



**INSTITUTE OF  
DIRECTORS  
SOUTH AFRICA**

**INTEGRATED**  
**REPORT**  
**2019**

**BETTER DIRECTORS.  
BETTER BOARDS.  
BETTER BUSINESS.**

# REPORTING SUITE

## INTEGRATED REPORT



- Primary communication to stakeholders on our value-creation process
- Prepared in accordance with the International <IR> Framework

## ANNUAL FINANCIAL STATEMENTS



- Statements of financial performance and position
- Prepared in accordance with IFRS

## GOVERNANCE REPORT



- An explanation of our application of good governance
- Prepared in accordance with King IV Report on Corporate Governance in South Africa 2016 (King IV)

## GENERAL ICONS USED IN THIS REPORT



Represents further information available online at [www.iodsa.co.za](http://www.iodsa.co.za)



Represents findings from our **Reputation Survey**.



Represents findings from our **Member Survey**.



Represents **Outlook** i.e. challenges and uncertainties the organisation is likely to encounter in pursuing its strategy, and the potential implications for its business model and future performance.



Represents **Material Matters** i.e. matters that could substantially affect the organisation's ability to create value in the short, medium and long term.



Represents the application of the **King IV Report on Corporate Governance** in South Africa 2016 (King IV).



Page reference

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# ABOUT THIS REPORT

## BOUNDARY AND SCOPE

The scope of this report is the loDSA's value-creation process for the period 1 January 2019 to 31 December 2019.

This report takes into account all six capitals. It covers the risks, opportunities and outcomes attributable to the loDSA and its stakeholders that have a significant effect on the ability of the loDSA to create value.



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and relationship Capital



Natural Capital

## MATERIALITY

We apply materiality in assessing what information should be included in our integrated report. This report, therefore, focuses particularly on those matters that could substantively impact our ability to create value in the short (1 year), medium (2– 5 years) and long (+5 years) term. The material matters, which were determined through management input and board review, are reflected throughout this report.

## ASSURANCE

The loDSA has adopted a combined assurance framework with the aim of integrating the assurance

This report also touches on information on the COVID-19 pandemic as it unfolds post year-end.

provided by internal and external assurance providers on high-risk areas facing the company. We use the three lines of defence model to coordinate and optimise our assurance efforts. This model includes management, internal oversight functions (risk management, legal and governance, IT function, human resources), external assurance functions (internal audit, external audit, and other ad-hoc specialists) combined with the Board and relevant oversight committees.

## BOARD RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for ensuring the integrity of the integrated report, and has applied its collective mind to the preparation and presentation of this report. In our opinion, the 2019 integrated report is presented in accordance with the International <IR> Framework.

**Muhammad Seedat**  
*Chair of Board*

16 April 2020



# ORGANISATIONAL OVERVIEW

## WHO WE ARE

The IoDSA is a non-profit company (NPC) with members and is the only professional body for directors that is recognised by the South African Qualifications Authority (SAQA) (ID422). Established in 1960 as a branch of the Institute of Directors in London, it has, over the years, grown to the independent, sizeable professional body it is today. It closed the year with 9 424 (2018: 9 022) members.



The IoDSA is also a promoter of corporate governance in South Africa, serving as convener and secretariat to the King Committee on Corporate Governance; and having **ownership of the various internationally recognised King Codes/Reports.**



[View our history timeline.](#)

The IoDSA operates throughout South Africa, primarily from its premises in Sandton (with some activities also taking place outside South Africa's borders). During 2019, our company name was changed from 'The Institute of Directors in Southern Africa' to 'The Institute of Directors in South Africa' in order to better reflect our primary region of operation.

We employ 40 staff members (2018: 35) under a management team led by the CEO, Parmi Natesan. The company is overseen by a member-elected Board of Directors, led by Chair, Muhammad Seedat. We use experienced facilitators to provide some of our services, with our tag line being 'For Directors. By Directors'.

Our year end is 31 December, and our Annual General Meeting takes place every year during June.

Our values were amended during the year to depict the high-performance culture that the new management team wishes to instil.

## OUR VALUES – CORE PILLARS OF OUR IDENTITY

### PURPOSE

- 1 We show commitment
- 2 We understand the 'why'
- 3 We are dependable
- 4 We do the right things

### PASSION

- 1 We innovate
- 2 We are agile
- 3 We are efficient
- 4 We have drive

### PROFESSIONALISM

- 1 We act with integrity
- 2 We show respect
- 3 We are team players
- 4 We communicate well

### PERFORMANCE

- 1 We display excellence
- 2 We find solutions
- 3 We take on more
- 4 We strive to improve



**Our vision, mission and strategic objectives were revised during our annual management and board strategy sessions, taking into account changes in the external environment as well as the company's risk profile, footprint and evolving strategy.**

## OUR VISION

### WHY WE EXIST

**Better Directors. Better Boards. Better Business.**

*\* Previously 'That those charged with governance duties in all sectors be empowered to discharge these effectively.'*

## OUR MISSION

### WHAT WE INTEND TO DO

**To influence, develop and advance corporate governance and directorship by pursuing ethical and effective leadership in South Africa.**

*\* Previously 'To support and develop those charged with governance duties through thought leadership and provide a platform for peer interaction.'*

## OUR STRATEGIC OBJECTIVES

The following **UN SUSTAINABLE DEVELOPMENT GOALS** align most directly and materially to our strategic objectives and value-creation process.

**1**  **To grow and sustain the organisation**



**WE FOCUS** on health and wellbeing, educational support, gender equality and decent work and economic growth for our own employees so that we are able to grow and be sustainable.

**2**  **To advance corporate governance**



**WE PROVIDE** education and thought leadership on good corporate governance implementation which, in turn, should positively impact economic growth.

**3**  **To broaden our influence through increased membership**



**WE CONTINUE** to monitor the gender balance of our members and have introduced more member events focused on health and wellbeing.

**4**  **To develop directorship as a profession**



**WE PROVIDE** education on directorship, and are advocates for gender diversity on boards.

**5**  **To build a credible and visible brand**



**WE PROVIDE** free thought leadership on good corporate governance implementation, which in turn should positively impact economic growth. We ensure good working conditions and fair remuneration for our employees.

*\* Previously 'Sustainable organisational development (retained in 1), promote good governance practices (incorporated into 2), develop the director profession (incorporated into 4), committed and loyal membership (incorporated into 3), increase the number of competent directors (incorporated into 4), build a visible and credible brand (retained in 5), collaboration between like-minded professional institutes (removed as an objective, as this is rather a means to achieve the other objectives), be a role model for corporate governance and leadership (removed as an objective, as this is rather a means to achieve the other objectives).'*

Refer to  page 32 for further information on our strategy.

# ORGANISATIONAL OVERVIEW (continued)

## Our activities and outputs to support our strategic objectives

Strategic objectives	Activities and outputs	Contribution to total revenue*
	In pursuit of our strategic objectives, we perform the following activities and produce the following outputs	
	<b>Individual market</b>	
	<b>Membership</b> We sell annual memberships to directors and prospective directors <ul style="list-style-type: none"> <li>Member categories developed</li> <li>Membership subscriptions</li> </ul>	37%
	<b>Events</b> We offer technical and networking events for our members <ul style="list-style-type: none"> <li>New events created</li> <li>Events hosted</li> </ul>	0%
	<b>Certifications</b> We register and offer two director designations <ul style="list-style-type: none"> <li>Designations registered with SAQA</li> <li>Designations awarded</li> <li>CPD sessions hosted</li> <li>Education and CPD providers recognised</li> </ul>	2%
	<b>Individual Director Development</b> We develop and offer governance training to individuals <ul style="list-style-type: none"> <li>Programmes developed</li> <li>Programmes hosted</li> <li>Delegates trained</li> </ul>	27%
	<b>Corporate market</b>	
	<b>Customised Board Development</b> We offer governance training to boards <ul style="list-style-type: none"> <li>Programmes hosted</li> <li>Delegates trained</li> </ul>	20%
	<b>Governance Advisory</b> We provide governance advisory assistance <ul style="list-style-type: none"> <li>Governance advisory projects conducted</li> <li>Governance queries responded to</li> </ul>	3%
	<b>Board Performance Evaluations</b> We facilitate evaluations of boards <ul style="list-style-type: none"> <li>Board evaluations facilitated</li> </ul>	9%
	<b>General market</b>	
	<b>Thought leadership</b> We issue governance guidance and influence policy <ul style="list-style-type: none"> <li>Guidance notes and articles produced</li> <li>Governance presentations/speaking arrangements conducted</li> <li>Policy commentary provided</li> <li>Research produced</li> <li>Media releases produced</li> </ul>	0%

\* The remaining 3% revenue was derived from miscellaneous sources.

