARC) members, Remuneration and Human Resources Committee (REMCO) members, the External Auditors Rain Chartered Accountants Inc, internal auditors Nexia SAB&T, Tribunal management and staff led by the Chief Operations Officer. Their commitment and outstanding contributions in the face of sometimes formidable challenges are noteworthy.

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**Judge Dennis Davis**  
Chairperson



## 5. Chief Operations Officer's Overview

Challenges notwithstanding, the Tribunal's overall performance in the year under review remained good. The number of new applications remained pleasingly higher than the previous years.

### PERFORMANCE ON ANNUAL TARGETS<sup>1</sup>

Table 3.2.1 on performance information shows the Tribunal achieved two of the three turnaround<sup>2</sup> targets set for the core programmes being adjudication and resolution of disputes. It is worth noting that the Tribunal's turnaround time is significantly shorter than the traditional courts. However, the Tribunal experienced technical challenges with the Case Management System (CMS). These challenges are receiving attention. Figures one to three compares cases decided within 25, 30 and 40 working days of allocation and hearings over a nine-year period from 2014/15 to 2022/23.

### NEW APPLICATIONS

Although not an APP target, the number of new applications is considered an important performance indicator. The Tribunal received 292 on adjudication and 20 ADR applications, resulting in 312 against the 311 in the previous financial year. Considering the previous four-year decline and delays in appointing new members<sup>3</sup>, this is a good outcome. The Tribunal may have received more applications had it not been for a three-month

vacuum (absence of members) suspected of negatively impacting on the total figure. It is believed the vacuum dampened the mood of some potential applicants. However, the total exceeds the numbers received. The growth in applications (292) may be a function of various factors including the higher push in marketing efforts.

### COMPARISON OF TYPES OF ADJUDICATION APPLICATIONS

Table 2 breaks down the types of new cases received during the year under review. From the 312 new cases reported, 292 were on adjudication. This is further broken down into:

- name disputes (170);
- directorships (38);
- exemptions from establishing a Social and Ethics Committee (SEC) (38);
- time extensions for holding AGMs (18);
- compliance orders (4);
- rescissions (2);
- CIPC review decisions (17) and
- substituted service (5)

As in the previous financial years, name disputes topped the list.

<sup>1</sup> The Targets are as set in the Annual Performance Plan (APP): 2022/2023

<sup>2</sup> Turnaround times targeted in the APP are 25 days for ADR, 30 days for unopposed applications and 40 days for opposed applications.

<sup>3</sup> It was also feared the delays in appointing Tribunal Members may have dampened the mood.



Alternative Dispute Resolution (ADR): The 20 new ADR cases compared to 39 in 2021/2022 represent a 16-case decrease and is part of the 312 cases discussed above. The Tribunal's turnaround time to conclude an ADR cases is 25 days. Compared to the ordinary courts, the Tribunal's roll is smaller and turnaround times are considerably shorter.

## DECISIONS ON ADJUDICATION AND ADR

New cases and cases brought forward from previous years on adjudication totalled 292, of which 214 were finalised. The 78 cases not finalised by the financial year-end was due to the need for compliance with the statutory filing period before a matter may be adjudicated. Ninety percent (90%) of the cases were finalised within 30 days of the date of allocation compared to the ninety-seven (97%) in the corresponding financial year. As in the previous year, all cases were decided within 30 and 40 days of the hearing date and all ADR cases were finalised within 25 days of the date of allocation or final hearing date.

## COMMUNICATION AND MARKETING

The Tribunal ramped up its communication and marketing efforts and the collaboration established with the universities is proving to be an effective tool in achieving its goals.

## RESEARCH

The Tribunal achieved its target to produce a research report for the year under review. The report, as published on the Tribunal's website, explored possible areas of mandate expansion and made specific recommendations.

## FINANCIAL MANAGEMENT

The institution's financial position has improved over the years and the budget during the year under review increased to R27 017 493 from R26 239 063 (inclusive of the allocation, revenue in kind and interest), thus the entity remains viable. Attention to internal controls and sound financial management ensured only one minor irregular expenditure and no fruitless and wasteful expenditure was incurred. The necessary consequence management process was followed.

The Tribunal supported the development of Small, Medium and Micro-Enterprises (SMMEs) and Broad-Based Black Economic Empowerment (B-BBEE) enterprises through procurement with 75% of its procurement sourced from B-BBEE levels four and above. 100% suppliers were paid within 30 days, and 97% within 15 days. The Tribunal spent over 90% of its current year's budget. Due to ongoing projects such as repartitioning, the Tribunal will request a roll-over. Most audit issues raised related to Information Technology (IT) security, consistence of information in registry reporting and on CMS performance. The first two queries were addressed and efforts on the third continue.

## CHALLENGES

Compared to previous years, the Tribunal experienced fewer challenges negatively impacting its service delivery. Challenges included human capacity both among Tribunal members and staff while the issue of inappropriate hearing rooms (small and poorly ventilated rooms) remains. Despite these challenges, the Tribunal fulfilled its mandate.

I acknowledge the Tribunal Chairperson, Members of the Tribunal and Governance Committees who support our mandate in various ways. I also thank the Office of the Chief Financial Officer, management committee and all the Tribunal staff for the consistent achievements detailed in this Report and am grateful to the Executive Authority, **the dtic**.



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**Mr Simukele Khoza**  
Acting-Chief Operations Officer

## 5. Statement of Responsibility

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To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the AR is consistent with the AFS audited by Rain Chartered Accountants Inc.
- The AR is complete, accurate and free from any omissions.
- The AR has been prepared in accordance with the National Treasury guidelines on the AR.
- The AFS (Part F) has been prepared in accordance with the Generally Recognised Accounting Practice (GRAP), being the standards applicable to the public entity.
- The accounting authority is responsible for preparing the AFS and for judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance on the integrity and reliability of the performance information, human resources information and AFS.
- The external auditors are engaged to express an independent opinion on the AFS.
- In our opinion, the AR fairly reflects the operations, the public entity's performance information, human resources information and financial affairs for the financial year ended 31 March 2023.

Yours faithfully,



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**Mr Solly Mahlabane**  
Acting-Chief Financial Officer



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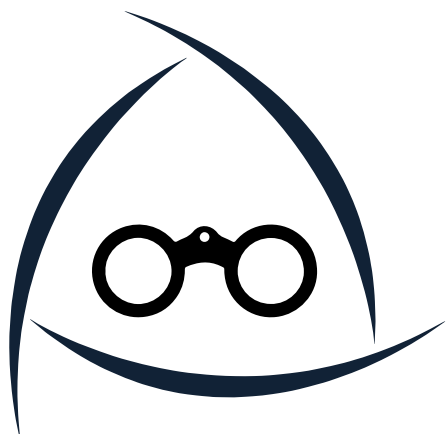
**Mr Simukele Khoza**  
Acting-Chief Operations Officer



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**Judge Dennis Davis**  
Chairperson

## 6. Strategic Overview



### VISION

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



### MISSION

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



### VALUES

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

## 7. Legislative and other Mandates

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

**7.2.** In terms of Section 195 of the Companies Act, the Tribunal's mandate is to:

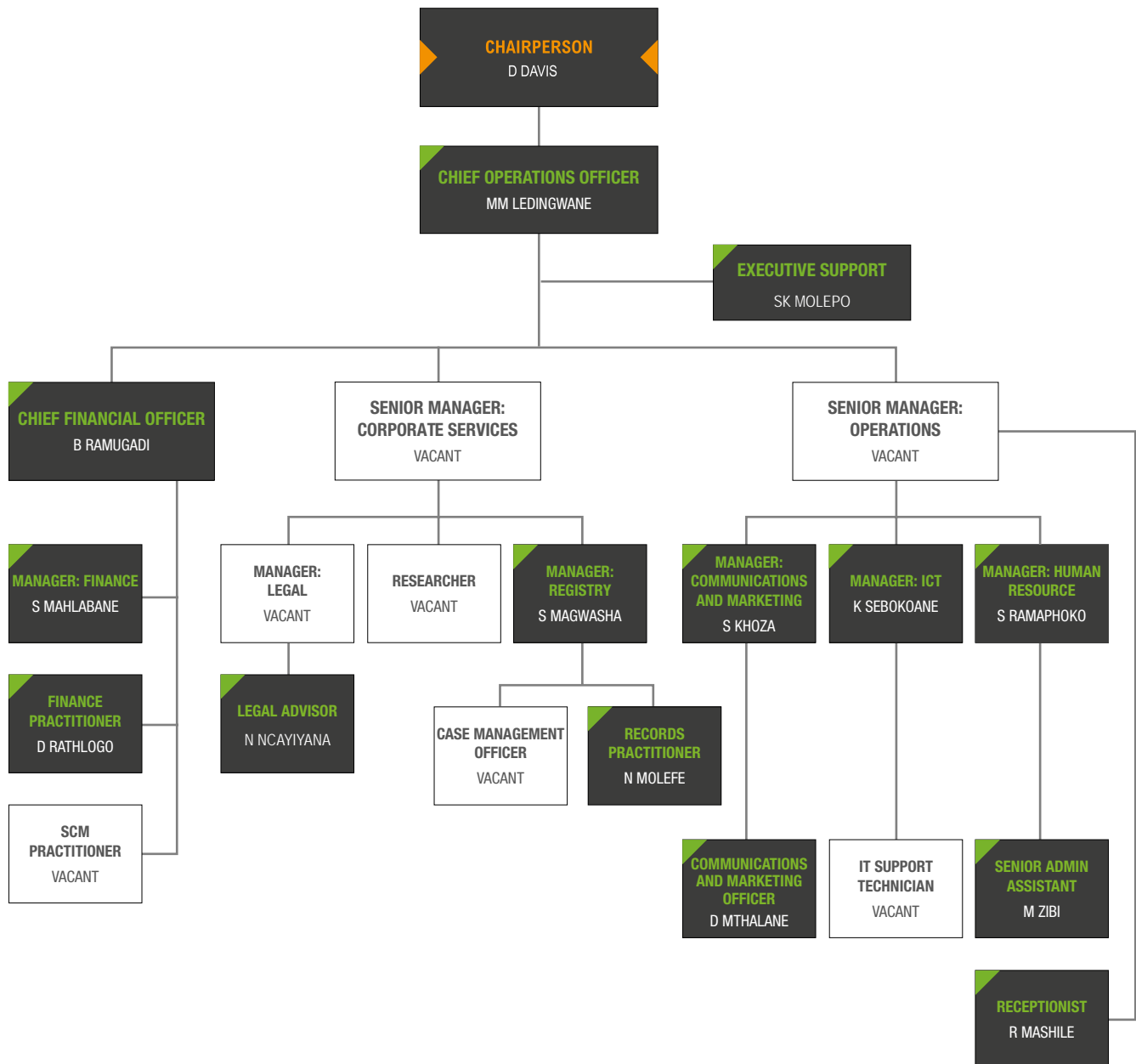
- Adjudicate in relation to any application made to it in terms of the Act and make any order provided for in the Act in respect of any such application.
- Assist in dispute resolutions as contemplated in Part C of Chapter 7 of the Act.
- Perform any other function assigned to it by or in terms of the Act or any law in Schedule 4.
- In delivering this mandate, the Tribunal is enjoined to perform its functions in line with the spirit, purpose and objectives of the Constitution, international law, Companies Act and in a transparent, impartial manner without fear, favour or prejudice.

### 7.3. Constitution of the Republic of South Africa

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

- **Section 9 – Equality:** by remaining accessible to diverse groups of individuals and businesses, it ensures parties have the right to equal protection and benefits of the law. Additionally, it strives, through its value system, to respect human diversity and ensure non-discrimination.
- **Section 10 – Human dignity:** through the adjudication process, the Tribunal ensures prohibited conduct and related action do not impair human dignity.
- **Section 14 – Privacy:** while adhering to its founding legislation and as part of its adjudicative role, the Tribunal ensures the privacy of persons is protected.
- **Section 33 – Just administrative action:** the Tribunal ensures it hears both sides to a dispute and issues reasons for its decisions.
- **Section 34 – Access to courts:** everyone has the right to have any dispute that can be resolved by applying the law decided in a fair public hearing before a court or, where appropriate, another independent and impartial Tribunal or forum.
- **Section 195 – Democratic values and principles:** public entities must be governed by the democratic values and principles enshrined in the Constitution that include:
  - A high standard of professional ethics.
  - Efficient, economic and effective use of resources.
  - Impartial, fair, equitable and unbiased delivery of services.
  - Accountability.
  - Transparency.
  - A broad representation of South African people with the need to address past imbalances.

## 8. Organisational Structure



FILLED FUNDED  
POSITIONS

VACANT & UNFUNDED  
POSITIONS

NON-EXECUTIVE





## **PART B**

# **Performance Information**

# 1. Auditor's Report: **Predetermined Objectives**

Rain Chartered Accountants Inc (Rain), was appointed as the Tribunal's external auditors with effect from the financial year under review. Rain performed the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. These were 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.

Refer to page 50 of the Report of the Auditors, published as Part F: Financial Information.

## 2. Overview of **Performance**

### 2.1. SERVICE DELIVERY ENVIRONMENT

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

### 2.2. ORGANISATIONAL ENVIRONMENT

The Tribunal's organisational structure, though partly filled, ensured the Tribunal remained effective and efficient in delivering on its mandate. The institution has continuously operated under budgetary constraints and some challenges, such as the inability to fill all the positions on the approved structure, remain. However, the recent budget adjustments have alleviated some of the challenges. Over many years, the Tribunal has reported on the challenge of inadequate and inappropriate hearing rooms. Two rooms are used for hearings where one is small and windowless with a 16-person seating capacity including the presiding officer and stenographer. The second one is a small boardroom facility used mainly for mediation proceedings. All boardrooms are shared facilities and thus not always available when needed by the Tribunal. The solution, namely repartitioning the current workspace, was delayed due to *inter alia* budget

estimate changes. It is foreseen the implementation will take place by Q3 2023/2024.

### 2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Tribunal continues to partake in legislative change discussions with **the dtic** and the Specialist Committee on Company Law (SSCL). This important commitment is part of the Annual Performance Plan (APP) commitment as directed by **the dtic**.

### 2.4. PROGRESS TOWARDS ACHIEVING INSTITUTIONAL IMPACTS AND OUTCOMES

#### 2.4.1. ADJUDICATE AND MAKE ORDERS IN RELATION TO ANY APPLICATION

- The target to issue 95% of decisions on opposed applications within 40 days was over achieved at 100%.
- The target to issue 95% of decisions on unopposed applications within 30 days was underachieved at 90%. The late appointment of Tribunal Members contributed to this outcome.

