Companies Tribunal

a member of the dti group

ANNUAL REPORT

2019|2020

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Annual Report 2019 | 2020

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A General Information

1. Companies Tribunal General Information

Registered name:
Companies Tribunal

Registered office address:
The dti Campus
Block E 3rd Floor
77 Meintjies Street
Sunnyside
Pretoria, 0002

Postal address:
Companies Tribunal
PO Box 27549
Sunnyside
Pretoria
0002

Contact information:
Telephone number: (012) 394 1000
E-mail address: registry@companiestribunal.org.za
Website address: www.companiestribunal.org.za

External auditors:
Abacwaningi Business Solutions

Bankers:
Standard Bank of South Africa
Corporation for Public Deposits

2. List Of Abbreviations And Acronyms

ADR	Alternative Dispute Resolution
Adv	Advocate
ABS	Abacwaningi Business Solutions
AGM	Annual General Meeting
ASB	Accounting Standards Board
B-BBEE	Broad-Based Black Economic Empowerment
BIG	Business Innovation Group
ACT	Companies Act No 71 of 2008
CFO	Chief Financial Officer
COO	Chief Operating Officer
CIPC	Companies and Intellectual Property Commission
CMS	Case Management System
GEPF	Government Employees' Pension Fund
GRAP	Generally Recognised Accounting Practice
IoDSA	Institute of Directors of Southern Africa
IT	Information Technology
NT	National Treasury
PAYE	Pay-As-You-Earn
PFMA	Public Finance Management Act, Act No1 of 1999
PPPFA	Preferential Procurement Policy Framework Act, Act No 5 of 2000
REMCO	Remuneration and Human Resources Committee
SAB & T	Nexia SAB&T
SAICA	South African Institute of Chartered Accountants
SAJEI	South African Judicial Education Institute
SARS	South African Revenue Service
SCM	Supply Chain Management
SDL	Skills Development Levy
SEC	Social and Ethics Committee
SPV	Special Purpose Vehicle
the dtic	Department of Trade, Industry and Competition
Tribunal	Companies Tribunal
UIF	Unemployment Insurance Fund
Unisa	University of South Africa
VAT	Value-added Tax

3. Foreword by the Minister

Mr. Ebrahim Patel

This Annual Report provides an account of the Companies Tribunal for the past financial year ending March 2020.

The sixth government administration took office following the national elections in May 2019, with a re-imagined industrial strategy for the country focused on localisation and a renewed promise, passion and urgency to address long standing socio-economic challenges.

The 2019 Presidential Investment Conference, held in November 2019 demonstrated sustained commitment and productive partnerships between the public and private sector in rebuilding the economy. Some R364 billion of further commitments were made (21% higher than at the inaugural Conference the previous year), with potential to create over 400 000 jobs over a five year period. This brings the total of investment commitments made at the two Conferences (2018 and 2019) to R664 billion, more than 50% of the five-year target set by the President in 2018.

The new dtic family accelerated the development and implementation of sector masterplans, completing these 'industry social pacts' in the automotive, poultry, sugar and clothing and textile sectors. These serve as a blueprint to harness energies amongst industry players for investment and increased output and jobs in sectors which together employ some 500 000 people. The Master Plans set out practical and reciprocal actions that each social partner at industry level would take to build more resilient businesses and industries. We are now working on sector masterplans in the steel and furniture sectors, which we expect to complete in the coming year.

Significant progress was made with the finalisation of the modalities of the new African Continental Free Trade Area (AfCFTA), and with a trade agreement to address access to the United Kingdom in the event of a no-deal Brexit.

The Companies Amendment Act is a critical legal foundation for the operation of firms; and a properly functioning Companies Tribunal plays a key role in this regard.

The Tribunal improved turnaround times in the issuing of decisions and 100% achievement of targets. The number of new cases received by the Tribunal during the year decreased by almost 9% for adjudication and increased by 164% for alternative dispute resolution (ADR) compared to the previous year. The Tribunal has consistently maintained a good track record in managing its finances, adhering to rules and regulations as reflected in the fifth consecutive clean audit report.

The progress highlighted in this Report covers the period before Covid-19 affected most public institutions. The economic environment brought on by Covid-19 has dented growth both locally and globally. The pandemic and its economic fallout have been described by leading economists as unprecedented in our generation.

Foreword by the Minister [continued]

For public entities, the pandemic principally impacted on their work beyond the financial year, placing pressure on delivery platforms and in a number of cases, on their finances.

To repair the damage of Covid-19 and reconstruct the economy to create more jobs, bring more young people into entrepreneurship and increase economic inclusion, we need to think boldly and implement smartly.

To address the immediate and urgent challenges of the economy, government and its social partners have agreed to an Economic Reconstruction and Recovery Plan. The Plan includes structural reforms and a commitment to greater levels of localisation and infrastructure investment. These measures will impact and shape the work of the dtic and its agencies.

Every agency of the dtic will be required to play its role in ensuring a steady recovery from the pandemic, and to continue execution of the re-imagined industrial strategy, outlined by President Ramaphosa at the start of this administration.

Notwithstanding the resource-constraints created by Covid-19, the Tribunal will have to ensure that quality service is delivered to the public, in line with its legislated mandate. This may include utilizing digital platforms to undertake advocacy services and encouraging the public to utilise the electronic case management system when lodging applications to ensure that efficient and effective service is being rendered.

I would like to thank the Chairperson and Accounting Authority, Dr Mohamed Chicktay and his team, for their work in the past year and wish them success in the year ahead.

Mr. Ebrahim Patel
Minister of Trade, Industry and Competition

4. Report of the Chairperson

Dr Mohamed Alli Chicktay

The Companies Tribunal is an agency of the Department of Trade, Industry and Competition (**the dtic**). The Tribunal is mandated in terms of Section 195 of the Companies Act 71 of 2008 (the Act) to adjudicate applications, resolve disputes through alternative dispute resolution or ADR (remediation, conciliation and arbitration) and to perform any other function assigned to it by any law in terms of Schedule 4 of the Act. The Tribunal is informed, among others, by **the dtic's** strategic objective of creating a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner. This objective contributes towards making South Africa an attractive investment destination.

The Tribunal performs its functions in line with the values enshrined in the Constitution of the Republic of South Africa. It is obligated to remain independent and to perform its functions impartially, without fear, favour or prejudice, and in a transparent manner. During the year under review, the Tribunal exceeded all the targets set for adjudication and resolution of disputes.

The Tribunal received a total of 223 new cases resulting in a decrease of 8.6%[1] compared with the previous financial year. Of these new cases, 55% related to name disputes, 24% to directorships, 11% to exemption from establishing a social ethics committee (SEC), (six) 6% related to extensions of time for holding AGMs, (two) 2% to compliance orders and (one) 1% to notices issued by the CIPC and (one) 1% to alterations of Memorandum(s) of Incorporation (MOI). As in the previous financial years, most new cases related to name disputes.

New cases and cases brought forward from previous years on adjudication totalled 262 and 191 cases were finalised. Most of the 82[2] cases remaining at financial year-end were not finalised due to the need for compliance with the statutory filing period before a matter may be adjudicated. 98% of the cases were finalised within 30 days of the date of allocation, compared to 100% in the last financial year. All cases were decided within 40 days of the date of hearing, as in the previous financial year. All ADR cases were finalised within 25 days of the date of allocation or final date of hearing.

There was an increase of 23[3] in the number of new ADR cases compared to the 2018/2019 financial year. It takes the Tribunal about 25 days to conclude ADR, this is an indication of the Tribunal's efficiency with regard to the finalization of ADR cases. The Tribunal's roll is small and the turnaround time much shorter compared to the normal courts.

The Tribunal hosted a seminar in partnership with the University of Cape Town's Commercial Law Department, the first outside of Gauteng. The theme was on the impact of the Tribunal. Stakeholders in the Western Cape

1 The number of new applications received in 2018/2019 was 244.
2 71 plus 11 cases which were reinstated throughout the financial year.
3 From a total of 14 ADR applications in 2018/19, this year the figure rose to 37.

Report of the Chairperson [continued]

engaged in topics such as social and ethics committee exemptions (SEC) in terms of section 72; name disputes under sections 11 and 160; alternative dispute resolution (ADR) under section 166; and directorship disputes under section 71. The Tribunal gained valuable insights from the participants.

To promote awareness of the Tribunal's services, articles were published on social media. The Tribunal far exceeded its target set in the APP in engaging various stakeholders such as law firms, academia, business structures and members of the public.

The Tribunal continues to participate in the Specialist Committee on Company Law headed by Professor Michael Katz, contributing to the development of company law in general.

The Tribunal produced a research report assessing the value of social and ethics committees as stipulated in Section 72(5). It recommended that guidelines be developed to strengthen the Tribunal in requesting specific documents.

It is my view that despite many challenges, the Tribunal has delivered on its mandate. I take this opportunity, on behalf of the Tribunal, to thank the Executive Authority, Mr Ebrahim Patel, MP, the Director-General of the Department of Trade, Industry and Competition, Mr Lionel October, and his team for their continued leadership and support.

My appreciation also goes to our external auditors, Abacwaningi Business Solutions, my fellow Tribunal members, Audit and Risk Committee (ARC) members, Remuneration and Human Resources Committee (REMCO) members, Information Technology (IT) Steering Committee members, the internal auditors, management and staff of the Tribunal for their commitment and outstanding contributions in the face of glaring challenges.

Dr Mohamed Alli Chicktay
Chairperson: Companies Tribunal
Date: 28 September 2020

5. Chief Operating Officer's Overview

Maletlatsa Monica Ledingwane

It is common knowledge that the year 2019-2020 ended with a disaster of unimaginable proportions in literal terms as President Ramaphosa declared a State of Disaster and consequently a period of lock-down owing to the Covid-19 pandemic. Thankfully, occurring as it did at the tail-end of the financial year (March 2020), and due to the business continuity plans in place, the disaster did not have a significant impact on the Tribunal's annual performance. The disastrous consequences of the lock-down period will undoubtedly be more pronounced on the performance of 2020-2021.

As it appears from the Chairperson's foreword, the Tribunal's performance for the year was good despite the challenges listed below. Of note is the newly crafted vision, the new Strategic Plan (SP), new Annual Performance Plan (APP), the implementation of the Case Management System (CMS), revision of at least nine (9) policy documents, the focused training of the Members of the Tribunal from the South African Judicial Education Institute (SAJEI), the intensive marketing done mainly through partnership with the Department of Small Business Development (DSBD) and the engagements with the most relevant stakeholders[4] that more than doubled compared to the previous year. Table 3 on page 33 of this Report, under the heading 'Other stakeholder engagement sessions held in addition to APP targets', shows at least 13 more engagements carried out beyond what was planned.

The partnership with DSBD was on a series of national consultative workshops on an Alternative Dispute Resolution Framework for Small Enterprises. While the Tribunal's primary aim was to foster a direct relationship with DSBD that would increase its caseload, it also used the opportunity to directly market itself to the public, some of whom said they had been unaware of the existence of the Tribunal[5] prior to this.

As in the previous year, attention to internal controls and sound financial management ensured that no irregular expenditure was incurred. However, fruitless and wasteful expenditure amounting to R3 600 was incurred during the year. All issues raised by the Auditor-General during the previous financial year's audit were addressed.

The Tribunal supports the development of small, medium and micro enterprises and B-BBEE enterprises with 69% of its procurement sourced from B-BBEE levels 1, 2 and 3 contributors. It paid 100% of suppliers within 30 days, and 97% within 15 days. The annual financial statements fairly represent the Tribunal's financial position and performance for the year under review. The surplus funds that the Tribunal has utilised over the years to augment the grant received will be depleted in the 2020/2021 financial year. The funding is insufficient for the Tribunal to carry out its mandate. It resulted in a deficit of R6 635 236 for the year under review compared to a deficit of R1 290 281 in the previous financial year. The Tribunal will

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

5 While the targeted direct relationship did not eventualize, the marketing opportunity provided to the audience invited by, at venues paid for by DSBD, was golden considering the comparatively minimal costs to the Tribunal.

Chief Operating Officer's Overview [continued]

continue engaging **the dtic** on increasing its baseline funding.

Apart from the aforesaid challenges, other challenges impacting negatively on the Tribunal's ability to deliver included the inability to fully market the institution, to grow its caseload and fully capacitate the institution as per the approved structure[6]. These are largely direct consequences of limited funding. The Tribunal has intensively, in no less than five meetings and other forums, engaged the relevant stakeholders including the dtic, National Treasury and the Parliamentary Portfolio Committee (PPC) on its funding challenges. Inappropriate hearing rooms (small and poorly ventilated room) constituted another challenge. Implementing the CMS took longer than anticipated, but it has been operational from the second quarter despite some teething problems. The Tribunal also experienced increased appetite from companies to take the Tribunal's decisions on review.

It is appropriate that, on my own behalf and that of the administration, I thank the Chairperson of the Tribunal, Dr Mohamed Alli Chicktay, for patiently on-boarding me as a new recruit to the Tribunal, the dedication he continues to show towards achievement of the Tribunal's mandate. I thank the members of the Tribunal and its governance committees, all of whom continue supporting our mandate in varying ways and played no insignificant role in my own own-boarding. I also thank the Chief Financial Officer, management committee (Manco) and the entire staff of the Companies Tribunal without whom the good performance reported here would not have been possible.