## WHAT SETS US APART

### NON-PROFIT COMPANY

- BBBEE Level 2
- Profit not distributed but re-invested into the company to improve corporate governance and directorship in SA

### SAQA-RECOGNISED PROFESSIONAL BODY

- Only recognised professional body for directors in SA
- Two professional director designations: Certified Director and Chartered Director (SA)

### WORLD-CLASS FACULTY

- Our facilitators are currently serving directors
- Collectively, our faculty has over 350 years of practical boardroom experience
- Various sector experience

### BRAND YOU CAN TRUST

- 60-year-old brand
- Publication and ownership of each King Report on Corporate Governance
- Leading industry expert and specialist service provider
- International corporate governance affiliations

### KEY ALLIANCES

In the furtherance of corporate governance, the IoDSA is a member of, and lends its support to the causes of these bodies. See Governance committees/initiatives/networks on stakeholder relationships on  page 24.

The IoDSA positions itself as a promoter of corporate governance and directorship in South Africa and as a brand of excellence for governance services both in the business-to-business and business-to-consumer markets.

We support this positioning through constant monitoring of service feedback and other information from clients, as well as the competitive landscape, which ensures that we have active plans continuously to build on our strengths, evaluate opportunities, and defend ourselves against threats.

### OUR STRATEGIC INTENT

**Every director to be a member.**

A strategic intent (an ambitious compelling statement about where we are going and what we want to achieve in the long term) was also developed during the year.

- > Global Network of Director Institutes
- > African Corporate Governance Network
- > Integrated Reporting Committee of South Africa
- > 30% Club Southern Africa
- > Anti-intimidation and Ethical Practices Forum
- > Independent Professional Body Forum
- > Public Sector Audit Committee Forum

As we all face similar challenges around member value and retention, and share a vision of protecting the public interest, streamlining our alliances with various professional bodies in the governance ecosystem will be a focus area for 2020.



# EXTERNAL ENVIRONMENT

Significant factors in our external environment included:

## THE ECONOMY ◆

2019 was a challenging year for companies and the country as a whole. The economy contracted 0.6% in the third quarter with more job losses taking the official unemployment rate to 29.1% – the highest rate since Stats SA started its current measurement cycle in 2008.

The COVID-19 pandemic post year-end is having further negative effect on the economy and unemployment. The dramatic 3.3 percent decline in the BankservAfrica Economic Transaction Index (BETI) showed the economy was shrinking rapidly. The South African Reserve Bank (SARB) announced that it expected the country's GDP to contract by of 6.1 percent in 2020, compared with the -0.2 percent expectation just three weeks prior. Economists also predict that South Africans should brace themselves for significant job losses as a result of disruptions caused by COVID-19. Amidst the impact of COVID-19, Moody's downgraded South Africa's credit rating to junk on Friday, 27 March – the same day the lockdown to contain the COVID-19 pandemic began.

At a micro level, this constrained economic environment meant that individuals and companies tightened their belts, and reduced discretionary spending. Training and consulting services, widely seen as non-essentials, were casualties. As a result, we had to consider our offerings, value proposition and marketing strategies.

At a macroeconomic and social level, however, the picture is somewhat more encouraging. The sustained media coverage of state capture and the related commissions of enquiry, the management and financial crises at our most important state-owned entities (SOEs) and several corporate scandals in the private sector, have all graphically demonstrated the importance of sound corporate governance. We were vocal in the media on the governance principles underpinning these high profile cases. As promoters of good governance and owner of King IV, the IoDSA continues to make the case for the role that governance can play, not only in returning corporates to health, but also in positioning South Africa as an investment-worthy destination.

Another positive development was the fact that South Africa moved up seven places, to 60, on the World Economic Forum's Global Competitiveness Index 4.0. However, negative ratings by key ratings agencies Standard & Poor's and Fitch further raised the cost of capital, thereby affecting our economy's ability to grow.

The IoDSA's own Directors' Sentiment Index this year showed that overall sentiment amongst directors towards the economy is negative.

[Link to strategic objectives](#)



[Link to risks on pages 27 and 30](#)



## CORRUPTION ◆



The prevalence of unethical behaviour in society affects the IoDSA's ability to argue for good corporate governance/ethical and effective leadership. On the one hand, society questions anyone's ability to turn the tide, especially as there is the perception that there are few consequences for unethical behaviour. Once the current commissions of enquiry submit their reports, and the National Prosecuting Authority starts to bring cases to court, it is possible that public opinion will become more open to the message that good corporate governance and ethical leadership are the foundations of a prosperous society. We will continue to be advocates and promoters of ethical and effective leadership.

[Link to strategic objectives](#)



[Link to risks on page 28](#)



## TECHNOLOGY ADVANCES ◆



**Technology advances continue to disrupt** many businesses and sectors, and the IoDSA is no exception. We invested in software tools to increase employee productivity and improve service delivery. We also introduced an initial online offering for training and events post year end, necessitated by the COVID-19 lockdown, which we intend to further enhance during 2020.



We continue increasing our capacity to communicate with our members via various social media platforms. Networking at events continues to be an important value-add for our members, but we are also aiming to develop new platforms for enabling online networking.

[Link to strategic objectives](#)



[Link to risks on pages 29 and 30](#)



## CORPORATE FAILURES ◆

According to the **Directors' Sentiment Index**, the link between good governance and corporate performance has become less secure in the wake of continued corporate failures in both the public and private sectors in South Africa, despite the fact that research over the years has shown the link between effective corporate governance implementation and significant, quantifiable benefits for organisations and countries.

The inevitable result is that the competence and integrity of directors is increasingly under scrutiny, which, in turn, affects the credibility of the IoDSA despite there currently being no requirement to appoint directors who are members of the IoDSA or hold its designations. We will continue to strengthen our engagements with relevant regulators and other stakeholders to professionalise directorship through our designations.

In the interests of the public, professional bodies, ourselves included, are increasingly being **pressured to hold their members to account** both for their competence and behaviour. As a result, we revised and re-launched our member disciplinary rules and code of conduct, and will continue to keep member conduct top of mind.

A related issue is the growing tendency to use the provisions of the Companies Act to hold individual directors liable for breach of their duties and to declare them delinquent. We provided expert opinion on two high-profile court cases on directors' duties.

Lack of professional directorial skills emerged as one of the key issues in the Directors' Sentiment Index in 2019. In general, it is fair to say that there are growing expectations for directors.

Given the changing nature of business and society, we urge directors to ensure that their skills remain both honed and current. Directors are well advised to take advantage of formal designations such as Certified Director and Chartered Director(SA). These not only provide the skills needed, but also a framework for keeping them updated.

[Link to strategic objectives](#)



[Link to risks on page 26](#)



# > MESSAGE FROM THE CHAIR



“ As we enter our 60th year of existence, I wish to thank our members for their continued support of this unbelievable organisation. The IoDSA team under the leadership of the CEO, Parmi Natesan, has to be thanked for the amazing year that they have delivered. Last, but not least, I would like to thank our Board for driving this company to new heights. ”



It gives me great pleasure to present my first report as Chair of the IoDSA Board.

## OPERATING CONDITIONS

As discussed in the external environment section, tough economic conditions remain a stumbling block for business and individuals. We remain acutely aware of the impact that this has and could have on our business and our stakeholders.

We also saw increased competition in the governance consulting space. While this may pose a risk for the IoDSA, we see it as an opportunity to refine our value proposition and differentiate ourselves from new entrants. Our strong brand and solid reputation in the marketplace are our strengths: word of mouth and referral by existing members or customers are responsible for much of our new business.