#### 2.4.2. RESOLUTION OF ADR DISPUTES

The Tribunal exceeded its target on Alternative Dispute Resolution (ADR) cases by achieving 100% against a 95% target.



#### 2.4.3. ENSURING THE TRIBUNAL'S OPERATIONAL EFFECTIVENESS AND EFFICIENCY

The Tribunal achieved operational efficiency in various ways during the year. Stakeholder engagements, among others, focused on conveying simplified information to stakeholders about speedily and easily accessing its services. The timelines set in Supply Chain Management (SCM) to speedily pay invoices within the 30-day maximum and the registry timelines of 25-40 days to finalise applications all aim at efficiency. One important efficiency tool, the Case Management System (CMS), underperformed due to technical challenges that led to its deterioration. This is receiving attention. When in full function status irrespective of location, an applicant can lodge an application with the Tribunal without incurring travel and other operational costs.

#### 2.4.4. EFFECTIVE STAKEHOLDER ENGAGEMENT

The Tribunal exceeded the planned activities relating to stakeholder engagement by conducting 20 more outreaches, media engagements and live reads/ interviews than planned. The annual seminar hosted in partnership with North-West University in the fourth quarter of 2022/2023 focused on extending the Tribunal's jurisdiction. Over 100 people attended the session, the majority of whom attended virtually, with seminar attracting predominantly professionals in company law and academics.





## 3. Institutional

# Programme Performance Information

### 3.2 PROGRAMME 1: ADJUDICATION<sup>4</sup>

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

Adjudication is handled by Tribunal Members appointed by the **dtic** Minister and applications for the year under review were handled between the interim Tribunal Members appointed for a six-month term (April to September 2022) and the 11 new members appointed effective 1 December 2022. Tribunal members are qualified as law professors, doctors, advocates, attorneys and some are or act as judges. They have expertise in various areas covered by the Act, such as law, economics, commerce, industry and public affairs. **Table 1** provides more information on the newly appointed members.

Case allocation to Tribunal Members is the chairperson's statutory responsibility, but has been delegated to

the Registrar. The Registrar is responsible for case management and communicates with the parties on the progress and outcome. The Registry Office manages all enquiries made to the Tribunal and is the custodian of applications, related documents and the CMS.

For the year under review, new cases on adjudication totalled 292 and on ADR 20. By Q4 there were 216 adjudications and 45 ADR cases brought forward for 2022/23. Some cases were not finalised as the statutory filing period had not yet closed. The performance on turnaround times, being 25, 30 and 40 days, has been reported above.

Parties to a dispute who are dissatisfied with the Tribunal's decisions may, within 20 business days of receipt of decision, take up the matter on appeal or by the High Court review. By the end of the financial year under review, 18 cases were taken on review and/or appeal.



**Table 1: Programme 1: Adjudication**

PROGRAMME 1: ADJUDICATION								
Outcome	Output	Output indicator	Audited actual performance 20/21	Audited actual performance 21/22	Planned annual target: 22/23	Actual achievement 22/23	Deviation from target	Reasons for deviations
1. Improved access to justice system	1.1 Adjudicated applications	Percentage of decisions and orders issued on opposed applications within 40 working days <sup>5</sup>	100% (12/12)	100% (17/17)	95% of decisions and orders issued on opposed applications within 40 working days <sup>6</sup>	100% (17/17) of decisions and orders issued on opposed applications within 40 working days <sup>7</sup>	5%	Over-achievement is due to consistent staff efforts: liaising with all stakeholders
	1.2 Adjudicated applications	Percentage of decisions and orders issued on unopposed applications within 30 working days <sup>8</sup>	97% (115/119)	97% (114/117)	95% of decisions and orders issued on unopposed applications within 30 working days <sup>9</sup>	90% (129/144) of decisions and orders issued on unopposed applications within 30 working days <sup>10</sup>	-5%	The shortage in the number of Tribunal members (in Q3 the Tribunal only had four members)
	1.3 Resolved disputes	Percentage of cases finalised in terms of ADR within 25 working days <sup>11</sup>	100% (6/6)	100% (10/10)	95% of cases finalised in terms of ADR within 25 working days. <sup>12</sup>	100% (9/9) of cases finalised under ADR within 25 working days. <sup>13</sup>	5%	Over-achievement is due to consistent staff efforts in liaising with all stakeholders.

5 This refers to working days after the final hearing date or final submission by parties, whichever is applicable.

6 Ibid

7 Ibid

8 This refers to the relevant days after the allocation date or final submission by parties, whichever is applicable.

9 Ibid

10 Ibid

11 This refers to the relevant days after the final hearing date or final submission by parties, whichever is applicable.

12 Ibid

13 Ibid



### DECIDED CASES

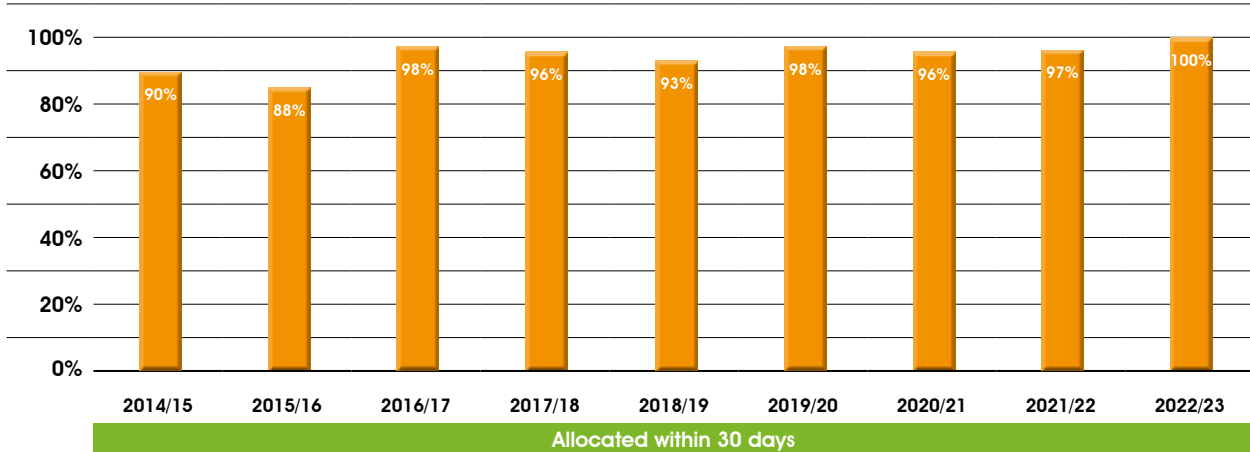


Figure 1: A comparison of cases decided within 30 working days of allocation and hearing from 2014/15 to 2022/23.

### DECIDED CASES

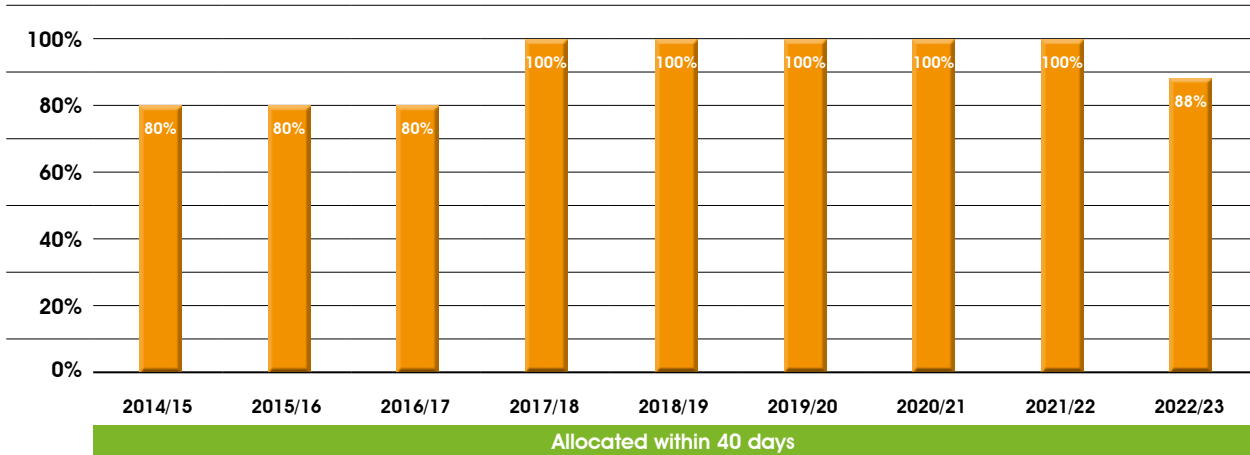


Figure 2: A comparison of cases decided within 40 working days of allocation and hearing from 2014/15 to 2022/23.

### ADR CASES

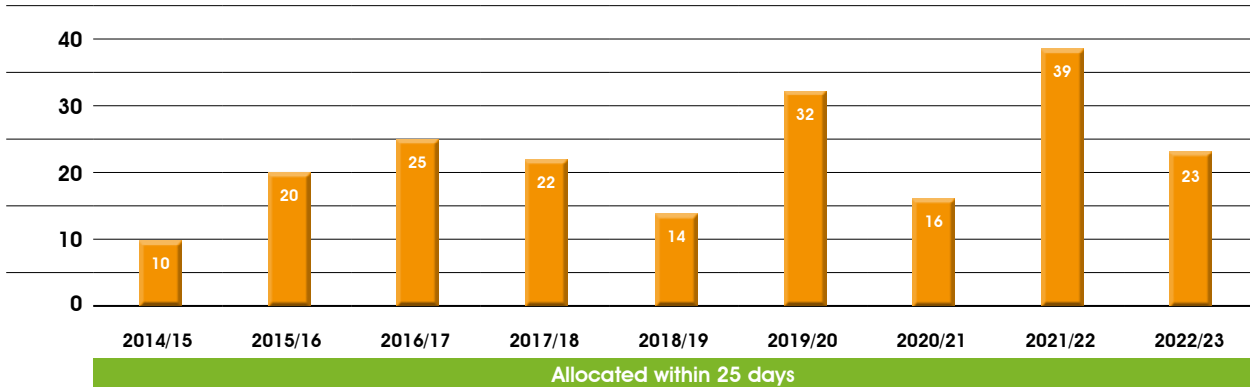


Figure 3: A comparison of ADR cases decided within 25 working days from 2014/15 to 2022/23.

## 3.2 PROGRAMME 2: ADMINISTRATION

### 3.2.1 PURPOSE OF THE PROGRAMME

The programme aims to ensure operational efficiency and effectiveness as well as effective stakeholder engagement. It further aims to efficiently support and manage the operations by ensuring there is proper Financial Management, Human Resource Management, IT Management, Research Knowledge Management, Stakeholder Management and Legal Services in place.

**Table 2: Programme 2: Administration**

Output	Output indicator	Audited actual performance 20/21	Audited actual performance 21/22	Planned annual target: 22/23	Actual achievement 22/23	Deviation from target	Reasons for deviations
Functional, efficient, user friendly Case Management System (CMS) for ease of doing business	Percentage of user uptake of the Case Management System	N/A	36%	50%	4.2% (13/312)	37%	Users preferring to submit manually and CMS technical challenges
Capacity building	Vacancy rate	N/A	N/A	15% vacancy rate	0%	None <sup>14</sup>	No variation, efforts were made to fill all funded positions.
Stakeholder engagements	Number of seminars hosted	Hosted a seminar on legislative gaps or shortcomings in implementing the Tribunal's mandate	Hosted a seminar on functions that can be assigned to CT under Schedule 4 of the AN/ct in partnership with UFS	Hosted a seminar on Expanding the role of the Tribunal – A case for comprehensive amendment of the Act	Hosted a seminar on Expanding the role of the Tribunal – A case for comprehensive amendment of the Act	None	None
	Number of media activities statements and radio activities	Four articles published on social media/ website	Ten media statements and engagements	Release eight media statements	Released 17 media statements	Nine media statements	Collaborations with other entities
				Participate in four radio activities	Participated in five radio and one TV interviews and 86 live reads	One radio interview, one TV interview and 86 live reads	Afforded free interviews on radio and TV
	Number of participation in outreaches exhibitions	Participated in eight outreaches/ exhibitions	Participated in 17 outreaches and/or exhibitions	Participate in 10 outreaches/ exhibitions	Participated in 20 outreaches/ exhibitions	Participated in 10 outreaches/ exhibitions	Extra invitations received
Research	Number of Research reports produced	One research report on: Legislative gaps in implementing the Tribunal mandate: A case for further amendments.	One research report on Changes in the Companies Act: How to prepare the Tribunal to address the new environment.	One research report on Expanding the role of the Companies Tribunal – A case for comprehensive amendment of the Act.	One research report on Expanding the role of the Tribunal – A case for comprehensive amendment of the Act.	Research published late.	Remove publishing from target to allow post approval publishing requirements
Procurement to promote transformation and empowerment of designated groups	Percentage of service providers appointed with Level four and above B-BBEE accreditation	N/A	60% of procurement awarded to service providers with Level four and above B-BBEE accreditation	65% of procurement awarded to service providers with Level four and above B-BBEE accreditation	81% of procurement awarded to service providers with Level four and above B-BBEE accreditation	16%	Most service providers who responded to RFQs were BBBEE compliant.

<sup>14</sup> The target is 85% capacity. Hence 15% vacancy is acceptable.

### 3.2.2 COMMUNICATIONS AND MARKETING

To advance the Companies Tribunal's mandate, communications and marketing engaged with various stakeholders to raise awareness about its services. In the last financial year, we have seen a gradual increase among stakeholders warming up to the Tribunal's social media platforms such as LinkedIn and Twitter; this is vital to cement the Tribunal's online footprint. Through social media platforms, articles and seminar invitations, important notices were published to create a vibe about the Tribunal's services. The video clips published on the Tribunal's YouTube page highlight the importance of our services. Other than the website, the Bulletin, published on a quarterly basis is key to sharing information on the Tribunal's services.

The communications and marketing unit is obliged to ensure effective stakeholder engagement through seminars, workshops, media and other platforms. To achieve this objective, collaborations with critical role players are key in educating the general public about the Tribunal's services, as well as building long-lasting relationships.