Maletlatsa Monica Ledingwane
Chief Operating Officer: Companies Tribunal

The Accounting Authority hereby delegate signatory powers of the Chief Operating Officer to the Acting COO appearing herein below:

Irene Mathatho
Acting Chief Operating Officer: Companies Tribunal
Date: 28 September 2020

6 As a result of its organisational review in 2017/2018, the Tribunal reduced its number of posts from 28 to 21. It remains a challenge to fill all 21 posts due to limited funding.

6. Submission of the Annual Report to the Executive Authority

It gives me great pleasure to present to the Minister the eighth Annual Report together with the financial statements of the Companies Tribunal for the period ended 31 March 2020. The report highlights the Tribunal's achievements for the year under review and reflects good performance amid challenges. The financial statements consistently reflect the Tribunal's sound financial management.

Dr Mohamed Alli Chicktay
Chairperson: Companies Tribunal
Date: 28 September 2020

7 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[7].

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

8. Legislative Mandate

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

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

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

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

ADR Consultative Conference

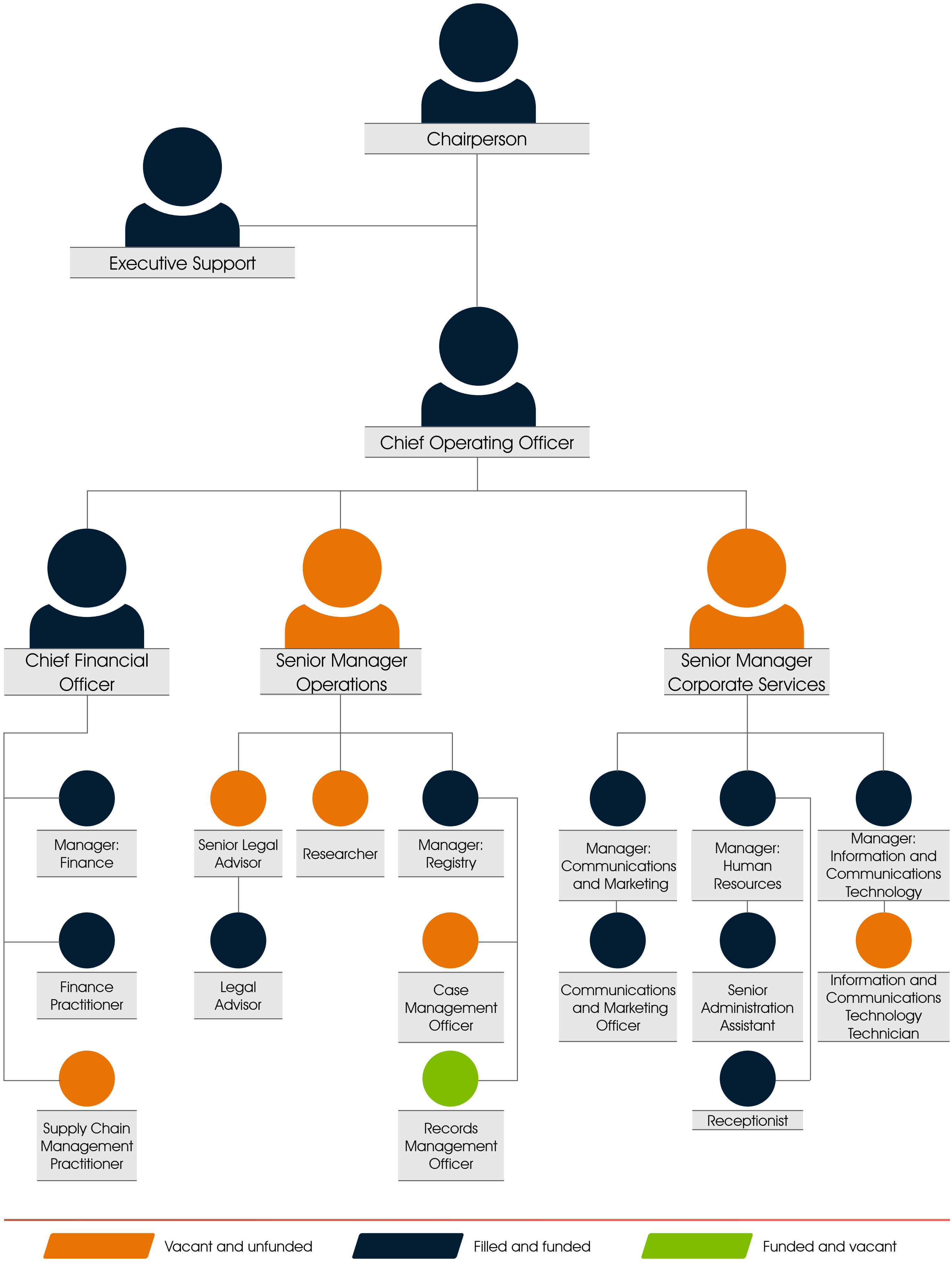
9. Constitution of the Republic of South Africa

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

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

Entrepreneurs Legal Seminar Nelspruit

10. Companies Tribunal Organisational Structure



B Performance Information

1. External Auditor's Report: Predetermined Objectives

A new auditing firm, Abacwaningi Business Solutions (ABS), was appointed as the External Auditors of the Tribunal with effect from the financial year 2019/20. The firm replaced the Auditor General, South Africa (AGSA), who previously performed the external audit functions but decided not to continue auditing the Tribunal. ABS performed the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. This is measured against predetermined objectives and is included in the report to management. Material findings are reported under the 'predetermined objectives' heading in other legal and regulatory requirements section of the auditor's report.

2. Situational analysis

2.1 Service Delivery Environment

The administration of justice is at the core of a well-functioning society. There is a need to ensure that there is justice for historically disadvantaged individuals (HDI) who are part of companies as defined in the Act. The Tribunal's competitive edge is in improving its accessibility to such individuals. Most HDIs are new 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 utilised social media and its website to promote its services.

2.2 Organisational Environment

The recently reviewed organisational structure of the Tribunal has ensured it remains effective and efficient in delivering on its mandate. It operates under severe budgetary constraints, resulting in a budget deficit and the subsequent inability to fill all the positions on its approved organogram.

The Tribunal has, over many years, reported on the challenge of inadequate and inappropriate hearing rooms. Two rooms are used for hearings. One is a small, windowless room with a seat capacity of 16, including those of the presiding officer and the stenographer. Covid-19 requirements has reduced this seat capacity to eight. The other room that is sometimes used is not hearing room, but a small boardroom. It is mainly used for mediation proceedings. All rooms are shared facilities and are sometimes not available to the Tribunal.

2.3 Key Policy Developments and Legislative Changes

The Tribunal continues to engage **the dtic** and the Specialist Committee on Company Law (SCCL) on proposals submitted for an amendment to the Companies Act to expand its mandate. Key among the changes is the suggested amendment of the ADR provision that would ensure ADR is effective as a mechanism for resolving disputes.

2.4 Strategic Outcome-oriented Goals

2.4.1 Adjudicate and make orders in relation to any application

The Tribunal has made good progress in achieving this goal:

- Against a target of issuing 90% of decisions within 30 days of the allocation, it achieved 98%
- Against a target of issuing 90% of decisions within 40 days of hearing date, it achieved 100%.

2.4.2 Resolution of ADR disputes

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

2.4.3 Ensure operational effectiveness and efficiency of the Tribunal

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

Of significance in the Tribunal's recent efforts to improve operational efficiency is the introduction of an electronic Case Management System (CMS) as of 1 August 2019. The benefits of the CMS include effective performance management (improved turnaround time for completion of cases), interfacing of administration of cases with finance office to minimize risk of overpayment on cases, effective records management, production of monthly, quarterly, annual reports and statistics and improved accessibility. Some of these benefits are already being realized. Irrespective of location, an applicant may lodge an application with the Tribunal without incurring travel and other operational costs.

2.4.4 Effective stakeholder engagement

The Tribunal exceeded the planned activities relating to stakeholder engagement by conducting more outreaches (thirteen), media engagements and live reads/interviews than planned. In partnership with the University of Cape Town's commercial law department, a seminar on the Tribunal's mandate was held. It attracted legal practitioners in company law, business people and academics.

3. Performance Information By Programme

The Tribunal comprises two programmes: Adjudication and Administration.

3.1 Programme 1: Adjudication

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

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

SELBY MAGWASHA
MANAGER: REGISTRY

MANDLA ZIBI
SENIOR ADMINISTRATION ASSISTANT

DOUGLAS MOKABA
LEGAL ADVISOR

Companies Tribunal celebrating clean audit award.

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

Programme: Adjudication								
Strategic goal/ outcome	Strategic objective	Output	Performance indicator/measure	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comments on deviations
Adjudicate and make orders in relation to any application	Adjudicate applications timeously, fairly and in a transparent manner	Adjudicated applications	Percentage of decisions and orders issued[8] within 40 working days after the final date of the hearing[9]	100%	90%	Target exceeded: 100% (8/8)	None	Reminders were sent to members. (Reminders are not part of the standard operating procedure)
Adjudicate and make orders in relation to any application	Adjudicate applications timeously, fairly and in a transparent manner	Adjudicated applications	Percentage of decisions and orders issued within 30 days after the date of allocation[10]	96%	90%	Target exceeded: 98% (115/117)	None	Reminders were sent to members (Reminders are not part of the standard operating procedure)
Facilitate[11] the resolution of disputes in terms of ADR	Facilitate the resolution of disputes in a cost-effective, informal and timeous manner	Resolved disputes	Percentage of cases finalised[12] in terms of ADR within 25 working days after the date of final hearing or final submission by parties whichever is applicable	100%	85%	Target exceeded: 100% (18/18)	None	Reminders were sent to members. (Reminders are not part of the standard operating procedure)

8 Decisions and orders issued are as prescribed by the Companies Act, 2008. Issued means formal communication of the decision and order to the client.
9 Final date of hearing refers to the last day of a hearing of a matter of a Tribunal sitting.
10 Date of allocation refers to the date of sending an e-mail allocating a case to a Tribunal member.
11 Facilitation means assisting in the resolution of disputes.
12 Finalised refers to instances where certificate of failed ADR has been issued, consent order issued or withdrawal of the matter by either party, settlement agreement reached by both parties or mediation report issued by Tribunal member(s).

3.1.2 Purpose of the programme

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

Members of the Tribunal are appointed by the Minister of Trade, Industry and Competition (**the dtic**). At the end of the year under review, four of the members' terms had expired. Therefore, the Tribunal had only nine members, including the Chairperson. Seven of the nine members are black and two white. There are five females and four males. Members are qualified as law professors, doctors, advocates, attorneys and some act as judges. Members have expertise in the different areas covered by the Act, such as law, economics, commerce, industry and public affairs.

The Chairperson allocates cases to Tribunal members through the Registry Manager, who is responsible for case management. The Registrar also communicates with the parties on the progress and outcome of their cases. He manages all enquiries made to the Tribunal and is the custodian of its Tribunal's applications, related documents, the records management system and the case management system (CMS).

For the year under review, new cases and cases brought forward from previous years on adjudication totalled 262 and 191 cases were finalised. Some cases were not finalised as the statutory filing period had not yet closed.

Table 1: Comparison of handled cases[13] during a five-year period: 2015/16 - 2019/20 financial years

Nature of cases	2015/16	2016/17	2017/18	2018/19	2019/20
Access to records	1	0	0	0	0
Change to the financial year end	0	0	0	0	0
Company restoration	0	0	0	0	0
Review of compliance notice	5	9	8	2	5
Directors' dispute	13	27	30	35	54
Extension of time to prepare annual financial statements	3	3	0	0	0
Extension of time to convene AGM	14	14	9	4	14
Holding of an AGM	3	0	1	1	0
Name disputes	273	180	178	168	123
Outstanding information	0	0	0	0	0
Review of CIPC decision	2	6	2	6	2
SEC (S 72) (5)	57	29	24	28	24
S 2(3) exemption	0	1	0	0	0
S 6(2) exemption	1	2	2	0	0
Substituted service	5	1	0	0	1
Variation of an order	0	0	0	0	
TOTAL	**377**	**272**	**254**	**244**	**223**

The number of cases, including new cases, decreased compared to previous financial years.

13 Handled cases includes new cases received in the financial year under review and carried over cases from the previous financial year

The Tribunal strives to issue decisions within 40 working days of the final date of hearing and 30 working days of the date of allocation of a matter to a member. During the year, 100% of cases were decided within 40 days of the hearing date and 98% of decisions were issued within 30 working days of allocation.