## STATE OF GOVERNANCE/ DIRECTORSHIP

In the external environment section, we noted that some have seen rampant state corruption and recent corporate failures as reasons to question the value of corporate governance. The IoDSA remains committed to advocating the key role that corporate governance and ethical and effective leadership can and must play in returning our country and its institutions to sound financial and ethical health. Surveys show that our members want to see the IoDSA as a stronger opinion leader on ethical malfeasance.

We are placing more emphasis on improving the reputation of boards by demonstrating the value they add. Because the IoDSA is so closely associated with the notion of directorship, the esteem in which directors are held impacts on us, even if they are not our members.

As a result of the numerous corporate failures in the recent past, there is increased pressure on professional bodies to **hold their members to account**. A significant portion of the Board's attention this year was devoted to our duty to protect the public interest by holding individuals, who are members or who hold one of our designations, to account. In light of this, we foresee a potential increase in legal costs relating to defending our decisions to award or remove our designations.



## REFINING OUR PURPOSE

In the above context, it is important that we fully understand why the IoDSA exists and what it is aiming to achieve, and then ensure that everything we do reflects that.

A significant move in 2019 was the company name change to reflect our geographical area of operation.

In the light of all the changes in our external environment, our risk profile and evolving strategy, we reviewed and approved new statements relating to our vision, mission, values, strategic objectives, and short- and medium-term goals, as well as a SWOT analysis at our annual board strategy session.

We also introduced a long-term strategic intent statement to keep us focused in our decision-making, and reviewed the company's business model to concentrate on outcomes linked to the six capitals.

## TECHNOLOGY

We remain acutely aware of the impact of **technological advancements** on business. Staying abreast with the impact of technology will be vital in remaining relevant to our current and future members and clients.

In line with this thinking, we increased our social media presence in 2019, which resulted in greater awareness of the IoDSA. We also plan to introduce e-learning, event webinars and other digital offerings.



## MESSAGE FROM THE CHAIR (continued)

Because of the value of our membership database, cybersecurity has always been a priority at the IoDSA. Our focus on cybersecurity is more intense due to our increased use of technology.

### COMPANY PERFORMANCE

Overall, I am very happy with the IoDSA's performance given the challenging environment. It was certainly a baptism of fire for our new leadership team: myself as chair and Louisa Stephens as lead independent since June, and Parmi Natesan, CEO since April.

This Integrated Report highlights a series of positive financial and non-financial results.

On the financial side, I am happy to report that revenue has increased by 8% and operating profit by 27% as a result of business development activities and careful expenditure management. We end the year in a secure position with accumulated funds of R24 million.

Our strong financial performance saw us exceed the R50 million revenue mark for the first time. This means we will now be assessed according to the generic scorecard for BBEE (Risk number 1 on  page 27).

MM

Significant focus was placed on our **BBEE strategy** and this will remain a strategic agenda item.

MM

It's very heartening to note that **member and client engagement and feedback** has been positive.

Ninety-six percent of our members would recommend the IoDSA to others, and 94% of our members indicated that the IoDSA impacted them positively.

In the course of 2019, we awarded 100 new IoDSA designations, thus contributing to the pool of qualified directors and ultimately to fighting corruption and promoting ethical leadership. We provided governance training to 6 524 individuals, and issued much-needed thought leadership and guidance in this area.

The growth in our social media presence was one of the defining achievements of 2019. We grew our following across all platforms by 229% and this, combined with increased media activity, has enabled us to spread our message beyond our membership database.

### WAY FORWARD

Our efforts to enhance the value that the IoDSA delivers to its members and society at large will continue. An important drive will be enhancing **member benefits** and improving our membership data. The latter will position us better to understand and thus serve our members.

MM

**Digital strategy** will be a key focus area for us in 2020. This includes e-learning, webinars and webcasts. We will be investigating an online member engagement platform, and will make improvements to our website and member app.

MM

O

We will continue to issue thought leadership and guidance to increase the awareness and implementation of good corporate governance.

#### The impact of the COVID-19

**pandemic, which is unfolding as this report is finalised, will be far-reaching on both individuals and business. It will certainly have an impact on our 2020 projections. In response, the IoDSA has taken decisive steps to enable our people to service members and clients remotely, including offering our training and events via webinar. Our team is making huge progress in finding innovative ways of meeting our strategic goals in this radically altered environment.**

Thanks to the foresight of leadership, the IoDSA has built up substantial financial reserves that, together with the dedication of our staff, will help us to weather these adverse headwinds.

The world, and business, will never be the same again. I believe the IoDSA is well positioned to emerge even stronger from this crisis, and I wish all our stakeholders well as they navigate their own courses through these uncharted waters.



**Muhammad Seedat**

*Chair of Board*



# GOVERNANCE

## OVERVIEW



The loDSA is bound by the Companies Act of South Africa 2018 and its Memorandum of Incorporation (MOI), which was updated during the year as a result of the company name change. In addition, the loDSA applies the voluntary principles of the King IV Report on Corporate Governance (King IV).

As promoters of corporate governance in South Africa, we believe it is our duty to set the example of the application of good governance, on a proportional basis, for a company of our size and nature.

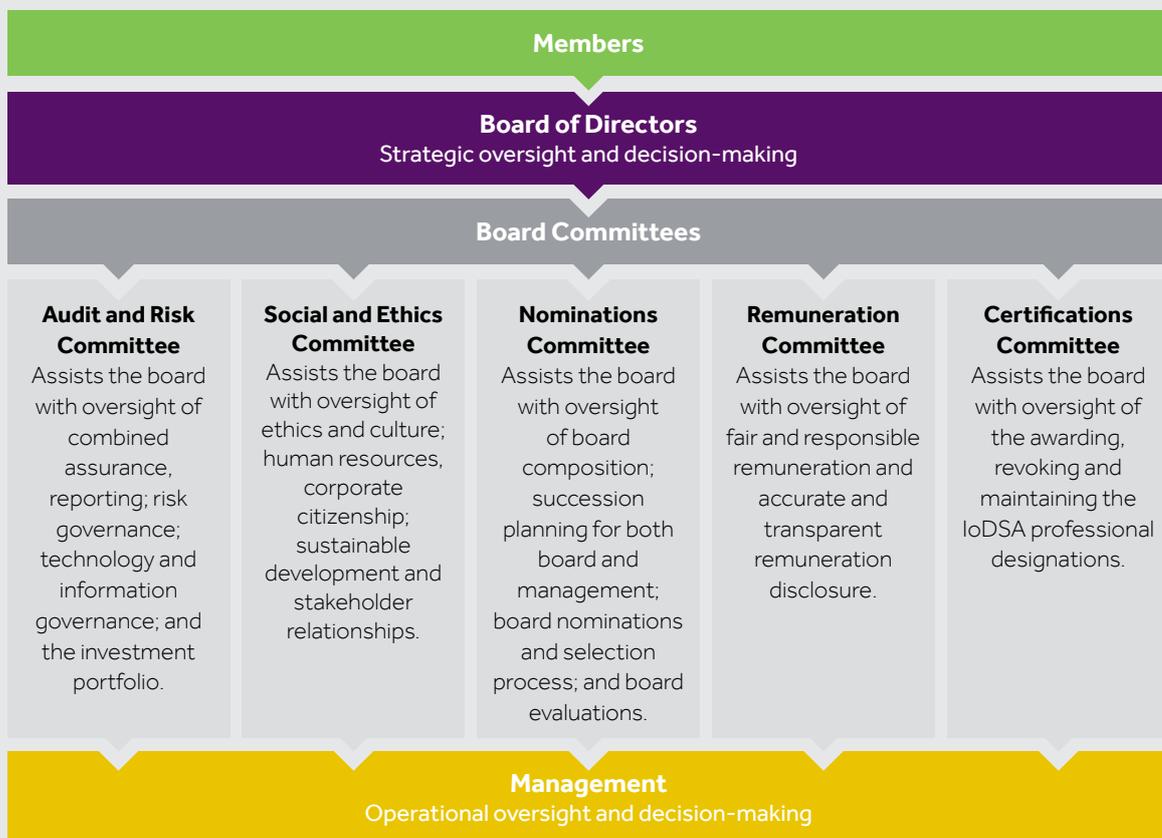


Through ethical and effective leadership, we strive to achieve the governance outcomes of ethical culture, good performance, effective control and legitimacy.