The unit exceeded its performance targets as set forth by the APP. The COVID-19 pandemic introduced new ways of engaging with stakeholders via technology and virtual engagements with different stakeholders were held across the nine provinces. Hence communications and marketing held various virtual stakeholder engagements outside metropolitan areas, namely: Ehlanzeni, Mpumalanga; Mahikeng, North West Province; Francis Baard, Northern Cape, and Vhembe and Capricorn, Limpopo. Furthermore, stakeholder engagements were held in the following metropolitan areas: City of Cape Town, Western Cape; Tshwane, Gauteng; Mangaung, Free State; eThekweni Municipality, KwaZulu-Natal and Nelson Mandela Bay, Eastern Cape.

Radio remains one of the key mediums the Tribunal uses to reach various stakeholders irrespective of their geographical location. The Chairperson, Chief Operations Officer (COO) and a few managers held interviews on

various radio stations including Power FM, Phalaphala FM, Motsweding FM, Lesedi FM and Munghana Lonene FM. Live reads were aired on Power FM to augment our public presence and messaging. During Women's Month in August, a television interview was held with the COO to encourage women in business to take advantage of the Tribunal's free services.

The Tribunal's website plays an important role in providing information to the public. In the last financial year, there was an increase in new visitor numbers and website subscribers, clearly indicating an interest in the Tribunal's content. In terms of website visits, in Q4 Gauteng registered the highest number of visits followed by Western Cape and KwaZulu-Natal.

Our bulletin remains a vital tool to highlight the Tribunal's services and create awareness. The quarterly publication enhances the institution's public image and raises its profile with four editions published during the 2022/23 financial year. These highlighted the Tribunal's stakeholder engagement activities and decided cases. Through the bulletin, the Tribunal received positive feedback and increased subscriptions through the website's bulletin subscription feature.

The Tribunal held a joint webinar in partnership with the B-BBEE Commission, Companies and Intellectual Property Commission (CIPC), **the dtic** and the South African Chamber of Commerce and Industry under the theme Resolution of company disputes and the role played by each entity in the economic development ecosystem. The webinar was organised to share information with companies and business people regarding the Tribunal's free dispute resolution mechanisms available to resolve company disputes.

A seminar was held in partnership with the North-West University (NWU) Mercantile Law Department under the theme *Expanding the role of the Companies Tribunal – A case for comprehensive amendments*. Speakers were Company Law experts from the CIPC, law firm ENSafrica, NWU and the Tribunal under the following topics:

- Reconsidering the Close Corporations Act 69 of 1984 in terms of opportunities presented for extending the Tribunal's mandate in name reservation, name changes, AGM/meeting extensions, directors/members, removal/cessation and investigation.
- Rethinking the Co-operatives Act 14 of 2005 and the Companies Act 71 of 2008 (non-profit companies) in terms of opportunities presented for extending the Tribunal's mandate name reservation, name changes, AGM/meeting extensions, directors/members removal/cessation and investigation.



**Dumisani Mthlane**  
Communications and  
Marketing officer



**Simukele Khoza**  
Communications and  
Marketing Manager

- Exploring opportunities presented by business rescue under the Companies Act 71 of 2008 for expanding the Tribunal's mandate.
- ADR.
- Ensuring a company name reservation does not infringe on a registered trademark and unpack the Mbongwe decision.
- Overview of the Tribunal's mandate in adjudication and resolution of company disputes involving shareholder activism promotion and protection under the Companies Act 71 of 2008.

The seminar involved two sessions chaired by NWU academics, namely Dr Elfias Torerai and Ms Nirissa Reddy.

### 3.2.3 LEGAL SERVICES

The Tribunal's research function contributes to the body of knowledge and closes knowledge gaps, while research contributes to jurisprudence and precedent. Contributing to South African jurisprudence makes the country an attractive investment destination. Reports serve as an option for quick reference for decision-making, in turn leading to consistency and efficiency. To further improve efficiencies, rules or guidelines are developed and/or reviewed. A research report on *Expanding the role of the Tribunal – A case for comprehensive amendment of the Act* was finalised.

The expert panel for the first session comprised company law experts including Companies Tribunal chairperson Judge Dennis Davis, NWU research professor Prof Howard Chitimira, NWU legal research assistant Ms. Kearmogetse Motlogeloa and ENSafrica associate Mr Tevin Jones. The second session comprised NWU post doctoral research fellow Dr. Elfias Torerai, University of Pretoria (UP) senior lecturer Dr Phemelo T Magau and CIPC senior legal advisor Adv. Lucinda Steenkamp. The Tribunal's annual seminar is key in soliciting expert views and educating companies and South Africans in general about our mandate.



**Nozizwe Ncayiyana**  
Legal Advisor

### 3.2.4 CORPORATE SERVICES

#### 3.2.4.1 HUMAN RESOURCES MANAGEMENT

The corporate services division promotes and maintains sound corporate governance and ensures proper planning, monitoring and reporting on the organisation's performance. It is also responsible for recruiting, appointing and developing competent Tribunal staff and manages the IT services.

The approved organisational structure comprises 21 positions with only 14 positions being funded. At the end of the year under review, the Tribunal had 13 full-time staff, one contract employee and two interns (Finance and Registry). The organisation's internship programme focuses on providing South African youth with experiential learning and thus contributing to the country's skills development efforts. To further ensure that the Tribunal achieves its mandate, the Tribunal has embarked on the process to review the organisational structure.

The Tribunal recognises training builds the skills and knowledge of each staff member and contributes to a more productive and motivated workforce. Human

resource policies that were developed and some reviewed included performance management, education, training and development, succession planning and employees' monetary and non-monetary recognition. In implementing the policies bursaries were granted to three employees, in line with the education training and development policy.



**Sammy Ramaphoko**  
Manager Human Resource



**Reneilwe Mashile**  
Receptionist

#### 3.2.4.2 INFORMATION AND COMMUNICATION TECHNOLOGY

The Tribunal Information Communication Technology (ICT) continuously strives to improve in providing optimal and efficient Information Technology (IT) services. It leverages cloud solutions for effortlessness, anywhere accessibility of information and collaboration and to eliminate the challenges of IT service continuity. IT ensures stabilising the IT systems by maintaining IT infrastructure that leads to improved functionality and security.

The Tribunal continues to streamline its business processes while monitoring information security and holistic IT risk management. IT further ensures proper IT knowledge transfer of internal systems and application usage. Implemented IT policies and plans are maintained to ensure proper alignment, control and adherence to governance standards.



**Keikanetswe Sebokoane**

Manager Information and Communication Technology



**Bridget Ramugadi**  
Chief Financial Officer



**Solly Mahlabane**  
Finance Manager



**Dikeledi Ratlhogo**  
Finance Practitioner

#### 3.2.5 FINANCE AND SCM

The CFO's office is responsible for finance and Supply Chain Management (SCM) with the finance division managing the Tribunal's funds including planning, budgeting and reporting. The division ensures operational and capital expenditure is in line with the Public Finance Management Act (PFMA) prescripts and related regulations. Timeous and accurate financial reports were produced monthly and quarterly and submitted to **the dtic** and National Treasury. All submission timelines relating to the Medium-Term Expenditure Framework (MTEF), Estimates of National Expenditure (ENE) and the annual budget were adhered to and the budget presented to the ARC and approved by the chairperson. SCM procures goods and services and covers demand, acquisition, logistics, disposal and risk management. The unit administers tender processes in line with the Preferential Procurement Policy Framework Act (Act No 5 of 2000) (PPPFA).

An Annual Performance Plan (APP) was submitted to **the dtic** and National Treasury and various tenders published and awarded during the year in line with the PPPFA and

related regulations. Internal controls such as procurement checklists are in place to ensure full compliance with the rules and regulations governing public sector SCM. The Tribunal is proud to state that for the last four consecutive financial years, there has been no audit findings regarding SCM from either the internal or external auditors.

One irregular expenditure worth a small amount was incurred and no fruitless and wasteful expenditure was incurred during the financial year. This achievement is attributable to consistent review of internal controls and adherence to good governance.

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



## ANNEXURE TABLES

### PROGRAMME: ADJUDICATION

In terms of the Act, the Chairperson Judge Dennis Davis allocates cases to Tribunal Members. The Members comprise:

**Table 1: Tribunal Members**

No	Name and surname	Qualifications
1	Judge Dennis Davis	BCom, LLB, LLM
2	Mina Tong Mongalo	LLB, LLM
3	Joshua S Kadish	BCom, LLB, LLM
4	Richard Bradstreet	BA Law, LLB, LLM, Post graduate Diploma in Intellectual Property Law, Post graduate Diploma in Dispute Resolution
5	Prof. Clement Marumoagae	LLB, LLM, LLD, Diploma in Insolvency Law and Practice, Post graduate Diploma in Corporate Law
6	Diane Terblanche	BA Law, LLB, LLM
7	Brian Jennings	LLB, LLM, Post graduate Certificate in Advanced Company Law
8	Fulufhedzani S Mudzunga	LLB, Mediation Certificate, Corporate Law Certificate
9	Hlaleleni K Dlepu	B Proc, LLB, Certificate in Arbitration, Mediation and Dispute Resolution
10	Nomagcisa Cawe	BA, LLB, LLM, Arbitration and Mediation Certificate
11	Dr Mohamed A Chicktay	B Proc, LLB, LLM and PhD from the University of the Witwatersrand.

**Table 2: Comparison of cases handled during a five-year period from 2017/18 to 2022/23**

Nature of cases	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Review of compliance notices	5	9	8	2	5	1	12	4
Directors' dispute	13	27	30	35	54	39	41	38
Extension of time to prepare AFS	3	3	0	0	0	0	1	0
Extension of time to convene AGMs	14	14	9	4	14	39	15	18
Name disputes	273	180	178	168	123	105	163	170
Review of CIPC decision	2	6	2	6	2	1	11	17
SEC (S72) (5)	57	29	24	28	24	34	26	38
S (2) (3) exemption	0	1	0	0	0	3	0	0
S (6) (2) exemption	1	2	2	0	0	0	0	0
Substituted service	5	1	0	0	1	0	2	5
Variation of an order/rescission	0	0	0	0	0	2	1	2
<b>Total (adjudication)</b>	<b>377</b>	<b>272</b>	<b>254</b>	<b>244</b>	<b>223</b>	<b>224</b>	<b>272</b>	<b>292</b>
<b>Total ADR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>20</b>
<b>Total Adjudication and ADR</b>							<b>311</b>	<b>312</b>

**Table 3: Case Highlights**

No	Type of case	Parties	Narrative	Decision/order
1	Social and Ethics Committee:	Wma Africas (Pty) Ltd	<p>The Applicant is a company duly incorporated in accordance with the South African company laws, having its registered address at Suite 108-109 Mount Quray Street, Midlands Office, Midlands Estate, Gauteng, 1692. The Applicant applied to the Companies Tribunal for an exemption from appointing a social and ethics committee (SEC) in terms of section 72 (5) of the Companies Act 71 of 2008 (the Act) read with Regulation 43 of the Companies Regulations 1 (the Regulations).</p> <p>Kobus Keulder deposed the founding affidavit in the CTR142 form, one of Applicant's two directors, duly authorised. The Applicant's core business is to source and export ore and metals for its sole shareholder World Metals &amp; Alloys FZC, based in Dubai. The Applicant employs five people and operates from a small, rented office. The Applicant's public interest score (PIS) exceeded 500 points in the past two financial years Keulder said was due to its high annual turnover driven by volume, US dollar-rand exchange rate and the value of commodities sourced.</p> <p>The Applicant submitted, due to the limited nature and extent of its business, it was not reasonably necessary in the public interest for it to establish an SEC. Furthermore, the Applicant attached, as its supporting documentation, its AFS for the past two years. The Applicant argued establishing a functioning SEC requires appointing a non-executive director and executive director that would add to its overhead costs.</p> <p>The Companies Tribunal found the Applicant had made out a case to be exempted from appointing an SEC in terms of section 72(5) of the Act.</p>	Exemption from the requirement to appoint the SEC was granted for three years from the date of this order
2	Name dispute:	NWU (applicant) vs 4 De Nwu Trading (first respondent) and CIPC (second respondent)	<p>The Applicant is a public higher education institution and juristic person established in terms of the Higher Education Act 101 of 1997. The First Respondent is a private company registered under South Africa's company laws under registration number 2017/334516/07, having its registered address at 110 Avril Flats, 484 Leyds Street, Sunnyside, Pretoria, Gauteng, 0002.</p> <p>The Second Respondent (CIPC) is established in terms of Section 189 of the Companies Act 71 of 2008 (the Act). The Applicant cited the Second Respondent in an official capacity as the person responsible for the CIPC's function in terms of the Act. The Second Respondent's address is the DTI Campus, Block F, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng, 0002.</p> <p>The Applicant was a default order application in terms of Section 160 of the Act for an order confirming the First Respondent's name does not satisfy the requirements of section 11 (a) and/or (b) and/or (c) of the Act and that the Companies Tribunal makes an order directing the First Respondent to choose a new name as provided for in Section 160(3)(b)(ii) of the Act. The Applicant lodged its application under Section 160(1) of the Act by filing the Form CTR 142 and a supporting affidavit as prescribed, objecting to the company registration name 4 DE NWU TRADING under registration no. 2017/334516/07.</p> <p>The Applicant brought the application in the prescribed Form CTR 142, supported by a founding affidavit deposed to by Maria Magdalena Verhoef, employed as the Applicant's registrar. The Tribunal perused the Applicant's file, did not find a resolution authorising the deponent to depose to the affidavit in the application's support. The facts and evidence supporting the default application in terms of Regulation 153 appear from the affidavit deposed to by Chezanne Haigh, an admitted attorney of the High Court of South Africa, practising as a senior associate of Kisch Africa Inc, the Applicant's attorneys of record.</p> <p>According to Regulation 142(2), the Applicant must serve the application on each of the Respondents named in the application within five business days of filing the application with the Tribunal. Regulation 153(1) of the Regulations promulgated under the Act empowers the Tribunal to issue default orders where a person or persons served with an initiating document has not filed a response within the prescribed period, namely 20 days as per Regulation 143(2). Regulation 7(1) prescribes a notice or document to be delivered, for any purpose contemplated in the Act or the Regulations, may be delivered in any manner as contemplated in section 6 (10) and (11) of the CA or as set out in Table CR 3. To grant the relief sought by the Applicant, the Tribunal must determine whether the application is in order, namely the Applicant has adhered to the relevant timeframes, prescribed forms and procedures.</p> <p>The deputy sheriff could not locate the First Respondent's registered address. Regulation 7(3) provides "if, in a particular matter, it proves impossible to deliver a document in any manner provided for in the Act or these regulations —</p>	Dismissed