Figure 1 shows a comparison of cases decided within 30 working days of allocation and 40 days hearing from 2014/15 to 2019/20

CASES DECIDED WITHIN 30 AND 40 DAYS

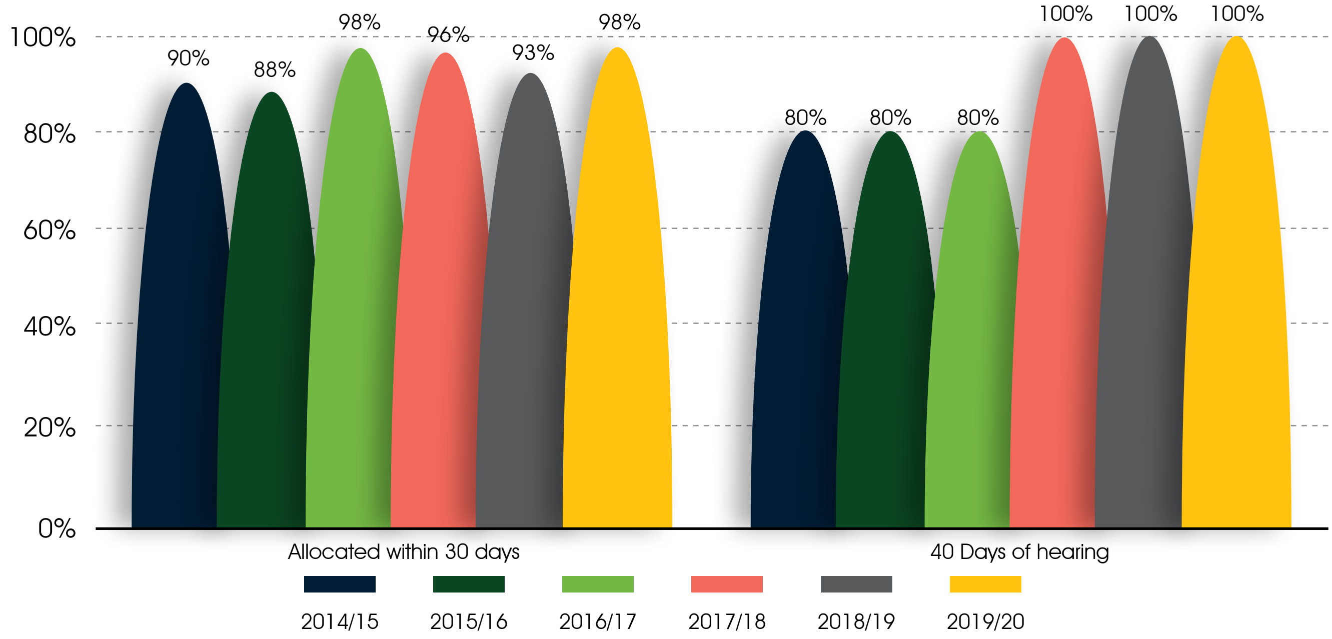
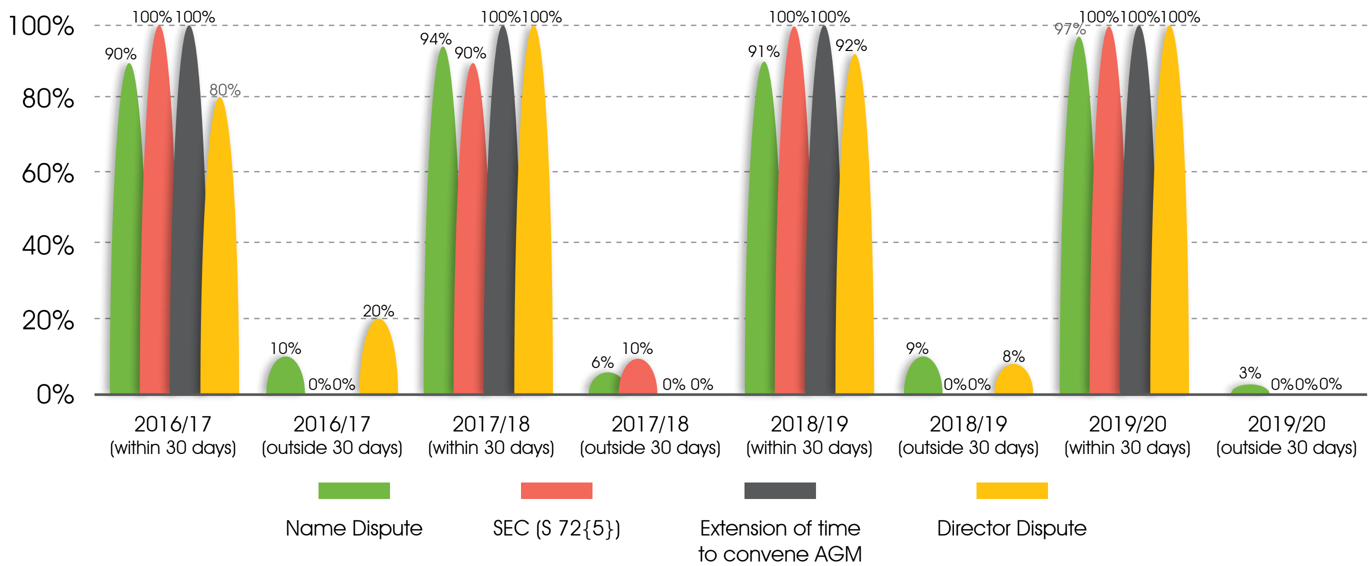


Figure 2 below is a comparison of various types of cases resolved within and outside the 30 working days from 2016/17 to 2019/20

DECIDED CASES



3.1.3 Case highlights: Adjudication and Alternative Dispute Resolution

This section provides examples of cases handled during the year under review.

A) NAME DISPUTES:

COMAIR LIMITED (applicant) vs FUEL KALULA (PTY) LIMITED (first respondent) and CIPC (second respondent)

The applicant filed an application for relief on 3 September 2019. This was an objection to the registration of the company name Fuel Kalula (Pty) Limited in terms of sections 11(2) (b), 11(2) (c) and 160 of the Companies Act 71 of 2008 read with regulations 13 and 142 of the Companies Regulations, 2011.

The applicant sought an order that the first respondent's name does not satisfy the requirements of section 11 of the Act and that the first respondent should be directed to choose a new name, as provided for in section 160(3)(b)(ii) of the Act.

The applicant's objection in the name of the first respondent was by virtue of it being the proprietor of the well-known trademark, KULULA, and marks incorporating KULULA, which have been registered in various classes covering a wide range of goods and services.

The application for relief was ostensibly served (within four days) on the first respondent by sheriff on 9 September 2019 by affixing a copy to the principal door as the sheriff found the principal door locked and thus preventing service. The sheriff also made a comment to the effect that the premises was found vacant. The first respondent failed to serve its answer to the Applicant and file with the Tribunal a copy of its answer as prescribed by regulation 143(1) of the Companies Regulations.

The Tribunal's view was that the first respondent did not receive a copy of the application for relief in this matter. Furthermore, it was impossible for the applicant to serve the application for relief at the address of the first respondent. As per the deputy sheriff's comments, the first respondent was either unknown at the aforesaid address or the premises were vacant. It follows, therefore, that the applicant could make an application for an order of substituted service to either the Companies Tribunal or the High Court in terms of regulation 7(3)(a) of the Regulations.

Order: Refused as the principle of natural justice was not adhered to.

(B) SOCIAL AND ETHICS COMMITTEE

INDGRO OUTSOURCING (PTY) LTD (applicant)

On 27 and 28 April 2020, two of the applicant's directors applied to the Tribunal for an exemption from appointing a social and ethics committee (SEC) in terms of section 72(5) of the Act. The former application was supported by an affidavit, seemingly signed by the same directors stated above. Mr. Guillaumé Marais claimed to be duly authorised as per a resolution attached to the papers filed.

The applicant claimed to have exceeded the minimum public interest score (PIS) of 500 points for the financial year ending February 2020 and that it was therefore required to appoint a SEC in terms of section 72(4), read with Regulation 43 of the Companies Regulations for an exemption from the requirement to appoint a SEC.

The Tribunal had to determine the following:

- Whether the applicant had met the Tribunal's procedural requirements
- Whether it was reasonably necessary in the public interest to require the Applicant to have a SEC, having regard to the nature and extent of the Applicant's exemption
- Lastly, whether the Applicant had made out a proper case for exemption.

The Tribunal found that the attached affidavit to the papers indicated from the outset that more than one director made it, which is not proper in law. One of the directors had inserted "witness" near her signature, which was again not appropriate in an affidavit. Furthermore, the special board resolution signed on 17 April 2019, which was attached to the applicant's papers, did not specifically grant Marais authority to lodge an application of this nature.

In the Tribunal's view, the reasons why the applicant had applied for exemption were not clear. The applicant stated: "After evaluation that the public interest score was above 500 in any two of the past five financial years. The company is operating on a day-to-day business in temporary employment services and recruitment. The reason why the company's PIS is above 500 is because they supply individuals to other registered companies as an employment agency on a temporary basis. The monthly accounts are not managed or processed by a related member of the board of directors and is compiled internally. The company is not a subsidiary of a company that requires an appointment of a social and ethics committee. At this stage, it is not required to appoint a SEC as the company and its employees are managed by the board and appointed individuals to assist with their needs and requirements as prescribed by the various Acts: …"

The Tribunal found Marais did not have authority to represent the applicant in the proceedings and the paucity of relevant information was fatal to the application. The application for exemption from the requirement to appoint the SEC was dismissed.

Order: Dismissed.

(C) DIRECTORSHIP DISPUTE

MICHAEL MOTAUNG (applicant) vs PETER RAMENO MOTIA (respondent)

The applicant applied to the Tribunal for the removal of the respondent as a director of European Safety Action (Pty) Limited, Registration Number: 2017 / 328633 / 07 ('ESA'). The dispute between the parties related to the alleged reckless intentions or negligent conduct of the respondent, who was alleged to have flouted the rules as a director of ESA. The applicant alleged:

- The Respondent neglected his duties as a director of ESA in that he privately conducted occupational health services training for various competitor companies, which offer the same type of training as ESA.
- The respondent had closed the business account of ESA unilaterally and the business account remained closed
- The respondent has never shown any remorse or interest in reopening the business account he unlawfully closed.
- The closure of the business account has precipitated the immediate suspension of the contract that ESA secured with Dixon Batteries.

The applicant filed the application with the Tribunal on 22 January 2020. In terms of Regulation 142(2) of the Company Regulations, the applicant was required to serve a copy of the application and supporting affidavit on each respondent cited in the application, within five business days after filing it with the Tribunal. There was no proof of service of the application upon the respondent. However, the respondent did file an answer to the application through email communication dated 24 January 2020. Furthermore, the respondent appeared at the hearing held on 27 January 2020. The Tribunal was satisfied that the matter was properly served upon the respondent in terms Regulation 142 as well complied with Regulation 142(1).

The Tribunal found that the dispute between the parties had a history relevant to the determination of the current dispute. It was imperative for the Tribunal to outline the historical background in order to put the issues involved in the current application into perspective, namely:

- On 25 November 2019, the applicant filed an application for an order to compel the respondent to open the business bank account he unilaterally closed during October 2019.
- The Tribunal heard the application on 19 December 2019. It was settled amicably and the parties signed a settlement agreement that forms part of annexures in the current application.

Notwithstanding the agreement, the two directors failed to open ESA's business account. During the hearing of the matter on 27 January 2020, each director blamed the other for the failure to open the bank account.

The applicant then brought an urgent application for the removal of the respondent as director of ESA relying on sections 180 to 184 of the Act read together with regulation 147. Sections 180 to 184 of the Act deal with Tribunal adjudication procedures while Regulation 147 deals with applications for condonation of late filing of a document, or to request an extension or reduction of the time to file a document. These applications are brought by way of filing form CTR 147.

The Tribunal's view was that the applicant complied with this requirement and everything was therefore in order. However, the Regulations as they currently stand do not provide for bringing urgent applications before the Companies Tribunal. Therefore, the Tribunal had to adhere to the practice and procedure followed by the High Court when dealing with an urgent application. High Court Rules (Uniform Rules of Court) Rule 6(12), deals with launching of urgent applications in the High Court and the relevant provisions read as follows:

Rule 6(12) (a) In urgent applications the court or a judge may dispense with the forms and service provided for in these Rules and may dispose of such matter at such time and place and in such manner and in accordance with such procedure (which shall as far as practicable be in terms of these Rules) as to it seems meet.

(b) In every affidavit or petition filed in support of any application under paragraph (a) of this sub-rule, the applicant shall set forth explicitly the circumstances which he avers render the matter urgent and the reasons why he claims that he could not be afforded substantial redress at a hearing in due course.

(c) A person against whom an order was granted in his absence in an urgent application may by notice set down the matter for reconsideration of the order.

The applicant did not provide reasons in the founding papers to justify the bringing of the current application on an urgent basis. In addition, the conduct of the applicant after the launching of the current application was not consistent with a party who was seeking urgent relief from the Tribunal. This application was heard on 27 January 2020 and was postponed to 7 February 2020 by agreement between the parties. The reason for the postponement was to afford the parties an opportunity to go to the bank and open a bank account. The dispute between the parties seemed to be rooted on the unilateral and unlawful closure of the bank account by the respondent.

On 4 February 2020, the respondent filed a notice of withdrawal or postponement, which indicated that the parties had agreed to have the application postponed until further notice. The Tribunal's view was that urgent applications should be treated urgently and should always be disposed of urgently as well. The urgency of this matter was therefore defeated by the conduct of both parties as outlined above.

The Tribunal was not persuaded to have this urgent application postponed sine die. The Tribunal was not satisfied that this current application was urgent. The Tribunal's view was that this application should be struck from the urgent Tribunal roll for lack of urgency. The applicant is more than welcome to pursue the application for the removal of the respondent on the normal course in line with the applicable Regulations.

Order: Dismissed, no order of costs.

(D) REVIEW OF CIPC NOTICE

Edwin Buys Du Plessis (first applicant), Philippus Christoffel Lessing (second applicant) vs Companies and Intellectual Property Commission (CIPC) (respondent)

The applicants brought an application in terms of Regulation 126 (8) (a) of the Companies Regulations for a review of a refusal by the CIPC to grant each of them a licence as a senior business practitioner. The second applicant testified to the issues in this matter while the first applicant confirmed under oath what the second applicant stated in so far as it referred to him. The applicants are junior business practitioners and were appointed by the CIPC in 2011. On 4 July 2011, both applicants applied for the first time to the CIPC to be issued with a licence to serve as senior business rescue practitioners and those applications were attached to the application before the Tribunal.