As part of our annual reporting suite, we produce a **Governance Report** that details our application of King IV per governance principle.

### Our governance structure:





To achieve better value, integration and decision making within the structure, information flow between the Board and Committees is critical. We achieve this through:

- Structured terms of references,
- Clearly delegated authority,
- Carefully planned meeting dates and agendas,
- Cross-membership on Board committee,
- Committee chairs being members of the Board, and
- Sharing relevant information and documents.

## BOARD FOCUS AREAS

In addition to the items highlighted in the Report from the Chair, the Board has focused on the following key areas and actions during 2019:

We continued with oversight of the performance of the company, taking market conditions, the competitive landscape, relevance as well as our risks and opportunities into account.

As a result of the directorship landscape, a focus area for the Board has been the approval of new membership categories and criteria, as well as the approval of a new member code of conduct and disciplinary rules. In addition, we approved revisions to our Certification Policy.

 With the appointment of a new Executive: Finance and Operations, significant focus was placed on the approval of an enterprise risk management policy, risk register, as well as risk tolerance and appetite levels. (Refer to Risk and Opportunities section on  page 26.)

 We also approved the technology and information governance policy and IT risk register. (External environment factor on  page 9 and risk number 5 on  page 29). Related to this, we noted the business continuity plans for the company.

 Ethics is integral to who we are (External environment factor on  page 9). During 2019, we approved an Ethics Policy that proposed zero tolerance for unethical

behaviour (risks no. 3 and 6 on  pages 28 and 30). After taking the results of an employee culture survey into account, we also considered the current culture and ethics of the company.

As a responsible corporate citizen, we also considered the IoDSA's contribution to SDGs.

With the changes in leadership at both a board and management level, **succession planning** was a significant focus area of the Board. 

We approved variable pay (bonuses) for 2018, which is linked to the achievement of strategic objectives. We also discussed and approved salary increases for executives and employees, with a focus on fair reward to address the **retention of key employees**. 

We, as a Board, are satisfied:

- That good corporate governance is appropriately applied. 
- With the quality of key strategic relationships.
- With the level of ethics in the company.
- With the company's outcomes on the six capitals.
- That we have applied integrated thinking in our decision-making.
- That we have promoted an enabling environment for the company, under the new executive team.
- That we have stimulated innovation through the use of management KPIs and feedback to management. With the challenge of ever-evolving **technological advancements**, a focus area for 2020 will be digital strategy. 
- That we have fulfilled our responsibilities in accordance with the Board Charter.
- That the Board and each Board Committee has the necessary knowledge, skills, experience and capacity to execute its duties effectively. 

# GOVERNANCE

(continued)

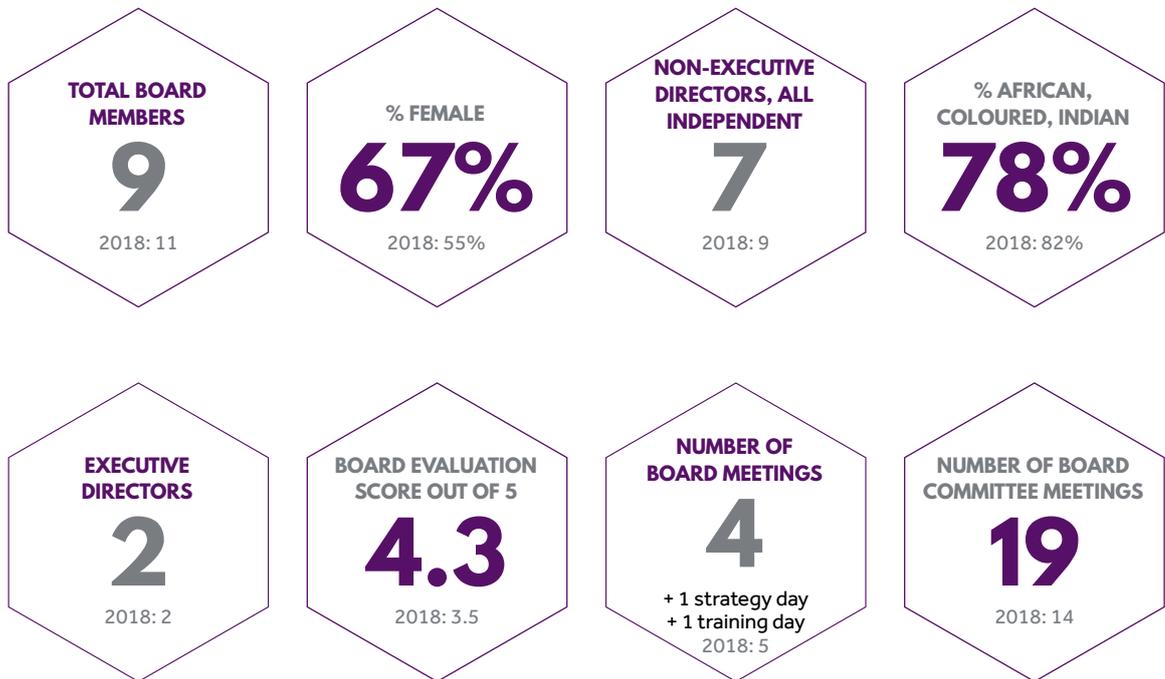
## >> Other recurring items on the Board's agenda included:

- >> Approval of Board Charter and Board Code of Conduct.
- >> Approval of each Board committee's terms of references.
- >> Approval of delegation of authority.
- >> Informal discussion on Board performance for 2018 (2019 Board evaluation formally facilitated in 2020).
- >> Appointment of Lead Independent Director.
- >> Approval of membership of Board committees, including re-structuring of oversight of investments to the Audit and Risk Committee and discontinuation of the Investment Committee.
- >> Approval of Integrated Report, Annual Financial Statements and Governance Report.
- >> Approval of 2020 business plan and budget.
- >> Approval of Combined Assurance Framework.
- >> Oversight of tax exemption status (risk number 4 on  page 29).
- >> Oversight of investment portfolio.
- >> Approval of ethics policy, compliance policy, intellectual property policy, stakeholder policy, whistle-blowing policy and employee code of conduct.
- >> Approval of stakeholder engagement framework and overview of key stakeholder relationships.
- >> Consideration of Board composition.
- >> Shortlisting of candidates for the Board vacancies.
- >> Review of Executives' performance.
- >> Approval of Remuneration Policy.
- >> Ratification of designation awards.
- >> Revocation of designations.



## OUR BOARD

The IoDSA is governed by a board of directors elected from its membership by subscription-paying members.



## SKILLS AND EXPERTISE\*



# GOVERNANCE

(continued)

## OUR DIRECTORS



NTUTHUKO BHENGU (51)	SANA-ULLAH BRAY (46)	ZEONA JACOBS (56)	SHERMA MALAN (49)
<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>	<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>	<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>	<b>EXECUTIVE DIRECTOR</b>
<b>Race:</b> African	<b>Race:</b> Indian	<b>Race:</b> Coloured	<b>Race:</b> White
<b>Tenure at 31 Dec 2019:</b> 2.5 years	<b>Tenure at 31 Dec 2019:</b> 3.5 years	<b>Tenure at 31 Dec 2019:</b> 1.5 year	<b>Tenure at 31 Dec 2019:</b> 0.5 years
<b>Board Committees:</b>	<b>Board Committees:</b>	<b>Board Committees:</b>	<b>Board Committees:</b>
<ul style="list-style-type: none"> <li>• Chair of the Certifications Committee</li> <li>• Member of the Nominations Committee</li> <li>• Member of Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Chair of the Remuneration Committee</li> <li>• Member of Social and Ethics Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Member of Social and Ethics Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Member of Certifications Committee</li> </ul>
<b>Designations and qualifications:</b>	<b>Designations and qualifications:</b>	<b>Designations and qualifications:</b>	<b>Designations and qualifications:</b>
<ul style="list-style-type: none"> <li>• Chartered Director (SA)</li> <li>• MPH Healthcare Management</li> <li>• MBA</li> <li>• DA</li> <li>• MBChB</li> </ul>	<ul style="list-style-type: none"> <li>• BA (Law)</li> <li>• LLB</li> <li>• Management Development Programme</li> <li>• Executive Leadership Development Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Management Advancement Programme</li> <li>• Business Management Programme</li> </ul>	<ul style="list-style-type: none"> <li>• MBA</li> <li>• PG Dip. Financial Planning</li> <li>• B Ed (Hons)</li> <li>• B Com Ed</li> </ul>
 11/16	 10/10	 4/6	 2/2

 Meeting attendance

 Further detail on our **board members** is available on our website.