**Table 3: Case Highlights (continued)**

No	Type of case	Parties	Narrative	Decision/order
			<p>(a) if any person other than the Tribunal is required to deliver the document, the person may apply to either the Tribunal or the High Court for an order of substituted service; or</p> <p>(b) if the Tribunal is required to deliver the document, the recording officer concerned may apply to the High Court for an order of substituted service.”</p> <p>The Tribunal’s view was the Applicant was not left without a remedy when it could not deliver the application to the first respondent at the registered address recorded at the CIPC. The Applicant choose not to use the Regulations provisions to aid it in its obligation to serve the application and supporting documentation on the First Respondent, thus meeting its audi alterum partum obligations and giving the First Respondent an opportunity to respond to its evidence.</p> <p>The Tribunal had to consider whether it may mero motu condone in terms of Regulation 154(3). It concluded this was not an instance where it could mero motu condone the Applicant’s non-delivery to the First Respondent, mainly because Regulation 7 (3) (a) prescribes, in such a situation, as the applicant found itself, the applicant may apply to the Tribunal or high court for substituted service.</p> <p>The Applicant joined the Second Respondent in this application for purposes of notice and the Applicant sought no relief against the Second Respondent should the Second Respondent not oppose the relief the Applicant seeks. The relief the Applicant sought against the Second Respondent is for this Tribunal to “order the Second Respondent to change the First Respondent’s company name to its registration number, namely “2017/334516/07”; ...” The Applicant did not provide any evidence before the Tribunal that it had affected service of the application and supporting documentation on the Second Respondent either as required in terms of Regulation 142(1) of the Act.</p> <p>The Tribunal found no persons were served with an initiating document to which they had to file a response within the prescribed 20 days. Therefore, the Applicant failed to make out a case for the main application to be considered on a default basis against the First and Second Respondents.</p>	
3	AGM	Denel Soc Limited	<p>The Applicant is registered in terms of the South African company laws and the application brought by the Denel Soc Ltd acting CFO and director Thandeka N Sabela (the deponent) duly authorised by the board of directors to act on its behalf.</p> <p>The deponent stated inter alia:</p> <p>In terms of section 12 of the Memorandum of Incorporation the board will convene an AGM no later than 15 months after the previous AGM or within an extended time allowed by the Companies Tribunal. Denel was waiting on the finalisation of its AFS, a delay due to ongoing concerns, uncertainty of government funding support and inadequate resources to finalise the AFS and conclude the external audit.</p> <p>It envisaged the 2021 AFS would be submitted by end November 2022 with the audit ending around end February 2023. Further, the 2022 AFS would be submitted end February 2023 with an approximate end of audit by July 2023.</p> <p>The Applicant sought an extension to hold the AGM for its 2021 financial year 2021 by no later than 30 April 2023. The Tribunal was satisfied good cause had been shown why the AGM could not be held within the statutory period.</p>	The applicant was granted an extension to hold its AGM no later than 30 April 2023
4	Director dispute	Setso Phineas Ratlou (applicant) vs Nompoti Bettu Ndweni (respondent)	<p>The Applicant applied to the Tribunal to remove the Respondent as a company director in terms of s 71(8) of the Companies Act 71 of 2008 (the Act) alleging the Respondent had been neglectful or derelict in performing her directorship duties as per Section 71(3)(b) of the Act. Consequently, the Respondent was disrupting the company’s proper business operations.</p> <p>On 26 October 2020, the Applicant and Respondent registered Tsalanang Secure Solutions Proprietary Limited (registration number 2020/806836/07) (the company). Based on the documents before the Tribunal, the Applicant and Respondent are the company’s only directors. On 18 November 2022, the Applicant filed an application to the Tribunal for the above mentioned relief; an affidavit deposed to by the Applicant was filed in support thereof. On 21 November 2022 the Applicant emailed the Respondent at an email address marked as ndweninompoti@gmail.com. This Tribunal issued the date stamped Form CTR 142 to the Applicant on 22 November 2022.</p>	Dismissed

**Table 3: Case Highlights (continued)**

No	Type of case	Parties	Narrative	Decision/order
			<p>On 6 January 2023, the Applicant applied to the Tribunal in terms of Form CTR145 for a default order that the Respondent be removed as a company director. This was accompanied by a further affidavit from the Applicant dated 5 January 2023. A fundamental requirement of this Tribunal is compliance with the administrative procedure when an application is made. This is even more so where the application involves a request for a default order in terms of Regulation 153 and one that involves removing a company director. The Tribunal's position equates to a court in this instance (namely, it is not merely a rubberstamp) and has a duty to investigate the matter to be satisfied and the appropriate case had been made warranting a Tribunal order.</p> <p>Having read the applicable law, namely Regulations 142 and 153, the Tribunal was not satisfied the Applicant complied with Regulation 142(2) for the following reasons:</p> <p>The Applicant was required to serve a copy of the application together with a supporting affidavit on the Respondent within five business days after filing it with the Tribunal. The Tribunal was only provided with the delivery email. While it is noted an attachment was indicated to have been attached to the delivery email, this was not included in the Applicant's papers nor were delivery or read receipts confirming transmission to the recipient email address. Therefore, the Tribunal could not confirm this requirement was fulfilled.</p> <p>The delivery email is dated 21 November 2022. The Tribunal only stamped the application on 22 November 2022 and it therefore did not know what document the Applicant delivered to the Respondent because Regulation 142(2) requires the application and affidavit to be served within five business days after filing it. The Applicant therefore delivered something prior to filing it with the Tribunal. The organisation cannot condone this conduct without the necessary condonation application being made.</p> <p>Lastly, in the delivery email furnished by the Applicant, the Respondent's email address was marked as ndweninompi@gmail.com. Table CR3 in the Companies Regulations provides that insofar as delivery of documents by electronic mail is concerned, sending the notice or copy of the document by electronic mail is a valid delivery method if the person has an address for receiving electronic mail. The Tribunal does not have evidence that this is an email address either owned or used by the Respondent and that the Respondent actually received the delivery email. The email address is also not listed on the CIPC disclosure certificate submitted in the papers. Therefore, the Tribunal was not in possession of any evidence conclusively showing the Respondent received the filed and stamped application and supporting affidavit within the prescribed period.</p> <p>As this application involves the Applicant's request to remove the Respondent as a company director under Section 71(8) of the Act, the necessity for due and proper notice is elevated. It is imperative, in an application of this nature, the Respondent is afforded a reasonable opportunity to consider the allegation and elect whether or not she wanted to make a presentation in respect thereof.</p>	

**Table 4: Summary of cases on review**

No.	CT case number	Parties	Nature of case	Progress
1.	CIPC vs G.U.D Holdings	CT00837ADJ2021	Review of CIPC compliance notice	Review. Matter set for trial on 23 February 2023. Matter awaiting judgement and order. No costs requested.
2.	AXA vs AXA Finance Corporation CC	CT00856ADJ2021	Review of CIPC compliance notice	Review. Applicant filled notice of withdrawal. No costs requested. Matter closed.
3.	Willem Hendrik Jacobus Herbst vs Philip Cloete Greyling	CT00819ADJ2021	Director Dispute	Review. Applicant filled notice of withdrawal. No costs requested. Matter closed.
4.	Saul David Basckin vs Laura Barrett	CT00762ADJ2021	Director Dispute	Review. In progress. Matter in Supreme Court of Appeals. No costs requested.
5.	Future Packaging and Machinery (Pty) Ltd vs Future Packaging Solutions (Pty) Ltd	CT00413ADJ2020	Name Dispute	Review. In progress. Notice to abide served and filled with parties and court. No costs requested.
6.	Herman Sheppard vs Jacob Francois De Villiers	CT00596ADJ2021	Director Dispute	Appeal. In progress. Notice to abide and notice of records served and filed with parties and court. No costs requested.
7.	Klaas Tala Mahlomanyane vs Nxumalo Bhekiwe Amanda	CT00701ADJ2021	Director Dispute	Appeal Court dismissed the matter. No costs requested. Matter closed.
8.	Agility Holdings (Pty) Ltd vs Agility Co. (Pty) Ltd	CT0142ADJ2019	Review of CIPC compliance notice	Review. Companies Tribunal ordered to pay costs of R109 580.40. Costs paid. Matter closed.
9.	Mohamed Mahier Tayob and Another vs Shiva Uranium and Others	CT012OCT2018	Review of CIPC compliance notice	Appeal dismissed. Matter closed. No cost requested.
10.	Universal Earthing & Lighting Components vs HHK Earthing and Lighting Protection Systems	CT10MAY2018	Name Dispute	Appeal in progress. Waiting on court's decision. No costs requested.
11.	Kganya Brands vs Kganya ya Rona	CT0010MAY2015	Name Dispute	Review. Parties settled out of court. No costs requested. Matter closed.
12.	G.U.D. Holdings vs CIPC	CT 00200ADJ2019	Review of CIPC compliance notice	Review. Companies Tribunal ordered to pay costs R148 246.66. Costs paid. Matter closed.
13.	Gravest Venture Capital Company vs CIPC	CT019JUN2017	Review of CIPC compliance notice	Appeal dismissed. No cost requested. Matter closed.
14.	Cipla MedPro SA and Medpro – Pharmaceutical vs CIPC and Companies Tribunal	CT00829/ADJ2021	Review of CIPC compliance notice	On review. Companies Tribunal filed affidavit. Waiting applicants' confirmation of receipt and further pleadings. No costs requested.



**Table 5: Stakeholder engagements sessions held in line with the APP targets**

No.	Activities conducted	District
1	<b>Seda</b> , Bethlehem	Thabo Mofutsanyana (Free State)
2	<b>NYDA</b> , Polokwane	Capricorn (Limpopo)
3	<b>NYDA</b> , Tshwane	City of Tshwane (Gauteng)
4	Matsane Inc. Mbombela	City of Jo'burg (Gauteng)
5	Black Business Council Summit, Midrand	City of Jo'burg (Gauteng)
6	June 16 youth engagement, Mamelodi High School	City of Tshwane (Gauteng)
7	Education and awareness campaign, Smithfield and Koffiefontein report	Xhariep (Free State)
8	<b>Seda</b> , Cape Town	City of Cape Town (Western Cape)
9	<b>NLA</b> Education and awareness campaign, Thohoyandou	Vhembe (Limpopo)
10	Engagement with Vhembe district municipality	Vhembe (Limpopo)
11	<b>NLA</b> Education and awareness campaign, Jeppes Reef	Ehlanzeni (Mpumalanga)
12	Entrepreneurship Day, Bloemfontein	Mangaung (Free State)
13	<b>NYDA</b> , Kimberley	Francis Baard (Northern Cape)
14	Information sharing with Limpopo Businesswomen Association (LBWA), Polokwane	Capricorn (Limpopo)
15	Buy Local Summit and Expo 2023 - Business Solutions Hub, Sandton	City of Jo'burg (Gauteng)
16	Webinar on resolving company disputes	Capricorn (Limpopo)
17	Introduction of Companies Tribunal's services to SEDA – eThekweni	eThekweni Metropolitan (KwaZulu-Natal)
18	Introduction of Companies Tribunal's services to Nelson Mandela Bay and The Business Place	Nelson Mandela Bay (Eastern Cape)
19	Introduction of Companies Tribunal's services to Kgomo Attorneys, Mahikeng	Ngaka Modiri Molema (North-West Province)



The Companies Tribunal (the Tribunal) participated at the Proudly SA's Buy Local Summit and Expo on 27 and 28 March 2023 at the Sandton Convention Centre.



Delegates (left) and Speakers (right) at the Entrepreneurship Day in Bloemfontein



## LINKING PERFORMANCE WITH BUDGETS

Programme	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Adjudication	2 909	3 645	(736)	3 856	3 718	138
Administration	23 155	21 333	1 822	22 383	19 718	2 665
<b>Total</b>	<b>26 064</b>	<b>24 978</b>	<b>1 086</b>	<b>26 239</b>	<b>23 467</b>	<b>2 772</b>

The entity spent R24 million of its allocated funds, broken down as R14.7 million on employee compensation and R9 million on goods and services. The latter included R2.9 million on Tribunal members' fees and R4.4 million on operating expenses.

## 2. Revenue Collection

Programme	Estimate R'000	Actual amount collected R'000	(Over)/under collection R'000	Estimate R'000	Actual amount collected R'000	(Over)/under collection R'000
Government grant	24 529	24 529	-	20 313	20 313	0
Interest	245	480	(235)	164	151	13
Other income	2 286	2 286	-	2039	2039	-
<b>Total</b>	<b>27 060</b>	<b>27 295</b>	<b>(235)</b>	<b>22 516</b>	<b>22 503</b>	<b>13</b>

## 3. Capital Investment

The Companies Tribunal lacks professional and equipped hearing rooms. Whereas previously budget limitations meant that the Tribunal was unable to address this challenge, it finally managed to budget for this cost when COVID-19 intervened and virtual hearings were introduced.

With the epidemic on decline and things returning to normality, management has set aside a repartitioning budget. Following various planning meetings between **the dtic** and the Tribunal, **the dtic** has instructed space planners to assist with the project, has signed off on the plans and is waiting on the implementation.





## **PART C**

# **Governance**



## 1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance with regard to public entities is applied through the PFMA and run in tandem with the principles contained in the King Report on Corporate Governance.

Parliament, the executive and the public entity's accounting authority are responsible for corporate governance. The Companies Tribunal is steadfast in its commitment to the highest standards of governance that is essential for managing public money and resources through integrated governance structures making the best possible use of public funds.

## 2. PORTFOLIO COMMITTEES

On 15 February 2023 the Tribunal met with the Parliamentary Portfolio Committee (PPC) to report on Q1 and Q2 performance as the PPC was concerned about the numerous vacancies on the organogram. They felt, in light of South Africa's job shortages and the increase in applications, this position was unacceptable and needed prioritising. They were also concerned with the reported decline in the number of new applications and asked for reasons. Both of these concerns are currently being addressed.

## 3. EXECUTIVE AUTHORITY

The Executive Authority received the year's four quarterly reports. The mid-year progress report on the Strategic Plan (SP) was also submitted and captured on the Department of Monitoring and Evaluation's (DPME) reporting system and no queries received from **the dtic** on these reports. The strategic documents, namely the APP and SP, were also submitted and the Tribunal was requested to realign with **the dtic's** outputs targets and it was done accordingly.