The application before the Tribunal was to review a refusal in terms of Regulation 126 (8) (a) by the CIPC to appoint them as senior business practitioners.

The applicants regard the CIPC's non-response on three occasions to their application as a refusal to appoint them as senior business rescue practitioners.

The application was served on the Tribunal and the CIPC on 30 October 2018 (via email to the corporate legal team of the respondent at: corporatelegalservices@cipc.co.za. On 30 October 2018, the respondent acknowledged receipt of the application.

The applicants sought relief and requested the Tribunal to:

- Order the CIPC that its decision not to licence first and second applicants as senior business practitioners be reviewed and set aside
- Order the CIPC to issue senior business rescue practitioner licences to both the applicants and appoint them as such
- Order the CIPC to amend its records and its online list of registered business rescue practitioners in order to reflect the first and second applicants as senior business practitioners

CIPC did not file opposing papers despite acknowledgement by their corporate legal services department. The applicants stated that the respondent issued conditional licences based on the experience and qualifications of practitioners from the legal, accounting and business management professionals in terms of Section 138 (1)(a). The applicants detailed their experience and qualifications (providing proof of same) for the position of senior business rescue practitioners and contended that they had been in the field of insolvency, liquidation and law for more than 20 years. The applicants also stated they had been performing the functions of a business rescue nature as set out in their papers for more than 10 years.

The application for senior business rescue practitioner was based on the fact that they had been practicing as commercial law attorneys for more than 15 years prior to the Companies Act 2008; and that they were actively engaged in business turnaround as defined in Regulation 127 (2) for more than 15 years before the effective date of the Act. They contended they were not disqualified to act as business rescue practitioners on any of the grounds contemplated in Section 138(i) (c) or (d).

The applicants once again applied to CIPC on 8 September 2016 to be licenced as senior business rescue practitioners to which no response was received. Thus, the applicants contend they had only been able to accept appointments as juniors despite the fact that they were both senior commercial lawyers and liquidators who had served on the Master's panel for more than 20 years and were members of the Law Society and of SARIPA (AIPSA).

The applicants were aggrieved as many of their peers had applied as seniors and were appointed as such by CIPC, including their ex-candidate attorney Mr Mkhombo, who gained turnaround experience and knowledge from his employment in their offices. They submitted that if the CIPC had found Makhombo qualified as a senior business rescue practitioner, then surely, they should also qualify. The applicants claimed the junior business rescue practitioner position limited them as they had to search for a senior practitioner in cases where the public interest score of an entity warranted a senior. As such, they suffered prejudice financially as they had been unable to accept work and had lost clients and income. They contend that they were also losing future income due to their non-appointment as senior practitioners in the light of the CIPC's refusal.

Furthermore, on 28 May 2018, the applicant reapplied for a senior appointment and received no response. As a result, the applicants directed a further letter to the CIPC requesting it to consider their application. Again, the CIPC did not reply to the request. The applicants sent two emails to the CIPC, on 3 September 2018 and 22 September 2018 to which there has been no response. The applicants further submitted that since the appointments were at the discretion of the CIPC alone that it was highly prejudicial and unfair that they were excluded from this sphere of practice without any reason.

The Tribunal had to determine whether the CIPC's refusal was justified. The fact that the CIPC failed to respond or provide reasons for the non-appointment indicated it was unwilling to appoint them as senior business rescue practitioners for reasons unknown, which amounted to a refusal. In addition, the Tribunal noted the CIPC had not opposed the application nor had it filed any papers in respect of why it had not appointed the applicants as requested.

The circumstances surrounding this matter have been explained by the applicants. It was clear the applicants perform the functions of junior business rescue practitioners, which means they have not been disqualified to do so. The Tribunal's view is that if the CIPC was of the view the applicants were not qualified or experienced to do the work as senior business rescue practitioners, then the CIPC was obliged to provide reasons in terms of Regulation 126(6).

The application for review was granted in that the Tribunal set aside the refusal of the CIPC to appoint the applicants as senior business rescue practitioners. The matter was sent back to the CIPC to provide reasons for the refusal or alternatively reconsider the application.

Order: Granted, no order of costs.

(E) ALTERNATIVE DISPUTE RESOLUTION (ADR)[14]

On the 28 August 2019, the Companies and Intellectual Property Commission (CIPC) made a referral for ADR to the Companies Tribunal by completing Form CTR 132.2. The dispute was between applicant ABC and respondent DEF. In terms of the settlement agreement, ABC sought to be removed as directors from the respondent's company with immediate effect. The ABC initial resignation was on 21 May 2013; both the applicant and the respondent agreed the CIPC must remove the ABC as directors as per the initial date of resignation above.

Furthermore, DEF confirmed ABC were not directors as from 21 May 2013 and would not be held liable or benefit from any transaction arising from the DEF. The parties agreed the CIPC Risk and Governance unit should investigate the alleged internal unlawful actions that resulted in the reinstatement of ABC and the unauthorized utilization of one of the applicant's CIPC login details as per the recommendation of the CIPC Inspector's Report of 16 August 2019.

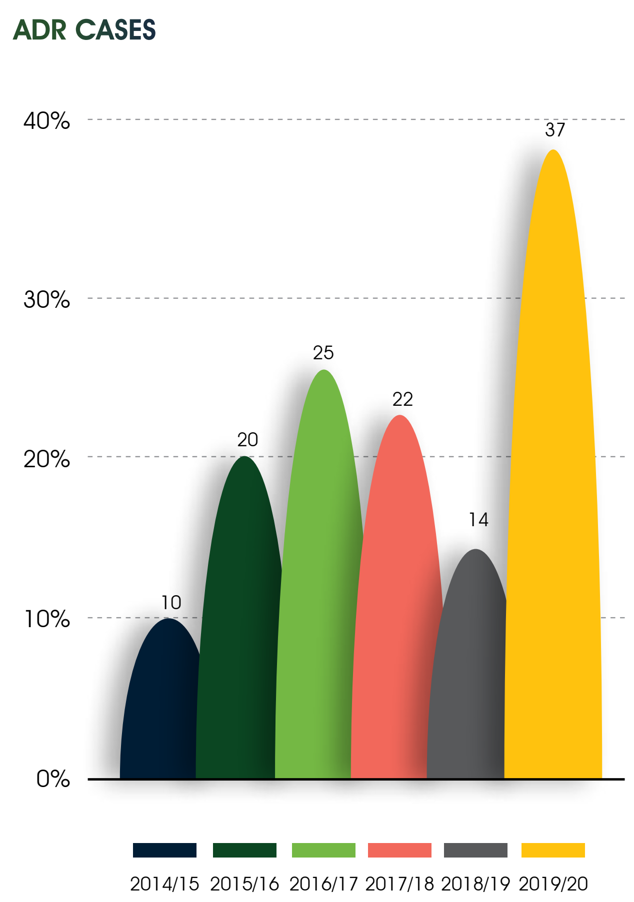
The parties agreed the settlement agreement be made an order of court at the election of either or both parties. In addition, the parties agreed that in the event the settlement agreement had not been made an order of the court and any party breached this agreement, the aggrieved party would be entitled to make an application to court to make it an order of court and to enforce the terms.

Outcome: Successful.

ADR case statistics

For the year under review, 37 ADR cases were handled. Five were closed, two withdrawn, 18 had been finalised and 12 were pending hearing.

Figure 3 below highlights comparison of ADR cases from 2014/15 to 2019/20



14 Due to the confidentiality of ADR, the real names of parties have not been disclosed.

3.1.4 Appeals and reviews

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

Table 2: Appeals and Reviews: 2019 /2020

No.	CT case number	Parties	Nature of application	High Court decision
1.	CT001Jan2016	Maboe Transport CC and Phakwe Mining Service (Pty) Ltd vs Tommy Maboe and Jan Greyvenstein	Directors' dispute	Appeal to Supreme Court of Appeal was withdrawn
2	CT019Jun2017	Grovest Venture Capital Company vs the CIPC	Compliance notice	In process
3.	CT010May2018	Universal Earthing and Lightning Components vs HHK Earthing and Lightning Projection Systems	Name dispute	In process at North Gauteng High Court
4	CT012Oct2018	Mahomed Mahier Tayob and another vs Shiva Uranium and others	Business rescue practitioner appointment	In process at North Gauteng High Court
5.	CT00142/ADJ/2019	Agility Holdings (Pty) Ltd and Agility Co. (Pty) Ltd	Name dispute	In process at North Gauteng High Court
6.	CT013Apr2019	Growthpoint Properties Limited and Growth Point Learning Solutions (Pty) Ltd	Name dispute	In process at North Gauteng High Court
7.	CT00148/ADJ/2019	Tsogo Sun (Pty) Ltd and Tsogo Magifix (Pty) Ltd	Name dispute	In process at North Gauteng High Court

3.2 Programme 2: Administration

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

3.2.1 Strategic objectives, outputs, performance indicators, planned targets and actual achievements

Programme: Administration								
Strategic goal/outcome	**Strategic objective**	**Output**	**Performance indicator/measure**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from Planned Target to Actual Achievement for 2019/20**	**Comments on deviations**
Ensure operational effectiveness and efficiency of the Tribunal	Build a body of knowledge around company law and alternative dispute resolution	Production of research reports or rules	Number of research reports or rules produced and approved	Developed (1) arbitration rules or guidelines for the Tribunal and develop (1) adjudication rules or guidelines for the Tribunal	Produce one research report on assessing the value of social and ethics committees as stipulated in Section 72(5)	Target met: Produced one research report on assessing the value of social and ethics committees as stipulated in Section 72(5)	None	N/A
Ensure operational effectiveness and efficiency of the Tribunal	Recruit, appoint, develop and retain competent staff	Staff retention	Percentage of staff retained	93%	85%	Target exceeded by 92%	None	Best human resource practices adopted and continuous consultation with staff proved effective
Ensure effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy services	Seminar hosted[15] on the impact of the Tribunal's mandate	Hosted a seminar on Alternative Dispute Resolution (ADR)	Host seminar on the impact of the Tribunal's mandate	Target met: Tribunal hosted a seminar on the impact of the Tribunal's mandate in partnership with the University of Cape Town's Commercial Law Department	None	N/A

(Table continued on next page)

15 Hosted means to fund, organise and/or present a seminar

3.2.1 Strategic objectives, outputs, performance indicators, planned targets and actual achievements [continued]

Programme: Administration								
Strategic goal/ outcome	**Strategic objective**	**Output**	**Performance indicator/ measure**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from Planned Target to Actual Achievement for 2019/20**	**Comments on deviations**
Effective stakeholder engagement	Educate the members of the public and create awareness of the Tribunal	Advocacy services	Number of media engagements (media statements and radio interviews)	Released three (3) media statements as follows: (1) Quick, affordable, flexible: how to resolve business disputes via the companies Tribunal published on Business Live, Times Live and Sowetan Live (2) Seminar invitation was published on LinkedIn (3) Key issues discussed at the ADR seminar published on LinkedIn	Release two (2) media statements	Target exceeded: An article was published on LinkedIn highlighting the launch the Tribunal's online Case Management System (CMS) (1) Online advertisement was carried highlighting the benefits of the Tribunal's CMS An article was published on social media titled: 'Domain name disputes: Does the Tribunal have jurisdiction over domain names?'	None	The use of free social media assisted in exceeding the target
				Participated in the following radio activities or interviews: Munghana Lonene FM Ikwekwezi FM, East Coast Radio and Radio 702	Participate in two radio activities or interviews (radio advert)	Target exceeded: Live reads were aired on the following stations: Power FM, Metro FM Radio 702 Lesedi FM	None	

(Table continued on next page)

3.2.1 Strategic objectives, outputs, performance indicators, planned targets and actual achievements [continued]

Programme: Administration								
Strategic goal/outcome	**Strategic objective**	**Output**	**Performance indicator/ measure**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from Planned Target to Actual Achievement for 2019/20**	**Comments on deviations**
Effective stakeholder engagement	To educate members of the public and raise awareness regarding the Tribunal	Advocacy services	Number of participations in outreaches and/or exhibitions	Participated in 8 outreach programmes and/or exhibitions targeting the following stakeholders: (1) Capricorn District (LP), Guest lecture conducted at the University of Limpopo (2) Bojanala Platinum District (NW) in Rustenburg Municipality (3) Eden District (WC) in Mossel Bay (4) Ehlanzeni District (MP) in Nkomazi Municipality (5) O R Tambo District (EC) in Port St Johns Local Municipality	Participate in 8 outreach programmes and/or exhibitions targeting the following stakeholders: businesses, business associations, the public, legal fraternity, and the academia in the following areas: (1) City of Johannesburg (GP) (2) Waterberg District (LP) (3) Mangaung Metropolitan (FS) (4) Zululand District (KZN) (5) Thabo Mofutsanyana District (FS) (6) Buffalo City (EC)	Target exceeded: Participated in 9 outreach programmes and/or exhibitions targeting the following stakeholders: businesses, business associations, the public, legal fraternity, and the academia in the following areas: Meetings were held with Norton Rose Fulbright and Bowmans in the City of Johannesburg Participated in **the dtic** outreach in Waterberg District (Modimolle-Vaalwater) Participated in the Department of Small Business Development (DSBD) Mangaung Metropolitan (Bloemfontein) (FS) A meeting was held with the Zululand Chamber of Commerce and Industry to engage on the services of the Tribunal Teleconference was held with Thabo Mofutsanyana	None	Partnerships with various stakeholders enabled the Tribunal to reach out to more stakeholders

(Table continued on next page)

3.2.1 Strategic objectives, outputs, performance indicators, planned targets and actual achievements [continued]

Programme: Administration								
Strategic goal/outcome	Strategic objective	Output	Performance indicator/ measure	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comments on deviations
				(6) UMgungundlovu District (KZN) in Msunduzi Local Municipality (7) uGu District (KZN) in uMdoni, Umuziwabantu Municipality and uMzumbe municipalities (8) Pixley ka Seme District (NC) (Carnarvon and Douglas Central Karoo District in Beaufort West (9) ZF Mgcawu District in Kakamas and Augrabies (10) Guest lecture was conducted at the University of Fort Hare in partnership with the national Consumer Tribunal	(7) Amathole District (EC) (8) King Cetshwayo (KZN)	District's LED Office Meeting was held with SEDA in Buffalo City (EC) Meeting was held with National Association of Democratic Lawers (NADEL) - Amathole District (EC) Participated in **the dtic** event in King Cetshwayo (KZN, Eshowe) Furthermore, the Tribunal participated in the DSBD events as follows: (Durban, Polokwane, Cape Town, Rosebank) Further engagements held: Cape Chamber of Commerce and Industry University of Cape Town's commercial law department Free State Bar Council Zululand Chamber of Commerce and Industry Witbank Chamber of Commerce and Industry		

3.2.2 Communication and Marketing

The communication and marketing division plays a critical role in educating the public and raising awareness about the Tribunal's services and establishing mutually beneficial strategic relationships with stakeholders. During the year under review, the Tribunal increased its efforts in stakeholder engagement and marketing. The division was responsible for four performance targets in 2019/20 financial year which were all met. Given the prevalent austerity measures, the Tribunal had to adopt cost effective means of disseminating information and engagement of strategic stakeholders such as video teleconferencing, electronic and social media.