**FELICIA MSIZA (45)**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Race:** African

**Tenure at 31 Dec 2019:**  
1.5 years

**Board Committees:**

- Chair of Social and Ethics Committee
- Member of Audit and Risk Committee

**Designations and qualifications:**

- Chartered Director (SA)
- MBA
- H.Dip Tax
- BCom



**PARMI NATESAN (40)**

**EXECUTIVE DIRECTOR**

**Race:** Indian

**Tenure at 31 Dec 2019:**  
5.5 years

**Board Committees:**

- Member of Social and Ethics Committee
- Member of Certifications Committee

**Designations and qualifications:**

- Chartered Director (SA)
- Chartered Accountant (SA)
- BCom (Hons)
- BCom (cum laude)



**MUHAMMAD SEEDAT (37)**

**(CHAIR) INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Race:** Indian

**Tenure at 31 Dec 2019:**  
6.5 years

**Board Committees:**

- Chair of the Nominations Committee
- Member of Certifications Committee

**Designations and qualifications:**

- BCompt



**LOUISA STEPHENS (43)**

**(LID) INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Race:** African

**Tenure at 31 Dec 2019:**  
2.5 years

**Board Committees:**

- Chair of the Audit and Risk Committee
- Member of the Nominations Committee

**Designations and qualifications:**

- Chartered Director (SA)
- Chartered Accountant (SA)
- BCom (Hons)
- Business Science



**EILEEN WILTON (60)**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Race:** White

**Tenure at 31 Dec 2019:**  
0.5 years

**Board Committees:**

- Member of the Audit and Risk Committee
- Member of the Remuneration Committee

**Designations and qualifications:**

- Higher Diploma in Education
- BCom
- Post Graduate Diploma in Digital Studies with distinction



 Further detail on our [board members](#) is available on our website.

# BUSINESS MODEL

Our process of transforming inputs, through our business activities, into outputs and outcomes that aim to fulfil our strategic objectives and create value.

## Sustainable Development Goals



### Inputs (What we used)

#### FINANCIAL CAPITAL



- Opening accumulated funds of **R20 401 739** (2018: R18 812 205)
- Revenue of **R52 581 488** (2018: R48 903 851) from services
- Other income of **R2 152 126** (2018: R1 443 652)

#### MANUFACTURED CAPITAL



- Leased premises – office re-design at cost of **R242 739** (2018: 0)
- Capital expenditure and software investment of **R588 841** (2018: R486 370)
- External training venues
- Public infrastructure

#### INTELLECTUAL CAPITAL



- Products, materials, methodologies
- Copyright of the King Reports – royalty income of **R650 400** (2018: R501 942)
- **228** Trademarks (2018: 240)
- IoDSA brand – marketing spend of **R2 929 286** (2018: R2 381 350)
- IoDSA reputation

#### HUMAN CAPITAL



- **40** (2018: 35) employees at a salaried cost of **R19 352 733** (2018: R17 249 452)
- Training/bursary spend of **R426 791** (2018: R488 496)
- Investment in 3 learnerships at a cost of **R128 547** (2018: 0)
- Employee wellness spend of **R464 126** (2018: R456 619)
- **22** (2018: 18) faculty members at a cost of **R11 536 010** (2018: R10 967 929)

#### SOCIAL AND RELATIONSHIP CAPITAL



- Stakeholders (refer to page 24)
- Collaborations (refer to key alliances on page 7)

#### NATURAL CAPITAL



- Used at Sandton head office:
- **132 710 Kwh** (2018: 129 894) of electricity
  - **522 KL** (2018: 559) of water
  - **929 759** (2018: 1 206 281) pages of paper
  - Other environmental resources

Refer to **Risks and opportunities** on page 26, **Strategy and performance** on page 32 and **Outlook** (throughout this report).



# BUSINESS MODEL (continued)

Our process of transforming inputs, through our business activities, into outputs and outcomes that aim to fulfil our strategic objectives and create value.

## Outcomes (Positive and negative effects)

### FINANCIAL CAPITAL



- + Profit of **R3 376 039** (2018: R1 589 534)
- Cash outflow of **R714 126** (2018: R4 934 931 inflow)
- + Investments of **R25 322 097** (2018: 19 366 966)

### MANUFACTURED CAPITAL



- + Redesigned office space to improve teamwork and productivity
- + Investment in software to increase employee productivity and improve service delivery
- + Fixed assets increased by **R80 668** (2018: decrease of 64 915)

### INTELLECTUAL CAPITAL



- + New products developed and training material updated
- + Development and free issue of governance papers
- + Trademarks renewed and infringements addressed
- + Wider brand awareness of IoDSA due to marketing spend
- + Reputation survey score of **82%** (2018: 84%)
- + Free use of King IV widened its potential impact
- Unauthorised use of King IV and other copyright infringements
- + King IV used internationally as a benchmark for good governance

### HUMAN CAPITAL



- + Motivated workforce due to a high performance culture and wellness initiatives – staff climate survey shows that majority of employees are happy in their current positions
- Staff turnover up to **32%** (2018: 28%)
- + Retention of key, high performing employees
- + Upskilled workforce due to training and development spend, with **8** (2018: 6) promotions of employees
- + Improved diversity of employees
- + Growth and diversity of faculty

### SOCIAL AND RELATIONSHIP CAPITAL



- + Good client satisfaction feedback (average **4.5** (2018: n/a) out of 5) and impact feedback (average **4.1** (2018: n/a) out of 5)
- + Ethics monitor rating maintained at a level A
- + Investment in Enterprise and Supplier Development to the value of **R38 998** (2018: 0) and **R81 748** (2018: 0)
- + Accessibility of governance services to NPOs and SMEs through discounts of **R506 379** (2018: R376 253)
- + Training and development of **6 524** (2018: 5 406) directors and prospective directors
- Lack of ability to place holders of director designations into board positions
- + More awareness of governance through increased media activity
- + New member Code and Rules to hold members to account in the public interest
- + Provided expert affidavit in two high profile court cases on directors' duties
- + **200** (2018: 0) blankets collected from members for charity
- Lack of governance implementation in some organisations negatively affecting the perception of directors

### NATURAL CAPITAL



- Lack of active management of electricity and water usage
- + Recycling initiatives at office
- Carbon footprint of IoDSA activities
- + Decrease in paper usage of printed training packs



Refer to **Risks and opportunities** on page 26, **Strategy and performance** on page 32, and **Outlook** (throughout this report).