#### 4. ACCOUNTING AUTHORITY

The accounting authority is the chairperson and a comprehensive onboarding programme and induction was conducted for the newly appointed chairperson and Tribunal members who joined/rejoined the Tribunal on 1 December 2022. The chairperson allocates and manages the members' case loads and these functions are delegated to the registrar.

##### Committees

Committee	Number of meetings held	Number of members	Members' names
<b>Audit and Risk Committee</b>	6	5	<ul style="list-style-type: none"> <li>Stanley Ngobeni</li> <li>Archibald Ramawa</li> <li>Princess Mangoma</li> <li>Charlene Louw</li> <li>Leanda Vilakazi</li> </ul>
<b>Remuneration Committee</b>	6	3	<ul style="list-style-type: none"> <li>Lance Dirksen</li> <li>Qondi Zimu</li> <li>Reginald Legoabe</li> </ul>

REMUNERATION COMMITTEE (REMCO)					
Members' names	Members' status	Attendance	Meeting fees	Travel expenses	Total
<b>Lance Dirksen</b>	Non-executive chairperson	10	74 470	8 653	83 123
<b>Qondi Zimu</b>	Non-executive member	8	33 725	3 479	37 204
<b>Reginald Legoabe</b>	Non-executive member	7	29 678	1 834	31 512



**Lance Dirksen**  
Chairperson REMCO



**Qondi Zimu**



**Reginald Legoabe**

AUDIT AND RISK COMMITTEE (ARC)					
Members' names	Members' status	Attendance	Meeting fees	Travel expenses	Total
<b>Stanley Ngobeni</b>	Non-executive chairperson	15	108 093	2 278	110 371
<b>Archibald Ramawa</b>	Non-executive member	1	4 047	300	4 347
<b>Princess Mangoma</b>	Non-executive member	7	33 725	2 518	36 243
<b>Charlene Louw</b>	Non-executive member	7	26 980	2 278	29 258
<b>Leanda Vilakazi</b>	Non-executive member	6	24 282	1 800	26 082
<b>Zelda Tshabalala</b>	Non-executive member	6	21 584	1 601	23 185





**Stanley Ngobeni**  
ARC Chairperson



**Charlene Louw**



**Leanda Vilakazi**



**Princess Mangoma**



**Archibald Ramawa**

## 5. RISK MANAGEMENT

The Tribunal is committed to maintaining an effective, efficient and transparent risk management system that supports its strategic and operational objectives as required in terms of Section 38(2)(i) of the PFMA. Risk assessments were conducted at strategic and operational levels including considering and/or incorporating possible emerging risks.

The risk management framework, policy and strategy were reviewed and approved during the year and operational risks and related mitigation strategies are populated on the risk register and updated quarterly by risk owners. The quarterly risk management reports include progress reports on the strategic risks identified and are tabled at the Audit and Risk Committee meetings.

The Audit and Risk Committee reviews, monitors and engages with management on the quarterly risk reports. The two strategic risks identified for the 2022/23 financial year were not fully mitigated and have been carried over to the 2023/24 financial year. Mitigation activities have been put in place and quarterly reviews of related mitigations were undertaken.

The appointed Occupational Health and Safety (OHS) committee's compliance officers actively monitor employees' health and safety as prescribed by various legislation and regulations. The continued assessments of risks related to health and safety, together with applying respective prescripts, requires methodology adjustments of work and day-to-day engagements.

## 6. INTERNAL CONTROL UNIT

The chairperson has overall responsibility for the Tribunal's internal control. He delegates responsibility for monitoring the effectiveness of existing risk management and internal controls to the Audit and Risk Committee. The committee receives regular reports from management, chief risk officer, internal audit and external auditors designed to manage rather than eliminate the risks facing the organisation.

To maintain effective internal control systems, changes were made to enhance approving and signing documents through the secure electronic signature. This key control allows remote approval of invoices and payment forms by email where necessary. The systems were also made available for secure remote access.

## 7. INTERNAL AUDIT AND AUDIT COMMITTEES

During the financial year the Audit and Risk Committee met five times and performed, among other activities, the following key responsibilities:

- Approved the internal audit's strategic and coverage plans and reviewed their performance and outcomes throughout the year.
- Reviewed the Strategic Plan of the external auditors Rain Chartered Accountants Inc for the financial year ended 31 March 2023.
- Reviewed the external auditors' management report and audit report.

- Reviewed in-year management reporting relating to financial management, risk management and performance management.
- Reviewed the AFS.
- Reviewed the improvements implemented by management to address control weaknesses reported by internal audit.

#### Audit and Risk Committee members

Members' name	Members' qualifications <sup>15</sup>	Number of meetings attended	Total amount paid per year
<b>Stanley Ngobeni</b>	<ul style="list-style-type: none"> <li>• MBA</li> <li>• CTA</li> <li>• Master's in commerce</li> </ul>	16	R112 293.36
<b>Archibald Ramawa</b>	<ul style="list-style-type: none"> <li>• Post graduate Diploma in Accounting (CTA)</li> </ul>	1	R4 347.00
<b>Princess Mangoma</b>	<ul style="list-style-type: none"> <li>• Masters of Philosophy in accounting sciences</li> <li>• Bachelor of Commerce (Honours)</li> </ul>	7	R35 825.00
<b>Charlene Louw</b>	<ul style="list-style-type: none"> <li>• MBA</li> <li>• LLM</li> </ul>	7	R28 780.00
<b>Leanda Vilakazi</b>	<ul style="list-style-type: none"> <li>• Post graduate Diploma in Corporate Law</li> <li>• LLB</li> </ul>	6	R26 082.00
<b>Zelda Tshabalala</b>	<ul style="list-style-type: none"> <li>• MBA</li> <li>• Bachelor of Commerce</li> </ul>	6	R22 874.00

## 8. COMPLIANCE WITH LAWS AND REGULATIONS

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

- Skills development levy.
- Workmen's compensation.
- Unemployment Insurance Fund (UIF)
- Pay-As-You-Earn (PAYE)

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

## 9. FRAUD AND CORRUPTION

The Tribunal reviewed and approved the fraud prevention strategy and implementation plan. Fraud awareness was conducted through fraud policy workshops attended by all employees and the approved fraud strategy and implementation plan was circulated electronically. Mechanisms in place to report fraud and corruption include whistle-blowing where officials can confidentially disclose suspected fraud. Employees making these disclosures are assured protection.

The Tribunal also uses the Tip-offs Anonymous Hotline managed by auditing firm Deloitte where employees can anonymously disclose fraud and corruption. Reported fraud cases are registered and an investigator assigned

### 11.1 BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMPLIANCE PERFORMANCE INFORMATION

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

<sup>15</sup> These are their main qualifications. There may be others.

to study the reported incident. The human resource management unit monitors the submission of financial disclosures.

## 10. MINIMISING CONFLICTS OF INTEREST

The Tribunal implemented procedures that demand users and SCM officials disclose any financial interests they may have in a certain business. This is in addition to the regular bidding documents that ask the service provider to disclose any relationships and interests with officials who are or might be involved in the relevant procurement process, as well as any knowledge of such individuals.

Before any evaluation or adjudication of a bid procedure, the bid specification, bid evaluation and bid adjudication committee members disclose their interests. Members with any conflicts of interest are expected to withdraw from the process whenever the issue arises. In addition to the code of conduct that provides additional guidance on disclosing interests, all bid adjudication committee members and SCM practitioners must sign their respective codes of conduct. Other potential conflicts of interest situations are handled through the code of conduct.

## 11. CODE OF CONDUCT

A Code of Conduct was signed by all employees. An SCM Code of Conduct is also in place and is signed annually by the relevant employees.

## 12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Tribunal is based in **the dtic** campus and consequently, the department handles most of the health and safety issues. The Tribunal has an occupational health and safety policy and first aid plan and complies with all legislative requirements pertaining to the Occupational Health and Safety Act.

## 13. SOCIAL RESPONSIBILITY

The Tribunal visited Mamelodi High School in the City of Tshwane Municipality to engage the youth and learners, and provided information on company law related opportunities.



"The Companies Tribunal engaging with learners from Mamelodi High School on Youth Day."

## 14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023. The ARC Charter deals with the way committee members should undertake their duties and responsibilities. The committee held five meetings during the period under review.

### AUDIT COMMITTEE RESPONSIBILITY

The audit committee reports complied with its responsibilities arising from Section 77 of the PFMA and Treasury Regulation 3.1.13. The committee has also adopted appropriate formal terms of reference as its Audit Committee Charter has regulated its affairs in line with this charter and discharged its responsibilities as contained therein, except where it has not reviewed changes in accounting policies and practices.

### INTERNAL CONTROL EFFECTIVENESS

Our review of the internal audit findings, based on the risk assessments conducted in the public entity, revealed certain weaknesses then raised with the organisation.

The following internal audit work was completed during the year under review:

- Review of controls in registry management.
- IT controls review.
- Financial controls review.
- Predetermined objective annual review.
- AFS review.

### EXTERNAL AUDITORS

The External auditors are invited to attend Audit and Risk Committee meetings. The Committee will review the final Management Report and the Audit Report issued by Rain Chartered Accountants Inc.

### COMMENDATIONS

The Audit and Risk Committee commends management and staff.

### CONCLUSION

The Committee acknowledges the commitment of the Chairperson, the assistance of internal Auditors, management and staff of the Companies Tribunal.



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**Stanley Ngobeni**

Audit Committee Chairperson  
Companies Tribunal



## 15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in complying with the B-BBEE requirements of the BBBEE Act of 2013 as determined by **the dtic**.

Criteria	Response Yes/ No	Discussion
Determining qualification criteria for issuing licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	N/A
Developing and implementing a preferential procurement policy?	Yes	Compliance through the supply chain process
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for awarding incentives, grants and investment schemes in support of B-BBEE?	No	N/A







## **PART D**

# **Human Resource Management**

## 1. INTRODUCTION

Human capital is the Tribunal's most valuable asset. To achieve its organisational strategic objectives, the organisation must have employees with the necessary skills and competencies, and a significant emphasis is placed on capacity building programmes for employees at all levels. The Tribunal has made progress in developing leadership and management skills through bursaries and training and it is conducting an organisation structure review to address identified gaps. The Tribunal had no vacancies as of 31 March 2023.

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

The following is key information on human resources.

### 2.1 PERSONNEL-RELATED EXPENDITURE

#### PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a percentage of the total (R'000)	Number of employees	Average personnel cost per employee (R'000)
Administration	24 977	14 917	59%	14	1065

#### PERSONNEL COST BY SALARY BAND

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Top management	2 056	14%	1	2 056
Senior management	3 200	21%	2	1 600
Professional qualified	8 876	59%	7	1 268
Skilled	786	6%	4	196
<b>TOTAL</b>	<b>14 917</b>	<b>100%</b>	<b>14</b>	<b>1 065</b>

#### PERFORMANCE REWARDS

Programme/activity/objective	Performance rewards	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost (R'000)
Top management	0	0	0
Senior management	0	0	0
Management	0	0	0
Professional qualified	0	0	0
Skilled	0	0	0
Semi-skilled	0	0	0
Unskilled	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a percentage of personnel cost	Number of employees trained	Average training cost per employee
Administration	24 024	142	5%	8	18

## EMPLOYMENT AND VACANCIES

Programme/activity/objective	2021/2022 Number of employees	2022/2023 Approved posts	2022/2023 Number of employees	2022/2023 Vacancies	Percentage of vacancies
Top management	1	1	1	0	0%
Senior management	2	2	2	0	0%
Management	4	4	4	0	0%
Professional qualified	4	4	4	0	0%
Skilled	3	3	3	0	0%
Semi-skilled	0	0	0	0	0%
Unskilled	0	0	0	0	0%
<b>TOTAL</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0%</b>

## EMPLOYMENT CHANGES

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	0	0	1
Senior management	2	0	0	2
Management	4	0	0	4
Professional qualified	3	1	0	4
Skilled	3	1	1	3
<b>Total</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>14</b>

## REASONS FOR STAFF LEAVING

Reason	Number	Percentage of total number of staff leaving	Attempts to replace
Death	0	0	
Resignation	1	7%	Replaced with a contract employee due to structural review
Dismissal	0	0%	-
Retirement	0	0%	-
Ill health	0	0%	-
Expiry of contract	0	0%	-
Other	0	0%	-
<b>Total</b>	<b>1</b>	<b>7 %</b>	<b>-</b>

## LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal warning	0
Written warning	3
Final written warning	0
Dismissal	0

## EMPLOYMENT AND VACANCIES

The Tribunal does not meet the thresholds set in the Employment Equity Act (EEA).<sup>16</sup> The following table reflects the equity targets and employment equity status. There are no major variances between the targets and the current attempts.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0
Management	4	0	0	0	0	0	0	0
Professional qualified	2	0	0	0	0	0	0	0
Skilled	1	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0
Management	0	0	0	0	0	0	0	0
Professional qualified	2	0	0	0	0	0	0	0
Skilled	2	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Levels	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>16</sup> One of the threshold requirements as per the EE Act is that an entity must have 50 or more employees. The Tribunal's employees are not even half that number.



## **PART E**

# **PFMA Compliance Report**



## 1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

### 1.1. IRREGULAR EXPENDITURE

#### A) RECONCILIATION OF IRREGULAR EXPENDITURE

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	-	-
Add: irregular expenditure confirmed	5 094 <sup>17</sup>	-
Less: irregular expenditure condoned	5 094	-
Less: irregular expenditure not condoned and removed	-	-
Less: irregular expenditure recoverable	-	-
Less: irregular expenditure not recovered and written-off	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

#### RECONCILING NOTES

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure under assessment in 2022/23	-	-
Irregular expenditure relating to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	5 094	-
<b>Total</b>	<b>5 094</b>	<b>-</b>

#### B) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

Description <sup>18</sup>	2022/2023 R'000	2021/2022 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total<sup>19</sup></b>	<b>-</b>	<b>-</b>

#### C) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure condoned	5 094	-
<b>Total</b>	<b>5 094</b>	<b>-</b>

Disciplinary process finalised and the expenditure was condoned.

<sup>17</sup> The procurement of books made in February 2023 without following the SCM process for an amount of R5 094.00

<sup>18</sup> Group similar items

<sup>19</sup> Total unconfirmed irregular expenditure (assessment), losses (determination) and criminal conduct (investigation)

#### D) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure NOT condoned and removed	-	-
<b>Total</b>	-	-

No irregular expenditure was removed

#### E) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure recovered	-	-
<b>Total</b>	-	-

No irregular expenditure was recovered.