An online communication campaign was run on BusinessLIVE, TimesLIVE and Financial Mail. The Tribunal created LinkedIn and Twitter accounts as another effort to increase its online footprint. Articles, the seminar invitation and important notices were published on these social media platforms.

The Tribunal also continued to optimally utilise traditional media. Advertisements and live reads were aired on Metro FM and Power FM to raise awareness about the CMS and another live read aired on Radio 702 about the seminar. The Tribunal also participated in a radio interview conducted by Lesedi FM.

There has been an increase in the number of website subscribers, which symbolises an interest in the Tribunal's content. The monthly reports on website usage enable us to monitor high traffic areas, and ascertain the most popular pages and time spent per visit. Email signatures and social media were used to draw the public to the Tribunal's website.

There was an increase in the number of engagements with the legal fraternity, in particular the law societies and the law firms. These engagements were aimed at increasing the fraternity's knowledge about the services of the Tribunal and the uptake in the use of the case management system.

In partnership with Department of Small Business Development (DSBD), the Tribunal participated in consultative fact-finding workshops on an ADR framework for small business (SMEs) in KwaZulu-Natal, Limpopo, Free State and the Western Cape. This gave the Tribunal an opportunity to engage with major business formations and key stakeholders. A breakfast networking session was held in partnership with the CIPC and Witbank Chamber of Commerce and Industry to raise awareness about services of the Tribunal and CIPC to the business fraternity of Witbank and surrounding areas. Other meetings took place with the Zululand and Cape Town Chambers of Commerce and Industry.

The Tribunal participated in **the dtic** awareness workshops in Waterberg and King Cetshwayo District Municipalities. In addition, it participated in the Entrepreneurs Legal Seminar in Nelspruit organised in partnership with Thembi Mawelele Attorneys, the Mpumalanga Department of Economic Development and ABSA. The Tribunal also attended an exhibition at the Gauteng SMME Summit Exhibition in Midrand.

The Quarterly Bulletin remains an important tool in disseminating stakeholder information. It promotes the Tribunal's corporate image and raises its profile. The Tribunal has received positive stakeholder feedback about it. Quarterly Bulletins were published during the 2019/20 financial year, covering the Tribunal's mandate and highlighting cases decided in the quarter. With the bulletin subscription offer on the website, the number of subscribers is increasing.

The Tribunal, in partnership with the University of Cape Town's Department of Commercial Law, hosted a seminar on the impact of its mandate on 27 February 2020. It engaged stakeholders in the Western Cape on social and ethics committee exemptions (SEC) in terms of section 72; name disputes in terms of sections 11 and 160; alternative dispute resolution (ADR) in terms of section 166; and directorship disputes under 71.

The seminar was held in an interactive four panel discussion format. Delegates got a good view of the role of the Tribunal and its impact. Areas of difficulty in adjudication and resolution of disputes were discussed and solutions to those identified challenges were proposed. The seminar discussions were led by a highly qualified panel[16] from the academia in particular the UCT, the legal and business fraternity, South African Securitisation Forum, government and members of the Tribunal.

SIMUKELE KHOZA
MANAGER COMMUNICATIONS AND MARKETING

DUMISANI MTHALANE
COMMUNICATIONS AND MARKETING OFFICER

16 Attendees: Professor Debbie Collier, UCT; Mr Adam Ismail, Webber Wentzel; Mr Giles White, Webber Wentzel; Ms Sheena Dias, Webber Wentzel; Ms Mikovhe Maphiri, UCT; Dr Helena Stoop, UCT; Mr Faadhil Adams, UCT; Ms Rishendrie Thanthony, South African Securitization Forum, Pieter Koornoff, Commercial Lawyer, Adv Schalk Burger, Cape Bar, Ms Melanie Te Brugge, Kilgetty Statutory Services, and Tribunal members: Adv Ishara Bodasing, Mr Lindelani Sikhitha, Ms Kathija Tootla and Mr Khashane Manamela.

The Table below shows engagements carried out over and above what was planned in the APP. The engagements were mainly aimed at raising awareness and encouraging stakeholders to utilise the new online case management system (CMS) for filing applications and were also an effort to increase the number of new applications.

Table 3: Other stakeholder engagement sessions held in addition to APP targets:

No.		CT case number
1.	Free State Bar Council	To introduce the services of the Tribunal to the Bar Council
2.	Spoor & Fisher	To introduce the Tribunal's online CMS To discuss orders issued in terms of section 160
3.	Adams & Adams	To introduce the Tribunal's online CMS & discuss orders issued in terms of section 160
4.	Norton Rose Fulbright	To introduce the Tribunal's online CMS
5.	Bowmans	To introduce the Tribunal's online CMS
6.	Black Lawyers Association	To raise awareness about services of the Tribunal
7.	RFS Home loans	To discuss an exemption application
8.	5 Fox Street (Investec)	To discuss application by 5 Fox Street for exemption from appointing SEC
9.	National Association of Democratic Lawyers	To introduce the services of the Tribunal
10.	Eastern Cape Small Enterprise Development Association	To introduce the services of the Tribunal
11.	Daikin	To discuss application by Daikin for exemption from appointing SEC
12.	Securitisation Forum	To discuss application by the Forum for exemption from appointing SEC
13.	Thabo Mofutsanyane District Municipality	To raise awareness about the Tribunal's services to the municipality

Delegates at the seminar on the impact of the Companies Tribunal's mandate

3.2.3 Research

The Research function of the Tribunal contributes to the body of knowledge and closes knowledge gaps, Research contributes to jurisprudence and precedent. The contribution to South African's jurisprudence helps make South Africa an attractive investment destination. Reports serve as an option for quick reference for decision-making, which in turn leads to consistency and efficiency. To further improve efficiencies, rules or guidelines are developed and or reviewed. A research report on assessing the value of social and ethics committees, as stipulated in Section 72(5), was produced for the year under review. It recommended guidelines be developed to motivate for legislative amendments that will strengthen the Tribunal's hand in requesting specific documents.

3.2.4 Corporate services

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

The organisational structure was reviewed and approved during the 2019/20 financial year and now comprises 21 positions. Only 14 positions are funded. At the end of the year under review, the Tribunal had 13 full time staff and two contract employees (IT and SCM) converted from the internship programme. The internship programme of the Tribunal focuses on providing South African youth with experiential learning and, thus, contributes to the country's skills development efforts.

The Tribunal recognises that training builds the skills and knowledge of each staff member and contributes to a more productive and motivated workforce. During the year, all Tribunal staff attended programmes such as skills development, policy development, monitoring and evaluation, IT programmes, public relations as well as occupational health and safety programmes. Human resources policies reviewed included: Grievance Policy and Procedure, Acting Allowance Policy, Code of Conduct and Internship Policy.

A bursary scheme provides employees with further education and personal development, which the Tribunal believes is necessary for its long-term sustainability. Only one employee was granted a bursary.

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

During the year under review, the IT department provided expert support in implementing the CMS. In particular IT contributed towards stakeholder orientation and on-boarding on to the CMS, which took place mainly through a stakeholder engagement programme. IT further ensured proper system knowledge transfer, handover of the system manuals and hosting configuration details.

The Tribunal leverages the use of Office365 Cloud, which eases information access, collaboration and virtual meeting capabilities to save meeting travel costs. Wireless network access connects staff and members and enables staff to perform their duties anywhere in the office. Due to the impact of COVID-19 in the last quarter, the fibre data-line was upgraded to improve and optimise the online accessibility and performance of the systems. Two IT policies and plans were reviewed to ensure proper alignment, control and adherence to governance standards.

The state of disaster began on 26 March 2020. The Tribunal was no exception to the disastrous consequences of the epidemic. As did most of Government offices, the Tribunal closed its offices, activated its business continuity and operated remotely. The Tribunal felt the impact at almost all levels of the business, namely the people, the systems and processes. In particular, the negative impact was the elimination of the personal contact so integral to the way the Tribunal works. For a significant period, business stalled as the Tribunal tried to put in place guidelines and the measures to comply with the COVID-19 requirements.

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

KEIKANETSWE SEBOKOANE
MANAGER: INFORMATION AND COMMUNICATIONS TECHNOLOGY

JOHANNES GAFANE
INFORMATION AND COMMUNICATIONS TECHNOLOGY INTERN

meeting platforms became the new norm. The Annual Report 2020-21 will show the significant impact of the pandemic on the implementation of the Tribunal's plans, especially in Quarter 1 of 2020-2021. The inability to receive manual applications, which had previously constituted 90% of applications, will have a negative impact on the overall number received.

3.2.5 Office of the Chief Financial Officer (CFO)

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

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

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

No irregular expenditure was incurred during the financial year. However, fruitless and wasteful expenditure amounting to R3 600 was incurred. 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 those policies. The office of the CFO adhered to the 30-day turnaround times for payment of suppliers, resulting in 100% of suppliers being paid within that timeframe and 97% being paid within 15 days. The office of the CFO plays a key role in ensuring that the Tribunal has sound internal controls, a factor that has led to consecutive clean audit awards from the Auditor-General of South Africa.

IRENE MATHATHO
CHIEF FINANCIAL OFFICER

NALEDI APHANE
SUPPLY CHAIN MANAGEMENT INTERN

SOLLY MAHLABANE
MANAGER FINANCE

ROFUNWA LIGEGE
FINANCE PRACTITIONER

3.3 Strategy to overcome areas of underperformance

During the 2018/2019, the Tribunal improved operational effectiveness and efficiency through the introduction of the online CMS. The year under review saw the full implementation of the system in the second quarter. It boasts various efficiencies including online submission, receipt and processing of applications; extended application-submission and filing time, automated messages to the parties; easier access to Tribunal's information; online allocation of applications, and easier, online relay of decisions from the members and extraction of information for reporting (monthly, quarterly and annually).

3.4 Changes to planned targets and performance indicators

No changes were made to the planned targets.

3.5 Linking performance with budgets

Programme	2019/20			2018/19		
	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	3 419	3 108	311	2 891	3 006	(115)
Administration	20 731	23 308	(2 577)	19 726	17 375	2 351
TOTAL	**24 150**	**26 416**	**(2 266)**	**22 617**	**20 381**	**2 236**

The Tribunal's budget for the year under review was R24.1 million. There is a deficit of R6.6 million, which is funded from an approved surplus from prior years. The over-expenditure is due to additional liability on pension which was not budgeted for. Most funds during the year were spent on employee costs, Tribunal members' fees, advocacy services, systems support and maintenance.

3.6 Revenue collection

Source of revenue	2019/20			2018/19		
	Budget R'000	Actual amount collected R'000	(Over)/ under-collection R'000	Budget R'000	Actual amount collected R'000	(Over)/ under-collection R'000
Government grant	17 352	17 352	-	16 740	16 740	-
Interest received[17]	846	742	104	890	814	76
Other income[18]	5 952	1 686	4 266	4 987	1 537	3 450
Total	**24 150**	**19 780**	**4 370**	**22 617**	**19 091**	**3 526**

17 Interest received: The Tribunal had a favourable bank balance due to approved retention of surplus in the previous financial years, resulting in increased interest received from the bank.
18 Other income is derived from surplus funds. The approved surplus was used to augment the budget.

C Governance

1. Overview of the governance structures

The Tribunal has three governance committees: Audit and Risk Committee (ARC), Remuneration Committee (REMCO) and the Information and Technology Steering Committee. Highlights of the performance of these committees appears below.