- Plans to address negative outcomes or improve positive outcomes**
- Continued working capital management
  - Preserving reserves through investments
- Digital strategy
- Increased monitoring and enforcement of copyright
  - Development of e-learning
- Management development programme
  - Key employee retention strategy
  - Continued focus on BBBEE strategy
- Implementation of stakeholder engagement framework
  - Continued corporate social investment
  - Director placement project
  - Continued awareness drives for good governance and directorship
  - Widening our influence on ethical and effective leadership
- Use of technology, e-learning and flexible working arrangements to reduce carbon footprint related to travel
  - Installation of light sensors

Trade off of material decisions we made in 2019	Capitals affected					
We <b>invested in our employees</b> through fair salaries and bonuses, training and development, as well as other wellbeing initiatives.	∨		∧	∧	∧	
We made <b>improvements to our office workspace</b> and purchased hardware and software to increase employee productivity.	∨	∧		∧		∨
We <b>developed new products/materials</b> in order to keep our offerings relevant and meet the needs of our members and clients.			∧		∧	
We updated our member code of conduct and disciplinary rules, in a increased effort to <b>hold our members to account</b> in the public interest.	∨		∧		∧	
We continued to provide <b>free public access to our thought leadership and governance guidance</b> , in the interests of improving governance and directorship in SA.	∨				∧	
We intentionally <b>boosted our social and traditional media presence</b> to increase wider awareness of corporate governance and directorship.	∨		∧		∧	
We continued <b>travelling to clients</b> throughout South Africa and even outside of our borders, to raise awareness of corporate governance and directorship through training.	∧				∧	∨

# STAKEHOLDER RELATIONSHIPS

Key stakeholder grouping	Why we need them	Our approach*	How we consulted	Their needs, interest and expectations
<b>Members</b>	<ul style="list-style-type: none"> <li>To strengthen our voice and influence</li> <li>To maintain sustainable revenue</li> </ul>	Engage	<ul style="list-style-type: none"> <li>Reputation survey</li> <li>Member survey</li> <li>Informal</li> </ul>	<ul style="list-style-type: none"> <li>Benefits/value</li> <li>Networking opportunities</li> <li>Governance information</li> <li>Access to NED positions</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>To deliver our services and achieve our objectives</li> </ul>	Empower	<ul style="list-style-type: none"> <li>Day to day</li> <li>Culture survey</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Good working environment</li> <li>Fair remuneration</li> <li>Training and development</li> </ul>
<b>Regulators and policy makers</b>	<ul style="list-style-type: none"> <li>To keep us abreast of governance and directorship policy changes and enable us to influence policy</li> </ul>	Engage	<ul style="list-style-type: none"> <li>Meetings</li> <li>Day to day</li> </ul>	<ul style="list-style-type: none"> <li>Participation in open commentary on policy</li> <li>Influence corporate governance positively</li> </ul>
<b>Professional bodies</b>	<ul style="list-style-type: none"> <li>To extend our reach and influence</li> </ul>	Partner	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Reciprocal member benefits</li> <li>Partnering on activities</li> <li>Sharing of information</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>To deliver quality supplies at fair prices</li> </ul>	Monitor	<ul style="list-style-type: none"> <li>Meetings</li> <li>Day to day</li> </ul>	<ul style="list-style-type: none"> <li>Fair procurement processes</li> <li>Prompt payment</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>To maintain sustainable revenue</li> <li>To widen our influence</li> </ul>	Empower	<ul style="list-style-type: none"> <li>Satisfaction surveys</li> <li>Day to day</li> </ul>	<ul style="list-style-type: none"> <li>Quality service at fair prices</li> </ul>
<b>Forum sponsors</b>	<ul style="list-style-type: none"> <li>To co-create thought leadership</li> </ul>	Partner	<ul style="list-style-type: none"> <li>Meetings</li> <li>Day to day</li> </ul>	<ul style="list-style-type: none"> <li>Profiling of their brand amongst our constituency</li> </ul>
<b>Education providers</b>	<ul style="list-style-type: none"> <li>To provide a wider range of CPD offerings to designees</li> <li>To expand awareness of governance and IoDSA offerings</li> </ul>	Partner	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Profiling of their brand amongst our constituency</li> <li>Course registration uptake</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>To widen our influence</li> <li>To enhance the perception of our role</li> </ul>	Inform	<ul style="list-style-type: none"> <li>Informal</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on current affairs</li> </ul>
<b>Governance committees/ initiatives/ networks</b>	<ul style="list-style-type: none"> <li>To widen our influence</li> <li>To have access to other thought leaders</li> </ul>	Engage	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Administrative and other support</li> <li>Sharing of information</li> </ul>

\* Monitor; Inform; Involve; Engage; Empower; Partner

See principle 16 in our [Governance Report](#) for information on how we govern stakeholder relationships.



Our response	Link to our strategic objectives					Related risk and opportunities See page 26	Nature and quality of relationship*
<ul style="list-style-type: none"> <li>To review member benefits in 2020</li> <li>More events hosted with quality speakers</li> </ul>	✓		✓	✓	✓	3, 5, 7, 10	◆
<ul style="list-style-type: none"> <li>Wellness initiatives</li> <li>Salary benchmarking</li> <li>Spending on skills development</li> <li>Retention strategy</li> </ul>	✓					1, 2, 3, 5, 7, 9	◆
<ul style="list-style-type: none"> <li>Comment letters on policy changes</li> </ul>		✓		✓		1, 4, 5, 6, 8	◆
<ul style="list-style-type: none"> <li>Actively participated in professional body forum to share learnings</li> <li>To review MoUs in 2020</li> </ul>		✓	✓	✓	✓	3, 8, 9	◆
<ul style="list-style-type: none"> <li>Payment before 30 days of invoice date</li> </ul>	✓					1, 2, 3	◆
<ul style="list-style-type: none"> <li>Updated methodologies and material to ensure relevance and quality</li> </ul>	✓	✓		✓		2, 3, 7, 9	◆
<ul style="list-style-type: none"> <li>Active engagement with forum sponsors</li> <li>Restructuring of forums in progress</li> </ul>	✓	✓				3, 7, 8, 9	◆
<ul style="list-style-type: none"> <li>Recognised education and CPD providers for IoDSA designees</li> </ul>				✓		2, 3, 7, 8, 9	◆
<ul style="list-style-type: none"> <li>Increased media releases on topical governance issues</li> </ul>		✓			✓	3, 5, 6, 8	◆
<ul style="list-style-type: none"> <li>Active participation in initiatives</li> </ul>		✓			✓	3, 6, 7, 8	◆

\* Determined through surveys, consultations and self-assessment.

◆ Weak    ◆ Cordial    ◆ Strong

# RISKS AND OPPORTUNITIES

Our risks are identified by taking into account the external and internal factors that may impact the achievement of our strategic objectives, including the wider context of the six capitals.



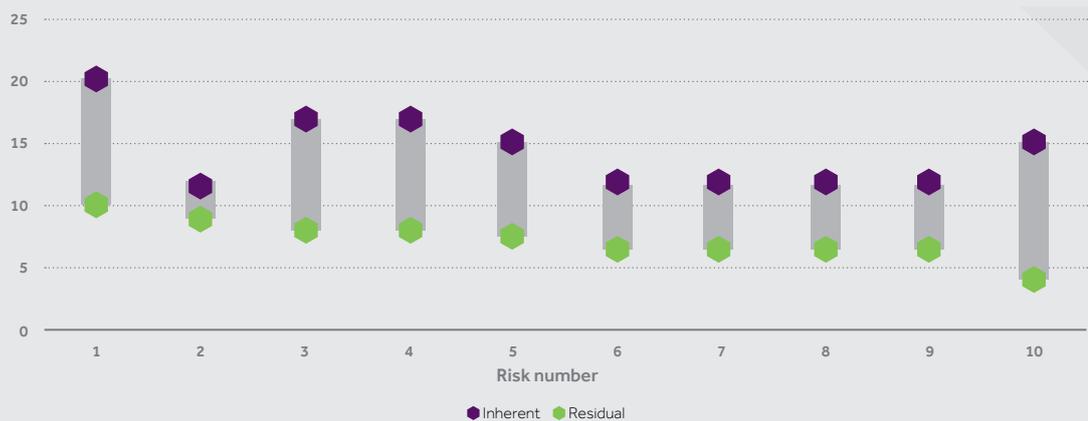
The IoDSA Board assumes ultimate oversight and accountability for risk governance, which is discharged through the Audit and Risk Committee. The Enterprise Risk Management Framework was updated during the year and embodies a structured approach to aligning strategy, processes, people, technology and information.



See principle 11 in our [Governance Report](#) for further information on how we govern risk.