#### F) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN-OFF (IRRECOVERABLE)

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure written-off	-	-
<b>Total</b>	-	-

No irregular expenditure was written-off

#### ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS

- g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance).
- h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance).
- i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure.

Disciplinary steps taken	
First written warning issued	

### 1.2. FRUITLESS AND WASTEFUL EXPENDITURE

#### A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	2 266 <sup>20</sup>	97 995
Add: fruitless and wasteful expenditure confirmed	-	254
Less: fruitless and wasteful expenditure written-off	(2 266)	(95 729)
Less: fruitless and wasteful expenditure recoverable	-	(254)
<b>Closing balance</b>	-	<b>2 266</b>

## RECONCILING NOTES

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure under assessment in 2022/2023	-	-
Fruitless and wasteful expenditure relating to 2021/2022 and identified in 2022/2023	-	-
Fruitless and wasteful expenditure for the current year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### B) DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

Description <sup>21</sup>	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	2 266	-
<b>Total<sup>22</sup></b>	<b>2 266</b>	<b>-</b>

### C) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure recovered	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### D) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE NOT RECOVERED/WRITTEN-OFF

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure written-off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### E) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

Disciplinary steps taken
None

## 1.3. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) AND (III)

### A) DETAILS OF CURRENT AND PREVIOUS YEAR MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

Material losses through criminal conduct	2022/2023 R'000	2021/2022 R'000
Theft	-	-
Other material losses	-	-
Less: recovered	-	-
Less: not recovered and written-off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

20 The amount of R2 266 relates to the penalty charged for the late submission of returns to SARS in 2019/20 financial year.

21 Group similar items

22 Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination) and criminal conduct (investigation)

## B) DETAILS OF OTHER MATERIAL LOSSES

Nature of other material losses	2022/2023 R'000	2021/2022 R'000
Missing laptops	30 114	-
<b>Total</b>	<b>30 114</b>	<b>-</b>

Two warnings were issued in relation to the lost laptops.

## C) OTHER MATERIAL LOSSES WRITTEN-OFF

Nature of losses	2022/2023 R'000	2021/2022 R'000
(Group major categories, but list material items)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated value R'000
Valid invoices received	193	3 299 610
Invoices paid within 30 days or agreed period	133	2 363 800
Invoices paid after 30 days or agreed period	60	935 810
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	189 262

## 3. SCM

### 3.1. PROCUREMENT BY OTHER MEANS

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Bursary	Boston City Campus	Deviation	PO10941	35 420
Bursary	Get Smarter	Deviation	PO10938	17 500
Bursary	Regenesys Business School	Deviation	PO10942	50 100
ICT systems	Sage	Deviation	No PO	73 304
Bursary	University of South Africa (Unisa)	Deviation	PO10940	14 610
Bursary	University of Witwatersrand (Wits)	Deviation	PO10951	65 000
Research database	Juta	Deviation	PO10994	50 077
Subscription fees	Legal Practice Council	Deviation	N/A	4 630
<b>Total</b>				<b>310 641</b>

### 3.2. CONTRACT VARIATIONS AND EXPANSIONS

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s <sup>23</sup> R'000	Value of current contract expansion or variation R'000
Employee wellness	Careways	Expansion	PO10739	R269 114	R 0	R 126 817
<b>Total</b>				<b>R269 114</b>	<b>R 0</b>	<b>R 126 817</b>

<sup>23</sup> If applicable.



## **PART F**

# **Financial Information**



## Financial Information

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# Statement of Responsibility

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The PFMA requires the Accounting Authority 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 Accounting Authority's responsibility to ensure 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 then ended. The External Auditors are engaged to express an independent opinion on the Annual Financial Statements and will be given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with 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 that are consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledges 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, standards are set for internal control aimed at cost effectively reducing the risk of error or deficit. These include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Companies Tribunal and all employees are required to maintain the highest ethics and standards by ensuring the Tribunal's business is conducted in a manner that is above reproach under all reasonable circumstances. The focus of risk management in the Tribunal is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the Tribunal endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the Accounting Authority believes 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 2023 and in the light of this review and the current financial position, is not satisfied that the Tribunal has or has access to adequate resources to continue operating for the foreseeable future unless the baseline is increased.

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

Although the Accounting Authority is responsible for the financial affairs of the Tribunal, its employees, Internal Auditors, REMCO and ARC support him.

The External Auditors are responsible for independently reviewing and reporting on the Tribunal's Annual Financial Statements. The External Auditors have examined the Annual Financial Statements. Their report is presented on page 14.

The Annual Financial Statements set out on pages 53 to 77, which have been prepared on the going-concern basis, were approved by the Accounting Authority and were signed on its behalf by Judge Dennis Davis.



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**Judge Denis Davis**  
Chairperson and Accounting Authority  
31 May 2023

# Report of the External Auditor

## OPINION

1. We have audited the financial statements of the Companies Tribunal set out on pages 54 to 76, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In our opinion, the financial statements present fairly, in all material respects, the financial position of Companies Tribunal as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised

Accounting Practise (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

## Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

4. We are independent of the public entity in accordance with the Code of professional conduct for auditors of the Independent Regulatory Board for Auditors (IRBA) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards).

## Other matter

5. We draw attention to the matter below:

### NATIONAL TREASURY INSTRUCTION NOTE NO. 4 OF 2022-23: PFMA COMPLIANCE AND REPORTING FRAMEWORK

6. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and

wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in either the annual report or the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 26 & 27 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Companies Tribunal. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of Companies Tribunal. We do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

## Responsibilities of the accounting authority for the financial statements

7. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

## Responsibilities of the auditor for the audit of the financial statements

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

10. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

12. We selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. We selected the programme that measure the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

PROGRAMME	PAGE NO.	OBJECTIVE
Programme 1-Ajudication	23-28	Improved access to justice system

13. We evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

14. We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.

- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

15. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion / conclusion.

16. We did not identify any material findings on the reported performance information of Programme 1: Adjudication.

## Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

## Report on the audit of compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

19. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

20. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

21. We did not identify any material non-compliance with the selected legislative requirements.

## Other information

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.

23. Our opinion on the financial statements and our findings on



the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

24. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

25. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Internal control deficiencies**

26. We considered internal controls relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

27. We did not identify any significant deficiencies in internal control.

#### **Auditor tenure**

28. In terms of the IRBA rule published in Government Gazette No. 39475 dated 4 December 2015, we report that RAI<sup>n</sup> Chartered Accountants has been the auditor of the Companies Tribunal for one year.

**RAI<sup>n</sup> Chartered Accountants Incorporated**  
Chartered Accountants (SA)

Registered Auditor

Per: I.E. Pierce

Johannesburg

31 July 2023

# Statement of Financial Position

As at 31 March 2023

		31 March 2023	31 March 2022
	Note	R	R
<b>ASSETS</b>			
<b>Current assets</b>		<b>6 517 866</b>	<b>4 998 247</b>
Cash and cash equivalents	3	5 997 832	4 749 692
Receivables from exchange transactions	4	472 156	210 919
Inventories	5	47 878	37 636
<b>Non-current assets</b>		<b>2 011 388</b>	<b>2 183 738</b>
Property, plant and equipment	6	265 310	431 888
Intangible assets	7	1 746 078	1 751 850
<b>Total assets</b>		<b>8 529 254</b>	<b>7 181 985</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>2 477 516</b>	<b>3 446 997</b>
Payables from exchange transactions	8	1 098 566	1 005 502
Short-term employee benefits	9	891 640	1 829 266
Provisions	10	-	289 709
Tribunal Members' fees accrual	11	487 310	322 520
<b>Total liabilities</b>		<b>2 477 516</b>	<b>3 446 997</b>
<b>NET ASSETS</b>		<b>6 051 738</b>	<b>3 734 988</b>
<b>NET ASSETS</b>		<b>6 051 738</b>	<b>3 734 988</b>
Accumulated surplus			



# Statement of Financial Performance

For the year ended 31 March 2023

		31 March 2023	31 March 2022
	Note	R	R
Other income - exchange transactions	12	43 566	-
Interest received	13	479 999	151 355
<b>Total revenue from exchange transactions</b>		<b>523 565</b>	<b>151 355</b>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
Transfer payments	14	24 529 000	20 313 000
Revenue in-kind	15	2 243 202	2 039 274
<b>Total revenue from non-exchange transactions</b>		<b>26 772 202</b>	<b>22 352 274</b>
<b>TOTAL REVENUE</b>		<b>27 295 767</b>	<b>22 503 629</b>
<b>Expenditure</b>		<b>24 979 017</b>	<b>24 543 407</b>
Employee-related costs	16	14 920 657	13 552 646
Operating expenses	17	4 237 980	4 206 038
Administrative expenses	18	1 627 839	2 567 078
External audit fees	19	513 137	513 137
Assets written off		30 115	300
Depreciation and amortisation	20	194 895	212 814
Tribunal Members' fees	22	3 454 394	3 491 394
<b>Surplus (Deficit) for the year</b>		<b>2 316 750</b>	<b>(2 039 778)</b>

## Statement of Changes in Net Assets

For the year ended 31 March 2023

	Accumulated surplus	Total net assets
	R	R
Balance as at 1 April 2021	5 774 766	5 774 766
(Deficit) for the year	(2,039,778)	(2,039,778)
Balance as at 31 March 2022	3 734 988	3 734 988
Net surplus for the year	2,316,750	2,316,750
Balance as at 31 March 2023	6,051,738	6 051 738

## Cash Flow Statement

For the year ended 31 March 2023

		31 March 2022	31 March 2023
	Note	R	R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		25 008 999	20 464 355
Transfer payments		24 529 000	20 313 000
Interest received		479 999	151 355
<b>Payments</b>		<b>(23 751 765)</b>	<b>(21 466 976)</b>
Employee-related costs		(16 147 992)	(13 255 373)
Suppliers		(4 314 169)	(4 583 979)
Members' fees		(3 289 604)	(3 627 624)
<b>Net cash flows from operating activities</b>	21	<b>1 257 234</b>	<b>(1 002 621)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(9 094)</b>	<b>(171 625)</b>
Additions to property, plant and equipment		(52 660)	(171 625)
Proceeds from insurance		43 566	-
<b>Net increase in cash and cash equivalents</b>		<b>1 248 140</b>	<b>(1 174 246)</b>
Cash and cash equivalents at beginning of year		4 749 692	5 923 938
Cash and cash equivalents at end of year	3	5 997 832	4 749 692

# Statement of Comparison of Budget and Actual Amounts

As at 31 March 2023

	Approved Budget	Adjustments R	Final Budget R	Actual Amounts on Comparative Basis R	Difference Between Final Budget and Actual R	Ref
<b>REVENUE</b>						
Revenue from exchange transactions Other income						
Interest received	245,290	-	245,290	479,999	(234,709)	33.1
Other income - exchange transactions	-	-	-	43 566	(43 566)	
<b>Total revenue from exchange transactions</b>	<b>245 290</b>	<b>-</b>	<b>245 290</b>	<b>523 565</b>	<b>(278 275)</b>	
Revenue from non-exchange transactions						
Transfer payments	24 529 000	-	24 529 000	24 529 000	-	
Surplus funds rolled forward	-	3 488 148	3 488 148	-	3 488 148	33.2
Revenue in-kind	2 243 202	-	2 243 202	2 243 202	-	
<b>Total revenue from non-exchange transactions</b>	<b>26 772 202</b>	<b>3 488 148</b>	<b>30 260 350</b>	<b>26 772 202</b>	<b>3 488 148</b>	
<b>TOTAL REVENUE</b>	<b>27 017 492</b>	<b>3 488 148</b>	<b>30 505 640</b>	<b>27 295 767</b>	<b>3 209 873</b>	
<b>EXPENDITURE</b>						
Employees related cost	15 943 725	-	15 943 725	13 693 322	2 250 403	33,3
Administrative expenses	2 390 080	780 648	3 170 728	1 627 839	1 542 889	33,4
Depreciation and Amortisation	200 211	-	200 211	-	200 211	
Tribunal Members' fees	3 517 177	1 138 794	4 655 971	3 619 184	1 036 787	33,5
External audit fees	534 843	-	534 843	513 137	21 706	33,6
Operating expenses	4 181 456	1 568 706	5 750 162	4 237 980	1 512 182	33,7
<b>TOTAL EXPENDITURE</b>	<b>26 767 492</b>	<b>3 488 148</b>	<b>30 255 640</b>	<b>23 691 462</b>	<b>6 564 178</b>	
Capital Expenditure	250 000	-	250 000	(52 660)	302 660	
<b>SURPLUS FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 656 965</b>	<b>3 656 965</b>	

## RECONCILIATION OF SURPLUS FOR THE PERIOD WITH THE SURPLUS IN THE STATEMENT OF FINANCIAL PERFORMANCE

		Adjustment of actual amounts to comparable basis with final budget R
Net surplus per the Statement of Financial Performance		2,316,750
<b>Adjusted for:</b>	<b>Activity</b>	
Depreciation and amortisation	Operating	194,895
Loss on disposal of assets	Investing	30,115
Movement in short-term employee benefits	Operating	937,626
Movement in provisions	Operating	289,709
Movement in Members Accrual	Operating	(164,790)
Capital assets purchases variance	Investing	52,660
<b>Difference between Final Budget and Actual Amounts</b>		<b>3,656,965</b>

**Note:** All the adjustments relate to a difference in the basis of preparation. The budget for these items is prepared on the cash basis while the Statement of Financial Performance is prepared on the accrual basis. Also refer Note 21 for the reconciliation of net cash flows from operating activities with the surplus per the Statement of Financial Performance.

# Accounting Policies

## 1 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023

### 1.1 PRESENTATION OF FINANCIAL STATEMENTS\*

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

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise all figures are rounded to the nearest rand.

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

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

These accounting policies are consistent with the previous period.

### 1.2 PRESENTATION CURRENCY

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

### 1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the 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 include:

#### Receivables

The impairment for trade receivables is calculated on a portfolio basis. For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment

#### Impairment testing

Value in use of non-cash-generating assets.

The entity reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications

that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Internally generated intangible assets and intangible assets with an indefinite useful life are tested on an annual basis for impairment.

#### Provisions

Provisions were raised for which management determined the best estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

#### Useful lives of property, plant and equipment and other assets

The entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment and other assets. This estimate involves a matter of judgement based on the experience of the entity with similar assets. The entity considers all facts and circumstances in estimating the useful lives of assets, which includes the consideration of financial, technical and other factors. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives.