2. The Parliamentary Portfolio Committee on Trade, Industry and Competition

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

The Tribunal made a presentation to the PPC on 27 November 2019. The PPC was impressed with its overall performance, but raised concerns around the limited funding and proposed that engagements with all relevant stakeholder be held. They requested more information on the limited mandate of the institution, on collaborations and undertook to assist. The PPC proposed collaboration with CIPC to (a) explore funding opportunities (b) link institutions' IT systems and (c) reduce name dispute cases. They also suggested collaborating with the B-BBEE Commission as its clients could need dispute resolution on fronting. Most of the recommendations of the PPC, especially around engagements on funding and on collaboration, have been implemented.

3. Executive Authority

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

4. Accounting Authority

In terms of the PFMA (1999), the Chairperson, as the Accounting Authority, is responsible for strategic leadership and oversight of the Tribunal's affairs and assets. He is also responsible for its effective, efficient and transparent management and operations. During the year under review the Chairperson provided leadership to the Tribunal, ensured training of members, convened meetings as necessary and lent his support to the on-boarding and orientation of the new Chief Operating Officer.

5. Risk Management

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

6. Combined Assurance Plan and Risk Register

The Audit and Risk Committee considered the Combined Assurance plan and was satisfied with the level of assurance provided and with management's actions to address each risk. The Combined Assurance Plan and Risk Register are monitored quarterly by the committee.

7. Internal Audit

Nexia SAB&T is appointed as the Internal Auditor. The following internal audits, which use a risk-based approach, were performed during the financial year: SCM review, financial discipline review, audit of predetermined objectives for Q2 and Q3, information technology GCR, case management review, human resource management and follow-up (IT audits).

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

8. Audit and Risk Committee (ARC)

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

Table 8.1 ARC comprises the following independent members:

Member	Status of member	Attendance	Meeting fees R	Travel expenses R	Total R
Stanley Ngobeni	Non-executive chairperson	5	32 378	2 212	34 590
Luyanda Mangquku	Non-executive member	4	17 020	1 752	18 772
Charlene Louw	Non-executive member	4	15 714	2 421	18 135
Zelda Tshabalala	Non-executive member	4	15 714	1 188	16 902
Leanda Vilakazi	Non-executive member	5	19 643	2 030	21 673
TOTAL			**100 469**	**9 603**	**110 072**

9. Remuneration Committee (REMCO)

REMCO provides oversight on human resources and remuneration. As shown in Table 9.1 below, the Committee comprises three independent human resources specialists. During the year under review, REMCO held four meetings.

Table 9.1 Remuneration Committee

Member	Status of member	Attendance	Meeting fees R	Travel expenses R	Total R
Lance Dirksen	Non-executive chairperson	4	25 902	4 300	30 202
Qondile Zimu	Non-executive member	4	15 714	1 495	17 209
Rajesh Jock	Non-executive member	3	11 788	357	12 145
TOTAL			**53 404**	**6 152**	**59 556**

10. Information and Technology Steering Committee

The Tribunal established the Information and Technology Steering Committee to ensure IT governance, as part of corporate governance, is adequately addressed. This Committee comprises management and one non-remunerated external member from a government institution.

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

11. Compliance with laws and regulations

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

- Skills development levy
- Workmen's compensation
- Unemployment Insurance Fund
- Pay-As-You-Earn

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

11.1 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 processes
Determining qualification criteria for the sale of state owned-enterprises?	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 broad-based black economic empowerment?	No	Not part of CT mandate and no funds to undertake such activities

12. Fraud and corruption

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

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

The Tribunal's anti-fraud and corruption policy is based on these principles:

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

The Fraud Prevention and Response Plan implements the Tribunal's policies to manage fraud or suspicion of fraud to deter or prevent and detect any fraudulent activities.

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

- Prevent further loss
- Establish and secure evidence for disciplinary and criminal action
- Assign responsibility for investigating the incident
- Establish circumstances in which external specialists should be involved
- Establish lines of communication with the Police
- Keep all staff members who need to be informed about the incident and the Tribunal's response
- Recover losses
- Deal with requests for job references from prospective employers of implicated ex-employees
- Review the reasons for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud

13. Minimising conflict of interest

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

- Conflict of interest declaration forms to members of committees, tribunal members, management and staff
- The disclosure of hospitality and gifts register.

There were no exceptions or conflicts of interest noted.

14. Code of Conduct

A code of conduct states what is expected of staff in their individual conduct and in relationships with others and was signed by all employees. An SCM Code of Conduct is also in place and is signed annually by the relevant employees.

15. Health, safety and environmental issues

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

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

16. Report of the Audit and Risk Committee (ARC)

The Audit and Risk Committee is pleased with the Tribunal's performance for the financial year ended 31 March 2020. An ARC Charter is in place that deals with the way members of the Committee should undertake their duties and responsibilities. During the year under review, the committee held five meetings.

16.1 Audit and Risk Committee responsibility

The Committee complied with its responsibilities arising from Section 55(1) of the PFMA and Treasury Regulations 27.1.7 and 27.1.10(b) and (c). It also reports that it has regulated its affairs in compliance with the ARC charter and has discharged all its responsibilities.

16.2 The effectiveness of internal controls

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

16.3 Quality management, monthly/ quarterly reports and PFMA compliance

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

16.4 Evaluation of Annual Financial Statements

The Committee reviewed and discussed the annual financial statements to be included in the Annual Report with the External Auditors and the Accounting Authority. The Committee reviewed and discussed the performance information with management and reviewed changes in accounting policies and practices. The entity's compliance with legal and regulatory provisions was also evaluated. The Committee was satisfied with the annual financial statements and has recommended them for approval by the accounting authority.

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

16.5 Combined Assurance

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

16.6 Risk Management

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

16.7 Internal Audit

The Internal Audit function is outsourced to Nexia SAB&T. Their reports provide recommendations to help in the establishment and maintenance of an effective system of internal controls to manage the risks associated with the Tribunal. The Audit and Risk Committee has reviewed and approved the Internal Audit Charter and the risk-based audit coverage plans for the year ended 31 March 2020. Internal audit reports were presented to the Committee during the year under review. Eight internal audits were undertaken during the financial year.

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

16.8 The Finance function

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

16.9 External Auditors

The External Auditors are invited to attend Audit and Risk Committee meetings. The Committee has reviewed the final Management Report and the Audit Report issued by ABS.

16.10 Commendations

The Audit and Risk Committee commends management and staff.

16.11 Conclusion

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

S. Ngobeni
Chairperson of the Audit and Risk Committee
Companies Tribunal
Date: 28 September 2020

ARC Members

STANLEY NGOBENI
ARC CHAIRPERSON

LEANDA-MARSHA VILAKAZI
ARC MEMBER

CHARLENE LOUW
ARC MEMBER

LUYANDA MANGQUKU
ARC MEMBER

ZELDA TSHABALALA
ARC MEMBER

D Human Resources Management

1. Introduction

At the end of the year under review, the Tribunal had thirteen (13) permanent employees and two (2) contractors. There were three resignations and four appointments during the financial year, including that of the Chief Operating Officer, following the expiry of the contract of the Full-time Tribunal member in 2018. One vacant position is in the process of being filled and is planned to be finalised during the first quarter of the new financial year.

REMCO met four times to provide oversight on human resources matters, including executing its advisory role on HR policies and key non-operational HR strategic and complex issues.

A Code of Conduct states what is expected of staff in their individual conduct and in relationships with others and was signed by all employees.

REMCO Members

LANCE DIRKSEN
CHAIRPERSON REMCO

RAJESH JOCK
REMCO MEMBER

QONDILE ZIMU
REMCO MEMBER

2. Human Resources Oversight Statistics:

2.1 Personnel cost by programme

Programme	Total expenditure R'000	Personnel expenditure R'000	Personnel expenditure as a % of total expenditure	Number of employees	Average personnel cost per employee R'000
Administration	26 416	16 698	63%	13	1 284

Note: The difference between the personnel expenditure and the amount disclosed in the statement of financial performance is the R56 802 stipend paid to interns.

2.2 Personnel cost by salary band

Level	Personnel expenditure R'000	Percentage of personnel cost to total personnel cost	Number of employees	Average personnel cost per employee R'000
Top management	5 151	31%	1	5 151
Senior management	3 087	18%	2	1 543
Professional qualified	6 941	42%	7	991
Skilled	1 519	9%	3	506
Total	**16 698**	**100%**	**13**	**1 284**

2.3 Performance rewards

Programme	Performance rewards R'000	Personnel expenditure R'000	% of performance rewards to total personnel cost
Top management	92	5 151	2%
Senior management	161	3 087	5%
Professional qualified	345	6 941	5%
Skilled	75	1 519	5%
Total	**673**	**16 698**	**4%**

2.4 Training costs

Level	Personnel expenditure R'000	Training expenditure R'000	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee R'000
Administration	16 698	74	0.4%	8	9

2.5 Employment and vacancies

Programme	Administration				
	Number of employees 2018/19	Approved and funded posts 2019/20	Number of employees 2019/20	Approved and funded vacancies 2019/20	Percentage of funded vacancies
Top management	-	1	1	-	-
Senior management	2	2	2	-	-
Professional qualified	8	8	7	1	12.5%
Skilled	2	3	3	-	-
Total	**12**	**14**	**13**	**1**	**7%**

2.6 Employment changes

Programme	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top management	-	1	-	1
Senior management	2	-	-	2
Professional qualified	8	2	3	7
Skilled	2	1	-	3
Total	**12**	**4**	**3**	**13**

2.7 Reasons for leaving

Reason	Number	Percentage of total number of staff leaving
Death	-	-
Resignation	3	23%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	**3**	**23%**

2.8 Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number	Percentage of total number of staff disciplined
Verbal warning	-	-
Written warning	1	7%
Final written warning	-	-
Dismissal	-	-
Total	**1**	**7%**

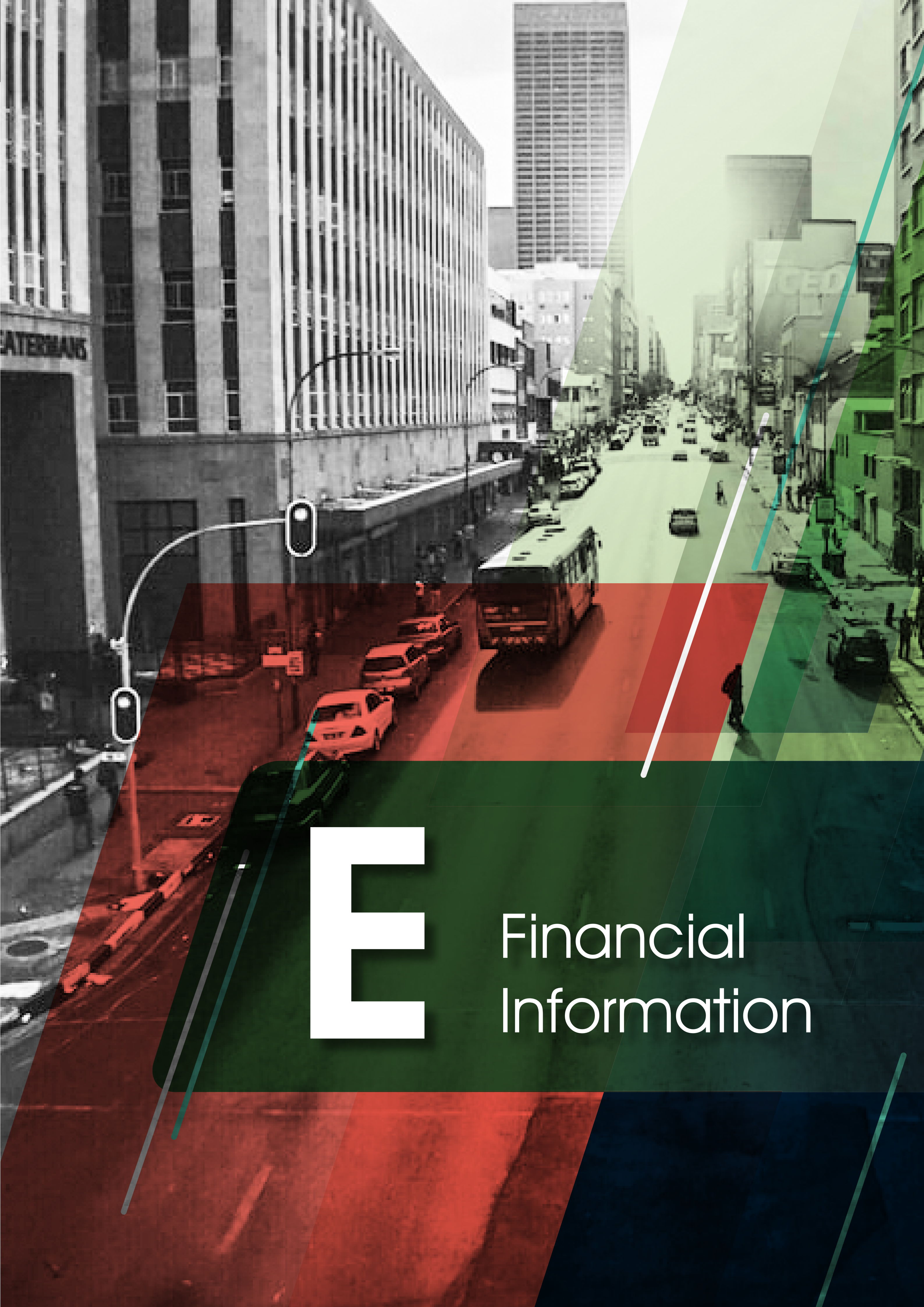
2.9 Employment equity status

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

Currently the Tribunal does not have any disabled staff.

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

Currently the Tribunal does not have any disabled staff.