**Our top 10 risks are depicted hereunder:**

Top 10 risks are depicted



We have provided significant detail on the top five residual (post-mitigation factors) risks, and their opportunities, as they are the ones that will affect our ability to create value over the short, medium and long term. Risks 6 – 10 are listed, with less detail, thereafter.





## 1. NON-COMPLIANCE WITH BBBEE LEGISLATION

By reaching of the R50m revenue threshold in 2019, there is a risk that the business will be non-compliant with the generic BBBEE scorecard as we have inadequate business processes in place to drive BBBEE compliance.

To mitigate this risk, we have appointed a BBBEE consultant, updated the relevant policies and procedures (specifically HR and procurement), conducted BBBEE training for relevant employees, established and monitored our BBBEE strategy implementation and progress against an established dashboard.



### INHERENT RISK SCORE

**20/25**

Likelihood: **5/5**

Impact: **4/5**

### CONTROL EFFECTIVENESS

Satisfactory

### RESIDUAL RISK SCORE

**10/25**

### PREVIOUS RANKING

**1**

#### Related opportunities:

- Improved transformation in the business
- Focused upskilling of our employees
- Giving back to small business through enterprise and supplier development



## 2. LOSS OF REVENUE DUE TO ADVERSE ECONOMIC CONDITIONS

Increased economic pressures restrict the spend of customers (both individuals and corporates), which may have an adverse effect on our organisation's growth and sustainability, as we need financial capital in order to affect the other capitals and achieve our strategic objectives.

To mitigate this risk, we have agile business and pricing strategies. We also carefully articulate the value of corporate governance and the value that the IoDSA, as the promoter of corporate governance in SA, offers the customer.



### INHERENT RISK SCORE

**12/25**

Likelihood: **4/5**

Impact: **3/5**

### CONTROL EFFECTIVENESS

Ineffective

### RESIDUAL RISK SCORE

**9/25**

### PREVIOUS RANKING

**4**

#### Related opportunities:

- Remodelling of service offerings and pricing to meet customer needs
- Increased focus on collaborations
- Better articulation of value of IoDSA offerings

# RISKS AND OPPORTUNITIES (continued)



## 3. LOSS OF BUSINESS DEMAND DUE TO REPUTATION DAMAGE

With the loDSA being in the public eye, there is a potential risk that boards, individual members and suppliers may disassociate their brands with the loDSA due to reputational damage arising from ethical issues, negative stakeholder experience, poor service delivery, negative media coverage (about loDSA or its members), governance implementation failures or information security breaches.

We mitigate this risk through conducting various stakeholder surveys, ongoing media strategy and monitoring, and having access controls (physical and IT) that are in place and tested regularly.



**INHERENT RISK SCORE**

**16/25**

**Likelihood: 4/5**

**Impact: 4/5**

**CONTROL EFFECTIVENESS**

Satisfactory

**RESIDUAL RISK SCORE**

**8/25**

**PREVIOUS RANKING**

**11**

**Related opportunities:**

- Improved customer satisfaction monitoring
- Strengthening member disciplinary processes
- Maintaining high ethical stance





#### 4. RISK OF LOSING TAX EXEMPTION STATUS

Given growth prospects and economic conditions affecting individuals, there may be a decline in revenue from members versus revenue from others, which could impact our tax-exemption status if the threshold set by SARS is not maintained.

To mitigate this risk, we monitor our revenue streams on a quarterly basis, have a working relationship with the SARS Tax Exemption Unit and implement strategies to convert corporate clients to membership.



**INHERENT RISK SCORE**

**16/25**

Likelihood: **4/5**

Impact: **4/5**

**CONTROL EFFECTIVENESS**

Satisfactory

**RESIDUAL RISK SCORE**

**8/25**

**PREVIOUS RANKING**

**10**

**Related opportunities:**

- Conversion of corporate clients to membership
- Expansion of member categories and criteria



#### 5. BUSINESS INTERRUPTIONS DUE TO IT DOWNTIME OR SECURITY BREACHES

There is a potential risk of business interruptions due to IT downtime or security breaches that could be caused by reliance on third parties, inadequate employee knowledge on systems or outdated systems/software.

We mitigate this risk through clear service level agreements with third-party IT consultants, annual security penetration testing, regular firewall upgrades, daily server back-ups and the update and monitoring of IT policies.



**INHERENT RISK SCORE**

**15/25**

Likelihood: **3/5**

Impact: **5/5**

**CONTROL EFFECTIVENESS**

Satisfactory

**RESIDUAL RISK SCORE**

**7.5/25**

**PREVIOUS RANKING**

**6**

**Related opportunities:**

- Improvement in IT systems and controls

# RISKS AND OPPORTUNITIES (continued)

	Previous ranking	Risk name	Inherent risk /25	Residual risk /25	Link to strategic objective				
6.	9	Non-compliance with legislation and policies resulting in fines and penalties	12	6	✓				✓
7.	15	Inability to deliver on business services due to inadequate business resources	12	6	✓	✓	✓		
8.	5	Unauthorised use of intellectual property	12	6	✓				✓
9.	N/A (new risk)	Loss of business due to increased market competition or lack of relevance	12	6	✓				✓
10.	7	Inability to service members and loss of member data due to dependency on third party technology	15	4.5	✓		✓		✓



# STRATEGY AND PERFORMANCE SUMMARY

Refer to Organisational overview on  page 4 for information on our vision, mission, strategic objectives, activities and outputs.

Strategic objective	Related risks	Core KPIs*	2018 actual	2019 target	2019 actual	Actual vs prior year	Actual vs target	More info on page	
	1, 2, 3, 5, 6, 8	Gross income	R50.3m	R56.9m	R54.7m			 54	
	1, 2, 3, 4, 6	Profit/loss	R1.6m	R1.6m	R3.4m			 54	
	1	BBBEE rating level	1	2	2			 53	
	7, 8	Guidance papers, articles and research produced	28	32	30			 48–49	
	1, 2, 3, 7, 9	Board evaluations conducted	33	35	28			 47	
	1, 2, 3, 7, 9	Advisory projects conducted	12	12	10			 46	
		2, 3, 10	Subscription paying members	9 022	9 450	9 424			 38–41
		2, 3, 10	Member retention rate	77%	80%	76%			 38–41
		3, 5, 7, 9	Events hosted	37	42	41			 39
	2, 3, 7, 9	Delegates trained	5 433	5 782	6 524			 44–45	
	2, 3, 7	Total designees	224	332	315			 42–43	
	3, 7, 8	Media releases issued	11	12	16			 51	
	3	News mentions (print, online and broadcast)	N/A	N/A	286			 51	
	9	Website traffic	142k	153k	157k			 51	
	9	Social media followers	7 857	N/A	25 828			 50	

\* The Board reviewed and adjusted the key performance indicators (KPIs) during 2019 to take the new vision, mission and strategic objectives into account. These KPIs are all incorporated into executive remuneration considerations.

 Less than the prior year/ not met the target  The same prior year/almost met target  More than the prior year/exceeded the target



Short term		Medium term			Short-term strategic resource allocation	Long term
2020 target	2021 target	2022 target	2023 target	2024 target		
R62m	R65m	R68m	R71m	R74m	<ul style="list-style-type: none"> <li>Budget allocation for marketing and business development</li> </ul>	Sustainable business
R2m	R2m	R2m	R2m	R2m		
4	4	3	3	2	<ul style="list-style-type: none"> <li>Investment in BBBEE consultant and training for employees</li> </ul>	Sufficient resources to deliver value
30	30	30	30	30		
32	36	40	44	48	<ul style="list-style-type: none"> <li>Restructuring of technical forums</li> <li>Employment of data analyst and time investment in engaging with tertiary institutions</li> </ul>	Increased awareness and better implementation of corporate governance
12	14	16	18	20		
9 800	10 200	10 600	11 000	11 400	<ul style="list-style-type: none"> <li>Investment of more time into corporate engagement</li> </ul>	Ethical and effective leadership being practised
80%	80%	80%	80%	80%		
40	40	40	40	40	<ul style="list-style-type: none"> <li>Financial investment in member engagement, benefits and value</li> </ul>	Loyal committed member community
6 946	7 200	7 400	7 600	7 800		
434	510	600	705	830	<ul style="list-style-type: none"> <li>Innovation on training offerings</li> <li>Maintenance of SAQA registration</li> </ul>	Directorship as a profession
16	16	16	16	16		
300	320	340	360	380	<ul style="list-style-type: none"> <li>Digital strategy and investment in internal digital resource</li> </ul>	Digitally transformed Greater presence
160 000	165 000	170 000	175 000	180 000		
30 000	35 000	40 000	45 000	50 000		

# > MESSAGE FROM THE CEO



“ I wish to thank the team at the loDSA, under the leadership of my fellow executives – Sherma Malan, Zandi Madikiza and Vikeshni Vandayar; as well as the members of our faculty, for their dedication and hard work during 2019.