#### Effective interest rate

The entity used the prime interest rate to discount future cash flows.

### 1.4 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity
- The cost of the item can be measured reliably Property, plant and equipment initially measured at cost

The cost of an item of property, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of



## Accounting Policies (Continued)

monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual values. The depreciation charge for each period is recognised in surplus or deficit. The useful lives of items of property, plant and equipment have been assessed as follows:

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

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 6).

### 1.5 INTANGIBLE ASSETS

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
  - the cost or fair value of the asset can be measured reliably.
- Intangible assets are initially measured at cost.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

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

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

Item	Average useful life
<b>Software</b>	
Computer software	5 years
Case management system	Indefinite

Intangible assets are derecognised:

- On disposal
- When no future economic benefits or service potential are expected from its use or disposal"

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on Leases requires otherwise on a sale and leaseback). The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

### 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
- A reliable estimate can be made of the obligation

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

## Accounting Policies (Continued)

### 1.7 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

### 1.8 FINANCIAL INSTRUMENTS

#### Initial measurement of financial assets and financial liabilities

The entity 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.

#### Financial asset measured at amortised cost

Cash and cash equivalents

Receivable from exchange transactions

#### Financial liability measured at amortised cost

Payables from exchange transactions

#### Initial recognition

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

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

The Tribunal measures all financial assets and financial liabilities after initial recognition at amortised costs.

All financial assets measured at amortised cost, are subject to an impairment review

#### 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.

#### Impairment and uncollectibility of financial assets

At the end of each reporting period, the Companies Tribunal assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets measured at 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 amount of the loss is recognised in surplus or deficit.

#### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in the statement of financial performance.

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.

### 1.9 REVENUE FROM EXCHANGE TRANSACTIONS INTEREST RECEIVED

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

#### Measurement

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

#### Recognition

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

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

#### Other income – exchange transactions

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

## Accounting Policies (Continued)

### 1.10 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions comprise a grant from the Department of Trade, Industry and Competition. When CT receives resources from as a result of a non-exchange transaction, it recognises as asset and revenue when it is probable that CT will receive economic benefits or service potential and it can make a reliable measure of the resources that are transferred.

#### Recognition

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

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

#### Measurement

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

#### Transfer Payments

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

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

#### Gifts and donations, including goods in-kind

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

#### Services in-kind

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

### 1.11 LEASES

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

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Refer to note 28

### 1.12 EMPLOYEE BENEFITS

#### Short-term employee benefits

Short-term employee benefits are those (other than termination benefits) due to be settled within 12 months after the end of the period in which the employees render the related service. Short-term employee benefits are recognised at undiscounted amounts in the period in which the service was rendered and the benefit was paid or became payable.

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

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

The employees of the Tribunal are members of a defined contribution pension plan in which the Tribunal pays fixed contributions into a separate fund. It will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to the defined contribution pension plan are charged to surplus or deficit in the related period.

Contributions to the pension plan in respect of service in a particular year are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate, as part of the cost of employment.

### 1.13 IRREGULAR EXPENDITURE

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

a) This Act

## Accounting Policies (Continued)

b) The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act

c) Any provincial legislation providing for procurement procedures in that provincial government

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

Irregular expenditure incurred and identified during the current financial year and for which condonement is being awaited at year-end, must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements. Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

### 1.14 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.15 BUDGET INFORMATION

The Companies Tribunal is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The financial statements and the budget are on the same basis of accounting, therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

### 1.16 COMPARATIVE FIGURES

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

### 1.17 GOING CONCERN ASSUMPTION

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

# Notes to the Annual Financial Statements

## 2 NEW STANDARDS AND INTERPRETATIONS

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023 or later periods.

### 2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

Standard / Interpretation	Effective date: Years beginning on/after	Expected impact
GRAP 1 Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
GRAP 25 Employee Benefits	01 April 2023	Unlikely there will be a material impact
GRAP 103 Heritage Assets	01 April 2023	Unlikely there will be a material impact
GRAP 104 Financial Instruments	01 April 2023	Unlikely there will be a material impact
iGRAP 7 The limit on a defined Benefit Asset, Minimum Funding Requirements and their	01 April 2023	Unlikely there will be a material impact
Guideline on the application of materiality when preparing Financial Statements	01 April 2023	Unlikely there will be a material impact
Guideline on the Accounting for Landfills Sites	01 April 2023	Unlikely there will be a material impact
iGRAP 21 Effects of Past Decision on Materiality	01 April 2023	Unlikely there will be a material impact
iGRAP 21 Effects of Past Decision on Materiality	01 April 2023	Unlikely there will be a material impact
iGRAP 21 Effects of Past Decision on Materiality	01 April 2023	Unlikely there will be a material impact



# Notes to the Annual Financial Statements (Continued)

For the year ended 31 March 2023

	31 March 2023 R	31 March 2022 R
<b>3 CASH AND CASH EQUIVALENTS</b>		
Cash on hand – Petty cash	25	240
Bank account – Current account (Standard Bank)	1,424,663	1,626,122
Bank account – Notice deposit (SA Reserve Bank)	4,573,144	3,123,330
	<b>5,997,832</b>	<b>4,749,692</b>

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

The Tribunal has a garage card held with Standard Bank. The Tribunal also holds a Diners Club which is strictly used for travel and accommodation payments. There were no restricted cash and cash equivalent balances.

<b>4 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Prepayments	469,123	207,886
Deposits	600	600
Other receivables	2,433	2,433
	<b>472,156</b>	<b>210,919</b>

Trade and other receivables pledged as security

During the year no trade and other receivables were pledged as security

Trade and other receivables past due but not impaired

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

At 31 March 2023, R2 433 (2022: R 2 433) was past due but not impaired.

The ageing of amounts past due but not impaired is:

Three months past due	2,433	2,433
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<b>5 INVENTORIES</b>		
Stationery and consumables	47,878	37,636
	<b>47,878</b>	<b>37,636</b>

During the year an amount of R17 894 (2022: R22 456) was recognised as an expenses and taken into account in the statement of financial performance

No amount of inventory was written down (2022: RNil) and no inventory gain was realised (2022: RNil) and taken into account in the statement of financial performance.

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

## Notes to the Annual Financial Statements (Continued)

6. PROPERTY, PLANT AND EQUIPMENT	2023			2022		
	Cost	Accumulated depreciation	Carry value	Cost/Valuation	Accumulated depreciation	Carry value
Furniture and fittings	63 704	(39 363)	24 341	63 704	(32 508)	31 196
Motor vehicles	265 466	(243 786)	21 680	265 466	(232 946)	32 520
Office equipment	97 241	(83 291)	13 950	131 350	(112 320)	19 030
Computer equipment	1 206 643	(1 001 304)	205 339	1 261 783	(912 641)	349 142
<b>Total</b>	<b>1 633 054</b>	<b>(1 367 744)</b>	<b>265 310</b>	<b>1 722 303</b>	<b>(1 290 415)</b>	<b>431 888</b>

Reconciliation of property, plant and equipment – 2023	Opening balance	Additions	Disposal	Depreciation	Closing balance
Furniture and fittings	31 196	-		(6 854)	24 342
Motor vehicles	32 519	-		(10 840)	21 679
Office equipment	19 030	-	-	(5 080)	13 950
Computer equipment	349 141	52 660	(30 115)	(166 349)	205 337
<b>Total</b>	<b>431 886</b>	<b>52 660</b>	<b>(30 115)</b>	<b>(189 123)</b>	<b>265 308</b>

Reconciliation of property, plant and equipment – 2022	Opening balance	Additions	Disposal	Depreciation	Closing balance
Furniture and fittings	8 834	25 432		(3 070)	31 196
Motor vehicles	67 030			(34 511)	32 519
Office equipment	26 493		(300)	(7 163)	19 030
Computer equipment	363 233	146 193	-	(160 285)	349 141
<b>Total</b>	<b>465 590</b>	<b>171 625</b>	<b>(300)</b>	<b>(205 029)</b>	<b>431 886</b>

Pledged as security

No assets pledged as security

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

	2023	2022
Office equipment	-	10 636
Computer Equipment	9 253	-

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity

## Notes to the Annual Financial Statements (Continued)

7. INTANGIBLE ASSETS	2023			2022		
	Cost	Accumulated amortisation/ impairments	Carry value	Cost/ Valuation	Accumulated amortisation/ impairments	Carry value
Computer software	239 077	(230 130)	8 947	239 077	(224 358)	14 719
Case Management System [Internally Generated]	1 737 131		1 737 131	1 737 131	-	1 737 131
<b>Total</b>	<b>1 976 208</b>	<b>(230 130)</b>	<b>1 746 078</b>	<b>1 976 208</b>	<b>(224 358)</b>	<b>1 751 850</b>

Reconciliation of intangible assets – 2023	Opening balance	Additions	Amortisation	Impairments	Closing balance
Computer software	14 719		(5 772)		8 947
Case Management System [Internally Generated]	1 737 131				1 737 131
<b>Total</b>	<b>1 751 850</b>	<b>-</b>	<b>(5 772)</b>	<b>-</b>	<b>1 746 078</b>

Reconciliation of intangible assets – 2022	Opening balance	Additions	Amortisation	Impairments	Closing balance
Computer software	22,504		(7,785)		14,719
Case Management System [Internally Generated]	1,737,131				1,737,131
<b>Total</b>	<b>1,759,635</b>	<b>-</b>	<b>(7,785)</b>	<b>-</b>	<b>1,751,850</b>

No intangible assets were pledged as security

### 3.1 RE-ASSESSMENT OF USEFUL LIVES

The useful lives of all intangible assets were assessed during the year under review and an impairment test was also performed. No change was made to the useful live of other software.

# Notes to the Annual Financial Statements (Continued)

	31 March 2023	31 March 2022
8 PAYABLES FROM EXCHANGE TRANSACTIONS	R	R
Trade payables	449,719	661,859
Other Accrued Expenses	648,847	343,643
	<b>1,098,566</b>	<b>1,005,502</b>

All amounts owed to suppliers as disclosed under trade payables are within the normal payment terms. The increase is due to change in the procurement regulation which delayed appointment of service providers towards the financial year-end.

9 SHORT-TERMS EMPLOYEE BENEFITS		
Leave accrual	881,041	746,628
Pension Fund liability	-	6,591
Salary control Account	10,599	1,076,047
	<b>891,640</b>	<b>1,829,266</b>

10 PROVISIONS		
Reconciliation of provisions for Performance bonus		
Opening balance	289,709	757,972
Raised during the year	-	289,709
Utilised during the year	(289,709)	(229,087)
Reversed during the year	-	(528,885)
Closing balance	-	<b>289,709</b>

11 TRIBUNAL MEMBERS' FEES ACCRUAL		
Tribunal Members' Fee Accrual	487,310	322,520
	<b>487,310</b>	<b>322,520</b>

The accrual raised for the cases allocated and adjudicated by 31 March 2023 but not yet billed

12 OTHER INCOME - EXCHANGE TRANSACTIONS		
Proceeds from insurance	43,566	-
	<b>43,566</b>	<b>-</b>

13 INTEREST RECEIVED		
Short-term deposit - Corporation for Public Deposit	449,814	149,260
Current Account - Standard Bank	30,185	2,095
	<b>479,999</b>	<b>151,355</b>

## Notes to the Annual Financial Statements (Continued)

	31 March 2023	31 March 2022
14 TRANSFER PAYMENTS	R	R
Transfer from the dtic	24,529,000	20,313,000
	<b>24,529,000</b>	<b>20,313,000</b>

15 REVENUE IN-KIND		
Revenue in-kind	2,243,202	2,039,274
	<b>2,243,202</b>	<b>2,039,274</b>

16 EMPLOYEE-RELATED COSTS		
Basic earnings	13,041,655	11,680,201
Performance bonus	67,538	(239,176)
Unemployment Insurance Fund	29,995	27,321
Workmens' Compensation Assistance	6,188	31,367
Skills Development Levy	-	126,845
Leave accrual expenses	169,403	(14,453)
Other allowances	62,000	33,050
Defined contribution pension plan expense	708,640	616,586
Long-service awards	3,500	-
Arbitration Award	-	1,216,047
13th cheque	772,380	36,701
Interns stipend	59,358	38,157
<b>Total for employee-related costs</b>	<b>14,920,657</b>	<b>13,552,646</b>

17 OPERATING EXPENSES		
Computer expenses	525,687	687,194
Consulting and professional fees	684,492	793,739
Courier costs, postage and stamps	1,847	801
Employee wellness programme	174,680	47,269
Insurance	123,701	112,579
Lease payments - photocopier	52,160	73,348
Lease Payments - premises	2,243,202	2,039,274
Motor vehicle expenses	6,069	4,288
Offsite storage	4,468	9,805
Parking fees	25,073	9,545
Recruitment fees	3,752	11,757
Repairs and Maintenance	9,253	10,636
Telephone expenses	20,315	19,170
Training expenses	76,343	222,288
Transcripts and recordings	106,561	146,111
Travel and subsistence	180,377	18,234
	<b>4,237,980</b>	<b>4,206,038</b>



## Notes to the Annual Financial Statements (Continued)

	31 March 2023	31 March 2022
18 ADMINISTRATIVE EXPENSES	R	R
Audit and Risk Committee fees	233,677	146,391
Advertising and marketing	154,981	1,132,523
Internal Audit fees	161,457	217,197
Bank charges	48,288	30,159
Membership fees and Subscriptions	31,428	1,660
Legal fees	425,705	675,505
Catering	56,241	10,475
Fines and penalties	-	37
Gifts and flowers	8,142	-
Office consumables	10,045	4,371
Publications, printing and books	136,158	116,112
Stationery	19,356	26,223
Remuneration committee fees	151,839	88,867
Bursaries - employees	115,340	109,030
Venues and facilities	75,182	8,528
	<b>1,627,839</b>	<b>2,567,078</b>

19 AUDIT FEES		
External audit fees	513,137	513,137
	<b>513,137</b>	<b>513,137</b>

20 DEPRECIATION AND AMORTISATION		
Computer equipment	166,349	160,285
Furniture and fittings	6,854	3,070
Motor vehicles	10,840	34,511
Office Equipment	5,080	7,163
Software	5,772	7,785
	<b>194,895</b>	<b>212,814</b>