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Financial Information

Annual Financial Statements for the year ended 31 March 2020

Statement of responsibility and confirmation of Annual Report and annual financial statements

The Chairperson, in his capacity as the Accounting Authority, is responsible for the preparation, integrity and fair presentation of the financial statements of the Tribunal. The financial statements presented on pages 56 to 83 have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB), in accordance with Section 55 of the PFMA to the extent indicated in the accounting policies. The financial statements include amounts based on judgements and estimates.

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

The financial statements have been audited by an independent auditor, Abacwaningi Business Solutions. The auditor has been given unrestricted access to all financial records and related data, including minutes of relevant meetings. The Chairperson believes all representations made to the auditor during the audit are valid and appropriate.

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

Dr Mohamed Alli Chicktay
Chairperson: Companies Tribunal
Date: 28 September 2020

Report of the independent external auditor

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Companies Tribunal set out on pages 56 to 83 which comprise the statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Companies Tribunal as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted the audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. I have fulfilled other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matters below. My opinion is not modified in respect of this matter.

Events after the reporting date

7. As disclosed in note 37 to the financial statements, subsequent to the end of the financial year, the Tribunal received a budget cut of R2 060m due to the COVID-19 budget adjustments, affecting the financial year 2020/21.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of the PFMA, and for such internal 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.
9. In preparing the financial statements, the accounting authority is responsible for assessing the Companies Tribunal's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Annual Financial Statements for the year ended 31 March 2020

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

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2020:

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

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets are measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the programme: adjudication.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 19 to 31 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

21. 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 and the auditor's report.

Annual Financial Statements for the year ended 31 March 2020

22. My opinion on the financial statements and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

Zazi Timothy Ngubane (CA) SA

Director :ABS Chartered Accountants

Registered Auditor

15 September 2020

Durban

Annual Financial Statements

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

Accounting Authority's responsibilities and approval

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 have been 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 2020 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 51.

The Annual Financial Statements set out on pages 56 to 83, which have been prepared on the going-concern basis, were approved by the Accounting Authority and were signed on its behalf by Dr Alli Chicktay.

Dr Mohamed Alli Chicktay
Chairperson: Companies Tribunal
Date: 28 September 2020

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

	Notes	2020 R	2019 R
Assets			
Current Assets			
Cash and cash equivalents	3	4 202 469	9 886 225
Receivables from exchange transactions	4	262 044	272 853
Inventories	5	41 119	15 032
		4 505 632	**10 174 110**
Non-Current Assets			
Property, plant and equipment	6	548 870	772 558
Intangible assets	7	1 770 430	1 250 486
		2 319 300	**2 023 044**
Total Assets		**6 824 932**	**12 197 154**
Liabilities			
Current Liabilities			
Payables from exchange transactions	8	160 954	74 966
Short term employee benefits	9	1 214 619	951 366
Provisions	10	1 440 239	268 462
Tribunal Members' fees accrual	11	130 999	389 003
Total Liabilities		**2 946 811**	**1 683 797**
Net Assets		**3 878 121**	**10 513 357**
Accumulated surplus		3 878 121	10 513 357
Total net assets and liabilities		**6 824 932**	**12 197 154**

Statement of Financial Performance

	Notes	2020 R	2019 R
Revenue			
Revenue from exchange transactions			
Other income – exchange transactions	12	1 334	4 633
Interest received	13	742 140	814 418
Total revenue from exchange transactions		**743 474**	**819 051**
Revenue from non-exchange transactions			
Government grants	14	17 352 000	16 740 000
Revenue in-kind	15	1 685 351	1 532 133
Total revenue from non-exchange transactions		**19 037 351**	**18 272 133**
Total revenue		**19 780 825**	**19 091 184**
Expenditure			
Employee-related costs	16	(16 754 718)	(11 691 858)
Operating expenses	17	(3 803 218)	(3 590 885)
Administrative expenses	18	(2 079 282)	(1 411 286)
External audit fees	19	(620 441)	(601 657)
Depreciation and amortization	20	(266 763)	(258 727)
Tribunal members fees	23	(2 891 639)	(2 825 934)
Loss on disposal of assets	21	-	(1 118)
Total expenditure		**(26 416 061)**	**(20 381 465)**
Deficit for the year		**(6 635 236)**	**(1 290 281)**

Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Net Assets

	Accumulated surplus R	Total net assets R
Balance at 01 April 2018	**11 803 638**	**11 803 638**
Deficit for the year	(1 290 281)	(1 290 281)
Balance at 01 April 2019	**10 513 357**	**10 513 357**
Deficit for the year	(6 635 236)	(6 635 236)
Balance at 31 March 2020	**3 878 121**	**3 878 121**

Cash Flow Statement

	Notes	2020 R	2019 R
Cash flows from operating activities			
Receipts			
Government grants		17 352 000	16 740 000
Interest received		742 794	813 980
Other receipts		1 334	1 555
		18 096 128	**17 555 535**
Payments			
Employee costs		(15 319 382)	(11 504 586)
Suppliers		(4 726 806)	(4 522 042)
Members' fees		(3 149 643)	(2 630 911)
		(23 195 831)	**(18 657 539)**
Net cash flows from operating activities	22	**(5 099 703)**	**(1 102 004)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(25 199)	(147 624)
Proceeds from sale of property, plant and equipment	21	-	3 713
Purchase of intangible assets	7	(558 854)	(376 767)
Net cash flows from investing activities		**(584 053)**	**(520 678)**
Net increase/(decrease) in cash and cash		**(5 683 756)**	**(1 622 682)**
Cash and cash equivalents at the beginning of the year		9 886 225	11 508 907
Cash and cash equivalents at the end of the year	3	**4 202 469**	**9 886 225**

Statement of Comparison of Budget and Actual Amounts

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Ref.
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income – exchange transactions	-	-	-	1 334	(1 334)	33.1
Interest received	300 000	546 000	846 000	742 140	103 860	33.2
Total revenue from exchange transactions	**300 000**	**546 000**	**846 000**	**743 474**	**102 526**	
Revenue from non-exchange transactions						
Government grants	17 352 000	-	17 352 000	17 352 000	-	
Revenue in-kind	4 400 000	1 552 201	5 952 201	1 685 351	4 266 850	33.3
Total revenue from non-exchange transactions	**21 752 000**	**1 552 201**	**23 304 201**	**19 037 351**	**4 266 850**	
Total revenue	**22 052 000**	**2 098 201**	**24 150 201**	**19 780 825**	**4 369 376**	
Expenditure						
Employee related costs	(15 951 509)	(2 245 754)	(13 705 755)	(16 754 718)	(3 048 963)	33.4
Administrative expenses	(1 460 729)	636 386	(2 097 115)	(2 079 282)	17 833	33.5
Depreciation and amortisation	(148 000)	53 500	(201 500)	(266 763)	(65 263)	33.6
Tribunal members' fees	(2 687 000)	345 000	(3 032 000)	(2 891 639)	140 361	33.7
External audit fees	(664 000)	(42 000)	(622 000)	(620 441)	1 559	33.8
Operating expenses	(1 140 762)	3 351 069	(4 491 831)	(3 803 218)	688 613	33.9
Total expenditure	**(22 052 000)**	**(2 098 201)**	**(24 150 201)**	**(26 416 061)**	**(2 265 860)**	
Operating deficit	**-**	**-**	**-**	**(6 635 236)**	**(6 635 236)**	
(Deficit)/surplus for the year	**-**	**-**	**-**	**(6 635 236)**	**(6 635 236)**	

Accounting Policies

1. Accounting Policies for the year ended 31 March 2020

1.1 Presentation of financial statements

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

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Significant judgements and sources of estimation uncertainty

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

1.4 Property, plant and equipment

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

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

- 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

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

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

Annual Financial Statements for the year ended 31 March 2020

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

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

1.5 Intangible assets

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. 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
Software	
- 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 asset is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.6 Provisions and contingencies

Provisions are recognised when:

- 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.

A contingent liability is disclosed when:

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

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

1.7 Commitments

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

1.8 Inventories

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

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

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

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

1.9 Financial instruments

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities.

Annual Financial Statements for the year ended 31 March 2020

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

- Financial instruments at amortised cost
- Financial instruments at cost.

All financial assets measured at amortised cost, or 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 carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

Cash and cash equivalents

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

Cash and cash equivalents are measured at amortised cost.

Trade receivables

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

Financial liabilities

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

Trade payables

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

Presentation

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

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

1.10 Revenue from exchange transactions

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

Measurement

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

Recognition

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

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

Interest received

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

Other income – exchange transactions

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

1.11 Revenue from non-exchange transactions

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

Recognition

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

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

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition – unless it is also required to recognise a liability. This will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Government grants

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

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

Annual Financial Statements for the year ended 31 March 2020

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.

1.12 Leases

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

Operating leases – lessee

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

1.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits: Defined contribution plans

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

One Tribunal employee is a member of the Government Employees' Pension Fund (GEPF): the Tribunal and the employee contribute to the fund. The Tribunal accounts for contributions to the GEPF as a defined contribution plan as there is no consistent and reliable basis for allocating the obligation, plan assets and cost to the individual employers participating in the plan. It exposes participating employers to actuarial risks associated with current and former employees of other employers participating in the plan.

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

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

1.14 Irregular expenditure

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

a) This Act
b) The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act
c) Any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009, which was issued in terms of sections 76(1) to 76(4) of the PFMA, requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial 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.

1.15 Fruitless and wasteful expenditure

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

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

1.16 Related parties

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

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

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

1.17 Budget information

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

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

The approved budget covers the fiscal period from 2019/04/01 to 2020/03/31.

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.

Annual Financial Statements for the year ended 31 March 2020

1.18 Events after reporting date

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

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

The Companies Tribunal will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The Tribunal will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.19 Comparative figures

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

1.20 Going concern assumption

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

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/Interpretation	Effective date: Years beginning on/or after
GRAP 20: Related parties	01 April 2019
GRAP 108: Statutory receivables	01 April 2019

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

Standard/Interpretation	Effective date: Years beginning on/or after	Expected impact
GRAP 34: Separate financial statements	01 April 2020	Unlikely there will be a material impact
GRAP 35: Consolidated financial statements	01 April 2020	Unlikely there will be a material impact
GRAP 36: Investments in associates and joint ventures	01 April 2020	Unlikely there will be a material impact
GRAP 37: Joint arrangements	01 April 202	Unlikely there will be a material impact
GRAP 38: Disclosure of interests in other entities	01 April 2020	Unlikely there will be a material impact
GRAP 110 : Living and non-living resources	01 April 2020	Unlikely there will be a material impact
IGRAP 20: Accounting for adjustments to revenue	01 April 2020	Unlikely there will be a material impact

Annual Financial Statements for the year ended 31 March 2020

Notes to the annual financial statements

3. Cash and cash equivalents

	2020 R	2019 R
Cash on hand	1 600	498
Bank balances	1 080 776	2 249 554
Short-term deposits*	3 120 093	7 636 173
Total revenue from exchange transactions	**4 202 469**	**9 886 225**

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

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

4. Receivables from exchange transactions

	2020 R	2019 R
Trade debtors	25 210	-
Prepayments	227 148	262 346
Deposits	600	600
Other receivables	9 086	9 602
Employee related debt	-	305
	262 044	**272 853**

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 2020, R25 210 (2019: R-) was past due but not impaired.
The ageing of amounts past due but not impaired is:

	2020 R	2019 R
Three months past due	25 210	-

Trade and other receivables impaired

As of 31 March 2020, trade and other receivables of R- (2019: R60 656) were impaired and provided for.

The ageing of these receivables is:

	2020 R	2019 R
Over six (6) months	-	60 656

5. Inventories

	2020 R	2019 R
Stationery and consumables	41 119	15 032

Annual Financial Statements for the year ended 31 March 2020

6. Property, plant and equipment

	2020			2019		
	Cost R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost R	Accumulated depreciation and accumulated impairment R	Carrying value R
Furniture and fittings	38 272	(25 657)	12 615	38 272	(18 104)	20 168
Motor vehicles	265 466	(163 925)	101 541	265 466	(129 415)	136 051
Office equipment	136 750	(100 197)	36 553	111 551	(61 925)	49 626
Computer equipment	1 016 700	(618 539)	398 161	1 016 700	(449 987)	566 713
Total	**1 457 188**	**(908 318)**	**548 870**	**1 431 989**	**(659 431)**	**772 558**

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

Reconciliation of property, plant and equipment – 2020

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

Reconciliation of property, plant and equipment – 2019

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fittings	20 918	6 524	-	(7 274)	20 168
Motor vehicles	170 562	-	-	(34 511)	136 051
Office equipment	69 751	-	-	(20 125)	49 626
Computer equipment	580 004	141 100	(4 831)	(149 560)	566 713
	841 235	**147 624**	**(4 831)**	**(211 470)**	**772 558**

7. Intangible assets

	2020			2019		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Computer software	239 077	(205 778)	33 299	239 077	(166 868)	72 209
Case management system	1 737 131	-	1 737 131	1 178 277	-	1 178 277
Total	**1 976 208**	**(205 778)**	**1 770 430**	**1 417 354**	**(166 868)**	**1 250 486**

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

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Reconciliation of Intangible Assets – 2020

	Opening balance R	Additions R	Amortisation R	Total R
Computer software	72 209	-	(38 910)	33 299
Case management system	1 178 277	558 854	-	1 737 131
	1 250 486	**558 854**	**(38 910)**	**1 770 430**

Reconciliation of Intangible Assets – 2019

	Opening balance R	Additions R	Amortisation R	Total R
Computer software	111 073	8 392	(47 256)	72 209
Case management system	809 902	368 375	-	1 178 277
	920 975	**376 767**	**(47 256)**	**1 250 486**

8. Payables from exchange transactions

	2020 R	2019 R
Trade payables	11 482	42 132
Other accrued expenses	149 472	32 834
	160 954	**74 966**

9. Short-term employee benefits

	2020 R	2019 R
13th cheque	40 854	51 502
Leave accrual	500 303	382 177
Employee accruals – performance bonus	673 462	517 687
	1 214 619	**951 366**

10. Provisions

Reconciliation of provisions for capped leave 2020

	2020 R	2019 R
Opening balance	268 462	-
Raised during the year	-	268 462
Utilised during the year	(268 462)	-
Closing balance	**-**	**268 462**

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

Reconciliation of provisions for additional liability – GEPF 2020

	2020 R	2019 R
Opening balance	-	-
Raised during the year	1 440 239	-
Utilised during the year	-	-
Closing balance	**1 440 239**	**-**

A provision has been made for additional liability to be paid to GEPF as a result of a staff member who reached an agreement with Tribunal to take early retirement and another staff member whose contract expired.