## Notes to the Annual Financial Statements (Continued)

	31 March 2023	31 March 2022
21 CASH GENERATED FROM(USED IN) OPERATIONS	R	R
<b>(Deficit) Surplus for the year</b>	<b>2,316,750</b>	<b>(2,039,778)</b>
<b>Adjusted for:</b>	<b>(1,045,891)</b>	<b>510,386</b>
Depreciation and amortisation	194,895	212,814
Proceeds from Disposal of assets	(43,566)	-
Assets Written off	30,115	300
Movement in short-term employee benefits	(937,626)	765,536
Movement in provisions	(289,709)	(468,264)
Revenue in-kind	(2,243,202)	(2,039,274)
Operating lease expense in-kind	2,243,202	2,039,274
<b>Operating surplus before working capital changes</b>	<b>1,270,859</b>	<b>(1,529,392)</b>
<b>Changes in Working Capital</b>	<b>(13,625)</b>	<b>526,771</b>
Inventories	(10,242)	25,757
Receivables from exchange transactions	(261,237)	(25,903)
Payables from exchange transactions	93,064	663,147
Members' accrual	164,790	(136,230)
<b>Cash generated in operations</b>	<b>1,257,234</b>	<b>(1,002,621)</b>

22 TRIBUNAL MEMBERS' FEES	2023			
	Members' fees	Allowances	Reimbursive expenses	Total costs
Davis DM [Chairperson]	121,125	3,000	-	124,125
Tong-Mongalo M [Deputy Chairperson]	119,125	3,000	878	123,003
Bradstreet RS	60,000	3,000	-	63,000
Cawe N	50,000	3,000	-	53,000
Chicklay MA	524,000	13,500	-	537,500
Delpont PA	30,000	3,000	-	33,000
Dlepu HK	100,625	3,000	-	103,625
Glass LA	135,000	4,500	2,172	141,672
Jennings BP	75,000	3,000	-	78,000
Kadish JS	85,000	3,000	-	88,000
Bodasing IK	455,000	12,000	1,000	468,000
Manamela KLM	30,000	1,500	-	31,500
Marumoagae CM	45,000	3,000	-	48,000
Mundzungu FS	80,000	3,000	-	83,000
Ramagaga MJ	10,000	1,500	-	11,500
Sikhitha LD	943,687	13,500	1,383	958,570
Terblanche DR	95,000	3,000	418	98,418
Tootla KY	5,000	1,500	481	6,981
Zulu B	390,000	13,500	-	403,500
	<b>3,353,562</b>	<b>94,500</b>	<b>6,332</b>	<b>3,454,394</b>

## Notes to the Annual Financial Statements (Continued)

	2022			
	Members' fees	Allowances	Reimbursive expenses	Total costs
Chicktay MA [Chairperson]	693,524	18,000	227	711,751
Bodasing K	475,000	18,000	-	493,000
Delpont PA	225,000	18,000	-	243,000
Glass LA	480,000	18,000	-	498,000
Manamela KLM'	320,000	18,000	-	338,000
Sikhitha LD	250,000	18,000	-	268,000
Tootla KY	430,000	18,000	643	448,643
Zulu B	440,000	18,000	-	458,000
Ramagaga MJ	15,000	18,000	-	33,000
	<b>3,328,524</b>	<b>162,000</b>	<b>870</b>	<b>3,491,394</b>

## 23 RELATED PARTIES

Executive Authority	Mr. Ebrahim Patel, MP
Controlling entity	Department of Trade, Industry and Competition
Accounting Authority	Judge Denis Davis
Members of key management	Ms Maletlatsa Monica Ledingwane Ms Hulisani Bridget Ramugadi

Entities under common control\*

The CT is part of the Council of Trade and Industry Institutions (COTII) to contribute towards the achievement of the objectives of the dtic and the overall Government strategies. The entities listed below are part of COTII and some of these entities use the facilities and other resources of CT from time to time for free.

National Empowerment Fund (NEF)  
Export Credit Insurance Corporation of South Africa Limited (ECIC) Small Enterprise Development Agency (SEDA)  
Companies and Intellectual Property Commission (CIPC) National Gambling Board of South Africa (NGB)  
National Lotteries Board (NLB)  
National Metrology Institute of South Africa (NMISA) South African Bureau of Standards (SABS)  
South African National Accreditation System (SANAS) National Regulator for Compulsory Specifications (NRCS) National Consumer Tribunal (NCT)

## Notes to the Annual Financial Statements (Continued)

Nature	Reason	Transactions	Transactions	Balance 2023	Balance 2022
		2023	2022		
Transfer payments	Grant received from the dtic	24,529,000	20,313,000	-	-
Services in-kind	Office space at the dtic at no cost	2,243,202	2,039,274	-	-
Lease premises in-kind	Office space at the dtic at no cost	(2,243,202)	(2,039,274)	-	-
Telephone Expenses	Telephone charges are billed by the dtic	20,315	19,170	(8,345)	(2,037)
		<b>24,549,315</b>	<b>20,332,170</b>	<b>(8,345)</b>	<b>(2,037)</b>

\*CT is part of the Council of Trade and Industry Institutions (COTII) to contribute towards the achievement of the objectives of the dtic and the overall Government strategies.

\*\*CT is currently occupying office space at the dtic campus at no cost. If the transaction was at arm's length, the Tribunal would have paid rent amounting to R2 243 202 per annum

### 24 EXECUTIVE MANAGEMENT EMOLUMENTS

2023	Basic Salary	Other benefits	Allowances	Re-imbursive expenses	13th Cheaque	Total
MM Ledingwane	1,928,500	102,784	11,700	-	115,583	2,158,567
HB Ramugadi	1,514,697	83,504	11,700	5,101	93,228	1,708,231
	<b>3,443,197</b>	<b>186,288</b>	<b>23,400</b>	<b>5,101</b>	<b>208,811</b>	<b>3,866,798</b>

2022	Basic Salary	Other benefits	Allowances	Re-imbursive expenses	13th Cheaque	Total
MM Ledingwane	1,719,237	94,042	10,200	50	26,143	1,849,672
I Mathatho	516,403	27,829	3,400	205,911	15,690	769,233
S Mahlabane	971,015	54,754	350,833	-	25,544	1,402,146
HB Ramugadi	118,947	11,244	850	-	-	131,041
	<b>3,325,602</b>	<b>187,869</b>	<b>365,283</b>	<b>205,961</b>	<b>67,377</b>	<b>4,152,092</b>

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

### 25 COMMITMENTS

	31 March 2023	31 March 2022
	R	R
Authorised expenditure already contracted for but not yet provided for:		
Operational expenditure	3,266,920	3,320,882
	<b>3,266,920</b>	<b>3,320,882</b>

## Notes to the Annual Financial Statements (Continued)

	31 March 2023	31 March 2022
26 FRUITLESS AND WASTEFUL EXPENDITURE	R	R
Opening balance	2,266	97,995
Add: Fruitless and wasteful expenditure raised during the current year	-	254
Less: Fruitless and wasteful expenditure reversed	(2,266)	(61,014)
Less: Fruitless and wasteful expenditure recovered from debtors	-	(254)
Less: Fruitless and wasteful expenditure waived	-	(34,715)
	-	2,266

	31 March 2023	31 March 2022
27 IRREGULAR EXPENDITURE	R	R
Description		
Opening balance	-	-
Add: Irregular expenditure confirmed	5,094	-
Less: Irregular expenditure condoned	(5,094)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	-	-
Reconciling notes		
Description		
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	5,094	-
Total	5,094	-

The procurement of the books made in February 2023 without following the SCM process for an amount of R 5 094.00

## Details of current and previous expenditure condoned

Irregular expenditure condoned	5,094	-
Total	5,094	-

28 OPERATING LEASE - LESSEE		
Payable in one year	62,592	-
Payable within two to five years	73,024	-
	135,616	-

The Companies Tribunal had an operating lease with Konica Minolta for a period of 36 months which started on 01 May 2022



# Notes to the Annual Financial Statements (Continued)

## 29 CONTINGENT LIABILITIES

### Tribunal decisions under review by the High Court

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

PARTIES	CT CASE NO.	NATURE OF CASE
CIPC v G.U.D Holdings	CT00837ADJ2021	CIPC Compliance
Universal Earthing & Lighting Components v HHK Earthing & Lighting Projection Systems	CT10/MAY2018	Name Dispute
Future Packaging & Machinery (Pty) Ltd v Future Packaging Solutions (Pty) Ltd	CT00413/ADJ/2020	Name Dispute
Herman Sheppard v Jacob Francois De Villiers	CT00596ADJ2021	Directors Dispute
Saul David Basckin v Laura Barrett	CT00762ADJ2021	Directors Dispute
Cipla MedPro Sa and Medrp Pharmaceutical v CIPC and Companies Tribunal	CT00829/ADJ2021	CIPC Compliance

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

## ACCUMULATED SURPLUS

As at 31 March 2023, The Tribunal has an accumulated surplus of R6.0 million. A contingent liability is therefore raised of R6.0 million if the approval from National Treasury is not granted to retain the surplus after the year end.

## 30 CONTINGENT ASSET

None

## 31 RISK MANAGEMENT

### Financial risk management

The Tribunal's activities expose it to a variety of financial risks including market risk (such as currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Tribunal's exposure to each of the risks and its objectives, policies and procedures for measuring and managing risks.

Further quantitative and qualitative disclosures are included throughout these annual financial statements.

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

## Notes to the Annual Financial Statements (Continued)

### Liquidity risk

The Tribunal's liquidity risk is a result of the funds available to cover future commitments. It manages liquidity risk through an ongoing review of future commitments and credit facilities. Risk is regarded as low, taking into consideration the current funding structures and availability of cash resources.

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

At 31 March 2023

	Within 1 year	Between 2 and 5 years
	R	
Trade and other payables	1,098,566	-

### Credit risk

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

Financial assets exposed to credit risk at year-end were:

	2023	2022
	R	R
Receivables from exchange transactions	2,433	2,433
Cash and cash equivalents	5,997,832	4,749,692

### Interest rate risk

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

The interest rate sensitivity analysis is calculated on liabilities representing the major interest-bearing positions and interest-generating financial assets. Based on the calculation performed, the impact on surplus of a 1% shift would be a maximum increase of R 59 978 (2022: R 47 496) or a decrease of R 59 978 (2022: R 47 496), respectively.

## 32 BUDGET DIFFERENCES

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters. For details on these changes please refer to the statement of comparison of budget and actual amounts.

# Notes to the Annual Financial Statements (Continued)

## 33 BUDGET VS. ACTUAL EXPENDITURE VARIANCES

33.1	Interest received is 96% more than what was budgeted mainly due to more funds invested than anticipated and also due to higher interest rates
33.2	Other income from non-exchange transactions relates to accumulated surplus that was to be used to fund current financial year expenditure
33.3	Employee related costs are lower than budget mainly due to delays in filling of vacant position.
33.4	Administrative expenses are lower than budgeted mainly due to lower Advertising and Marketing expenditure
33.5	Tribunal Members fees are lower than expected mainly due to lower caseload than anticipated
33.6	The underspending is a result of improved time spent on the audit
33.7	Operating expenditure is lower mainly due to less travel and subsistence related to the caseload. The other main contributor is the lower amount spent on recruitment fees due to less vacancies in the current period

## 34 TAXATION

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

## 35 FINANCIAL INSTRUMENTS

### Financial assets

#### At amortised cost

	2023	2022
Receivables from exchange transactions	2,433	2,433
Cash and cash equivalents	5,997,832	4,749,692
	<b>6,000,265</b>	<b>4,752,125</b>

### Financial liabilities

#### At amortised cost

	2023	2022
	<b>R</b>	<b>R</b>
Payables from exchange transactions	1,098,566	1,005,502

## 36 GOING CONCERN

We draw attention to the fact that at March 31, 2023, the Tribunal had an accumulated surplus of R6 024 676 and that the Tribunal's total assets exceed its liabilities by R6 024 676.

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

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

Management have implemented stringent cost control measures in order to avoid overspending. There is however a material uncertainty on whether the Tribunal will be able to adjudicate and mediate all cases that require its attention. The basis presumes that funds will be made available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## Notes to the Annual Financial Statements (Continued)

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### 37 EVENTS AFTER THE REPORTING DATE

Below are non-adjusting material events taking place after reporting date: None

### 38 COMPARATIVE FIGURES

Comparative figures have not been restated.

## Annexure: Companies Tribunal members

The Chairperson of the Tribunal is Judge Dennis Davis. In terms of the Act, the Chairperson allocates cases to Tribunal members.

The Tribunal comprises:



**Lindelani Sikhitha**  
Interim Chairperson  
BLuris (University of Venda), LLB and  
LLM, University of Pretoria.



**Dr Mohamed Alli Chicktay**  
BProc; LLB; LLM and PhD from the  
University of the Witwatersrand.



**Adv. Ishara Bodasing**  
MCL, University of Delhi (India); BA  
and LLB, University of KwaZulu-  
Natal; accredited mediator (Conflict  
Dynamics).



**Ms Bongekile Zulu**  
BProc, University of Durban  
Westville; MBA from University  
of KwaZulu-Natal; Certificate in  
Environmental Law, University  
of Pretoria; accredited mediator  
(CEDR, UK and Conflict Dynamics).

\*\* Membership term ended 31 September 2022



**Judge Dennis Davis**  
Chairperson  
BCom, LLB, LLM.



**Ms Minah Tong-Mongalo**  
Deputy Chairperson  
LLB, LLM.



**Ms Nomagcisa Cawe**  
BA, LLB, LLM & Arbitration &  
Mediation Certificate.



**Ms Hlaleleni Kathleen Dlepu**  
BProc, LLB and Certificate in Arbitration,  
Mediation and Dispute Resolution.



**Ms Diane Terblanche**  
BA Law, LLB and LLM.



**Professor Clement Marumoagae**  
LLB, LLM, PhD, Diploma in Insolvency  
Law and Practice, Post Graduate  
Diploma in Corporate Law.



**Mr Brian Jennings**  
LLB, LLM and Postgraduate  
Certificate in Advance Company law.



**Mr Richard Bradstreet**  
BA Law, LLB, LLM, Postgrad Diploma  
in Intellectual Property Law,  
Postgrad/ Dip in Dispute Resolution.



**Mr Joshua Sasha Kadish**  
BCom, LLB, LLM.



**Mr Fulufhedzani Shane Mudzunga**  
LLB, Mediation Certificate,  
Mediation Certificate and Corporate  
Law Certificate.



**Dr Mohamed Alli Chicktay**  
BProc; LLB; LLM and PhD from the  
University of the Witwatersrand.

\*\* Membership appointed 01 December 2022



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RP201/2021

ISBN: 978-0-621-49584-3