11. Tribunal members' fees accrual

	2020 R	2019 R
Members' accrual	130 999	389 003

12. Other income – exchange transactions

	2020 R	2019 R
Fruitless and wasteful expenditure recoverable	1 334	565
Sundry income	-	4 068
	1 334	**4 633**

13. Interest received

	2020 R	2019 R
Short-term deposit – Corporation for Public Deposit	483 920	708 147
Current Account – Standard Bank	258 220	106 271
	742 140	**814 418**

14. Government grants

	2020 R	2019 R
Transfer from **the dtic**	17 352 000	16 740 000

15. Revenue in-kind

	2020 R	2019 R
Revenue in-kind	1 685 351	1 532 133

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16. Employee related costs

	2020 R	2019 R
Basic earnings	10 772 579	9 662 372
Performance bonus	673 462	517 687
Medical aid contributions	46 158	176 710
Unemployment Insurance Fund	24 319	23 380
Workers' Compensation Assistance	12 521	12 108
Skills Development Levy	116 930	101 711
Leave accrual expense	293 297	246 697
Other allowances	43 900	42 150
Defined contribution pension plan expense	4 562 624	595 938
Long-service awards	23 897	4 000
13th cheques	128 229	172 147
Interns stipend	56 802	136 958
	16 754 718	**11 691 858**

17. Operating expenses

	2020 R	2019 R
Computer expenses	427 892	275 587
Consulting and professional fees	738 702	798 839
Courier, postage and stamps	4 110	6 555
Employee wellness programme	61 957	24 437
Insurance	187 926	140 598
Lease payments – photocopier	88 822	96 559
Lease payments – premises	1 685 351	1 532 133
Motor vehicle expenses	13 056	16 976
Offsite storage	15 646	6 113
Debt impairment	-	60 656
Impairment loss	21 034	-
Parking fees	3 917	4 312
Recruitment fees	142 514	42 892
Repairs and maintenance	3 740	-
Telephone expenses	27 519	25 578
Training expenses	73 753	155 049
Transcripts and recordings	68 732	50 497
Travel and subsistence	238 547	354 104
	3 803 218	**3 590 885**

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18. Administrative expenses

	2020 R	2019 R
Audit and risk committee fees	110 072	166 127
Advertising and marketing	526 509	549 534
Internal audit fees	344 928	161 389
Bank charges	19 927	24 517
Membership fees	11 887	4 455
Legal fees	13 800	-
Catering	32 857	58 762
Fines and penalties	2 266	-
Gifts and flowers	387	400
Office consumables	10 046	18 873
Publications, printing and books	293 043	239 278
Stationery	32 603	53 356
System support and maintenance	576 366	-
Remuneration committee fees	59 556	55 056
Bursaries – employees	24 000	59 580
Venues and facilities	21 035	19 959
	2 079 282	**1 411 286**

19. External audit fees

	2020 R	2019 R
External audit fees	620 441	601 657

20. Depreciation and amortisation

	2020 R	2019 R
Computer equipment	168 552	149 561
Furniture and fittings	7 553	7 274
Motor vehicles	34 510	34 511
Office equipment	17 238	20 125
Software	38 910	47 256
	266 763	**258 727**

21. Loss on disposal of assets

	2020 R	2019 R
Proceeds received from insurance	-	3 713
Net carrying value of assets	-	(4 831)
	-	**(1 118)**

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22. Cash used in operations

	2020 R	2019 R
Deficit	(6 635 236)	(1 290 281)
Adjustments for:		
Depreciation and amortisation	266 763	258 727
Loss on sale of assets and liabilities	-	1 118
Debt impairment	-	60 656
Impairment of assets	21 034	-
Movements in short-term employee benefit	263 254	(81 190)
Movements in provisions	1 171 777	268 462
Revenue in-kind	(1 686 685)	(1 532 133)
Operating lease expense in-kind	1 686 685	1 532 133
Changes in working capital:		
Inventories	(26 087)	13 258
Receivables from exchange transactions	10 809	77 043
Debtors Impairment	-	(60 656)
Payables from exchange transactions	85 988	(544 163)
Members' accrual	(258 004)	195 022
	(5 099 703)	**(1 102 004)**

23. Tribunal Member's Fees

2020

	Member's fees R	*Allowances R	Reimbursive Expenses R	Total R
Chicktay A (Chairperson)	385 000	18 000	10 700	413 700
Bodasing K	270 000	18 000	3 108	291 108
Delport PA	195 000	18 000	-	213 000
Glass LA	300 000	18 000	11 195	329 195
Haskins L**	40 000	9 000	319	49 319
Malokane M**	80 000	9000	-	89 000
Manamela KLM	270 000	18 000	913	288 913
Moodaliyar K**	135 000	9 000	718	144 718
Sikhitha L	255 000	18 000	3 985	276 985
Tootla KY	280 000	18 000	5 737	303 737
Veldhuizen PJ**	145 000	9 000	1 094	155 094
Zulu B	270 000	18 000	870	288 870
Ramagaga MJ	30 000	18 000	-	48 000
	2 655 000	**198 000**	**38 639**	**2 891 639**

*Tribunal members received computer and cellphone allowances
**The term for these members ended 30 September 2019

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2019

	Member's fees R	*Allowances R	Reimbursive Expenses R	Total R
A Chicktay (Chairperson)	308 000	18 000	11 292	337 292
Bodasing K	225 000	18 000	1 953	244 953
Delport PA	172 500	18 000	-	190 500
Glass LA	220 000	18 000	6 746	244 746
Haskins L	115 000	18 000	1 642	134 642
Malokane M	200 000	18 000	-	218 000
Manamela KLM	195 000	18 000	-	213 000
Moodaliyar K	180 000	18 000	336	198 336
Sikhitha L	160 000	18 000	416	178 416
Tootla KY	266 875	18 000	5 097	289 972
Veldhuizen PJ	235 000	18 000	286	253 286
Zulu B	215 000	18 000	1 791	234 791
Ramagaga MJ	70 000	18 000	-	88 000
	2 562 375	**234 000**	**29 559**	**2 825 934**

*Tribunal members received computer and cellphone allowances

24. Related parties

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

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

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Nature	Reason	Financial Effect 2020 R	Financial Effect 2019 R	Balance 2020 R	Balance 2019 R
Grant	Government grant received from **the dtic**	17 352 000	16 740 000	-	-
Services in-kind	Office space at **the dtic** at no cost	1 685 351	1 532 133	-	-
Lease premises in -kind	Office space at **the dtic** at no cost	(1 685 351)	(1 532 133)	-	-
Telephone expenses	Telephone charges are billed by dti	(27 519)	(25 578)	(1 914)	(2 307)
		17 324 481	**16 714 422**	**(1 914)**	**(2 307)**

** CT is currently occupying office space at **the dtic** campus at no cost. If the transaction was at an arm's length, the Tribunal would have paid rent amounting to R140 446 per month.

25. Executive management emoluments

2020

	Basic salary R	Other benefits* R	Allowances R	Reimbursive expenses R	Performance bonus R	Total R
MM Ledingwane (COO) (appointed 2 May 2019)	1 463 413	80 189	12 100	9 925	91 690	1 657 317
I Mathatho (CFO)	1 442 623	161 419	13 200	3 060	90 352	1 710 654
	2 906 036	**241 608**	**25 300**	**12 985**	**182 042**	**3 367 971**

2019

	Basic salary R	Other benefits* R	Allowances R	Reimbursive expenses R	Performance bonus R	Total R
A Tsele-Maseloanyane (full-time Tribunal member) (contract ended 31July 2018)	548 053	129 511	4 400	419	-	682 383
I Mathatho (CFO)	1 337 132	233 368	13 200	3 213	141 998	1 728 911
	1 885 185	**362 879**	**17 600**	**3 632**	**141 998**	**2 411 294**

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

26. Commitments

Authorised operational expenditure already contracted for but not provided for:

	2020 R	2019 R
Operating expenditure	3 599 965	2 790 799
Less: Transferred to debtors	28 752	498 943
	3 628 717	**3 289 742**

27. Fruitless and wasteful expenditure

	2020 R	2019 R
Add: Fruitless and wasteful expenditure for the current year	3 600	565
Capital expenditure	(1 334)	(565)
	2 266	**-**

2018/19
The R565 in fruitless and wasteful expenditure relates to a penalty charged to the Tribunal for changing air flight tickets.

2019/20
The R437 in fruitless and wasteful expenditure relates to additional charges that had to be paid for reprinting of business cards.

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

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

28. Operating lease – Lessee

	2020 R	2019 R
Payable in one year	97 798	72 419
Payable within two to five years	73 348	-
	171 146	**72 419**

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

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29. Change in estimate

Property, plant and equipment

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

The following categories are affected:

Descrition	Value derived using the original estimate R	Value derived using amended estimate R	Value impact of change in estimate R
Office equipment	34 754	36 553	(1 799)
Computer equipment	392 578	398 162	(5 584)
Total	**427 332**	**434 715**	**(7 383)**

Intangible assets

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

Descrition	Value derived using the original estimate R	Value derived using amended estimate R	Value impact of change in estimate R
Software	1 769 006	1 770 430	(1 424)

30. Contingent liabilities

Tribunal decisions under review by the High Court

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

CT00142/ADJ/2019
CT013Apr2019
CT00148/ADJ/2019
CT019Jun2017
CT010May2018
CT012Oct2018

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.

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

Liquidity risk

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

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

At 31 March 2020	Within 1 year R	Between 2 and 5 years
Trade and other payables	160 954	-

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:

	2020 R	2019 R
Receivables from exchange transactions	9 086	9 907
Cash and cash equivalents	4 202 469	9 886 225

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 R42 025 (2019: R98 862) or a decrease of R42 025 (2019: R98 862), respectively.

Annual Financial Statements for the year ended 31 March 2020

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.

33. Budget vs. actual expenditure variances

33.1 Recoveries from fruitless and wasteful expenditure not budgeted for

33.2 The interest received was slightly less than forecasted due to lower bank balance

33.3 Other income from non-exchange transactions relates to accumulated surplus that was to be used to fund current financial year expenditure

33.4 Exceeded budget due to additional liability for pension fund

33.5 The expenditure is in line with what was budgeted for

33.6 Expenditure is higher than forecasted due to acquisition of assets and intangible assets during the year

33.7 Expenditure is slightly lower due to lower number of cases received

33.8 The expenditure is in line with what was budgeted for

33.9 Expenditure is slightly lower due to cost containment measures implemented

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

	2020 R	2019 R
Receivables from exchange transactions	9 086	9 907
Cash and cash equivalents	4 202 469	9 886 225
	4 211 555	**9 896 132**

Financial liabilities

	2020 R	2019 R
Payables from exchange transactions	160 954	74 966

36. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. 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.

37. Events after the reporting date

Subsequent to financial year end on 31 March 2020, the Tribunal received a budget cut of R2 060 million as a result of COVID-19 budget adjustments, affecting the financial year 2020/21. In relation to the Tribunal's operation, the budget cut is quite substantial and will affect most of the deliverables that would ordinarily be undertaken during past years.

Tribunal Members

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

The Tribunal comprises:

Dr Mohamed Alli Chicktay

BProc; LLB; LLM and PhD from the University of the Witwatersrand.

Matshego Ramagaga

BProc, LLB, LLM (Commercial Law), Certificate in Forensic Auditing and Fraud Examination, Diploma in Insolvency Law Practice, Certificate in International Trade Law, Certificate and Diploma Trial Advocacy Skills (National Institute of Trial Advocacy).

Khashane Manamela

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

Lucia Glass

LLM, BProc, BA (Law), Unisa; accredited mediator (CEDR, UK and Conflict Dynamics).

Prof Piet Delport

LLB, LLD, University of Pretoria; Higher Diploma in Tax Law, University of the Witwatersrand; accredited mediator (Conflict Dynamics).

Khatija Tootla

BA, Unisa; LLB, Certificate in Labour Law, University of KwaZulu-Natal; Certificate in Management (first year MBA), Buckinghamshire Chilterns; Certificate in Intellectual Property Law, WIPO (World Intellectual Property Rights Organisations) and Unisa; LLM (Corporate/Commercial), Unisa; Postgraduate Certificate in Advanced Taxation.

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).

Adv Ishara Bodasing

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

Lindelani Sikhitha

Bluris (University of Venda), LLB and LLM, University of Pretoria.

NOTES

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