Thank you to our Board members and particularly our Chair, Muhammad Seedat, and our Lead Independent Director, Louisa Stephens, for their commitment and support.

My thanks also to our members, clients and delegates; partners and sponsors. Your support of the loDSA has been invaluable. ”



## A YEAR OF GROWTH

During 2019 we made good progress in setting the loDSA on a new growth path.

### STRATEGY

On the strategic front, we made a significant change by renaming ourselves the Institute of Directors in South Africa, in order to highlight our primary region of operation; and in recognition of the fact that we now have sister institutions across the wider Southern Africa region.

In line with our closer focus on South Africa, we have reviewed our strategy and updated our vision, mission and value statements, set new five-year goals and performed a full SWOT analysis.

We have also given our branding and corporate identity a face-lift to reflect these changes.

### THOUGHT LEADERSHIP

We continued to release articles, papers and guidance documents during the year. On the research front, we released the fourth edition of the Directors' Sentiment Index as well as a revamped Fees Guide for Non-executive Directors. Four other planned research projects were not completed at year end due to re-prioritisation of technical projects and resources.

### EVENTS

We believe that events not only play an important role in building the loDSA's brand with members and potential members, they also provide useful networking opportunities for directors and aspirant directors. In addition, a new series of events entitled 'CEO-Recommended Reads' was launched.



Results from our 2019 Reputation Survey indicate that networking events and training events are extremely popular and are highly valued by members.

## DIGITAL PLATFORMS

One thing is clear: **digital technology** will play a growing strategic role in helping the loDSA build its member and client base and take the governance message to organisations across the spectrum of South Africa.



We have already begun making extensive use of videos and other digital media to spread our message and reach audiences beyond the big centres. In addition, we have started focusing more on social media platforms as they offer a uniquely direct and immediate way to build connections with our existing stakeholders and start conversations with new audiences.

Our investment in social media has already begun to pay off, with our following on various platforms growing significantly.

Website traffic also exceeded target and prior year.

### MAKING AN IMPACT

The loDSA plays a key advocacy role as the standard-bearer of corporate governance in South Africa. Given what we have seen in the governance landscape in both the private and public sectors in our country this year, it is important that we establish the loDSA as the go-to institution for governance and directorship.

We continued with our media activity on high-profile governance cases, to raise awareness of governance principles amongst the general public; and had numerous mentions in print, radio and television broadcast mediums.

It is gratifying to report that the loDSA was mentioned for the first time in Parliament this year, when the Department of Communications spoke about its intention to professionalise the boards of the state enterprises it oversees. We were also approached to provide expert opinion in two high-profile court cases involving directors' duties—this participation was another first for us.

Another measure of our impact is the impression we make on people or institutions that use our services. Our client assessments have been improved to include feedback on

# MESSAGE FROM THE CEO (continued)

not only client satisfaction, but also impact and net-promoter score (NPS) for all services rendered.

## GOVERNANCE SERVICES

We conducted 28 board performance evaluations, 10 governance advisory projects, and responded to 159 technical governance queries from our members. We saw the first two services struggle to meet target due to competition and tough economic conditions.

## MEMBERSHIP

We reviewed our member categories and introduced two new categories of membership: corporate and student. The corporate category allows us to interact more closely with corporates with the view to improving governance in the country. The student category enables us to spread awareness of good governance and directorship to the next generation of leaders.

Another important initiative was the introduction of a new code of conduct and set of disciplinary rules for members. **Holding our members to account is vital** in building trust in corporate governance generally, and in the IoDSA as an institution. This is particularly important in the current climate.

We reached a total of 9 424 (2018: 9 022) members, a net growth of 4.5% (2018: 3.3%). Although slightly below target, these are still pleasing results considering the economic conditions. Member retention remains a challenge, ending on 76% (2018: 77%) and will be a key focus area for 2020.

## TRAINING

One of our most important roles is to provide continuous professional development (CPD) for our growing national pool of directors. We introduced two new courses: 'Integrated Reporting' and 'Lessons from Steinhoff', both of which were well received. By year end, we delivered 411 (2018: 357) training days to 6 524 (2018: 5 433) delegates across all training programmes.

## CERTIFICATIONS

Our efforts to build a pool of professional directors continue to gain momentum. Our CD(SA) and Certified Director exams and continuous professional development sessions are now also being run outside of Johannesburg in response to demand. We reached 122 (2018: 109) Chartered Directors and 193 (2018: 115) Certified Directors. We experienced difficulty with attracting enough candidates who completed the Chartered Director (SA) programme, and thus just failed to meet our target in this area.

Findings from our Reputation Survey indicate that 66% of members are considering taking up an IoDSA designation, which is up by 9% from the prior year.

## BACK OFFICE

Like any business, we depend on a robust, efficient set of back-office processes to support our growth, and service our members and clients better. To advance this, we reviewed all our policies and procedures, introduced new technologies and streamlined our processes.

In terms of giving back to our employees, we introduced various wellness campaigns and structured development initiatives to enhance talent management and increase employee benefits. We also established learnerships with the Services SETA, with an intake of three learners. Whilst staff turnover remained high, we are confident that we have **retained the key talent** needed to take this organisation forward.

Even though we did not meet our revenue target due to tough economic conditions, we did increase our revenue from the prior year, ending on R52 581 488 (2018: R48 903 851). This puts us in the large-enterprise category in terms of the **BBBEE** Act for our next audit, having obtained level 2 status during 2019.



Through business development and marketing of our products and service, and careful management of expenses, we exceeded our targeted profit for the year, ending on a profit of R3 376 039 (2018: R1 589 534). Our total gross income for the year reached R54 733 614 (2018: R50 347 503).

Another important move to strengthen our internal processes and improve governance has been the introduction of an outsourced internal audit function. This will provide greater assurance and thus reduce risk.

## CONCLUSION

I am proud of what we have been able to achieve this year, and I am greatly looking forward to helping the loDSA continue achieving excellence and scaling new heights. 2020 promises to be particularly exciting as we will be celebrating the loDSA's milestone 60th anniversary.

Despite the upward trajectory that we found ourselves in at the end of 2019, at the time of releasing this report, we are in the midst of the **COVID-19 pandemic**. There is no doubt that this will have an impact on the loDSA business plans and results for 2020. We are however, working tirelessly to innovate our service offerings and remain relevant to our members and clients during this time.



**Parmi Natesan**  
 Chief Executive Officer



# PERFORMANCE IN DETAIL



## MEMBERSHIP

WE REACHED  
A TOTAL OF

# 9 424

MEMBERS

(2018: 9 022)

A NET GROWTH OF

# 4.5%

(2018: 3.3%)

## Member growth chart



The following factors contributed to this net growth:

- Retention rate down to 76% (2018: 77%), largely due to challenging economic factors, which are expected to continue. A key focus area for 2020 will be a careful examination our **member value and benefits**, in order to improve our retention rate.
- New members up to 2 123 (2018: 2 007), largely due to increased exposure from our social media and marketing efforts, which included our Women's Month and Black Friday campaigns.
- Resignations down to 537 (2018: 992), largely due to improved member engagement.
- Past members re-joining increased to 435 (2018: 286).

A key focus area for the year was the introduction of a new member code of conduct and disciplinary rules. (See External environment factor on  page 9.)

Technological advancements (see External environment factor on  page 8) will allow us to innovate continuously on how we engage with our membership base. This will be a key focus area for 2020.

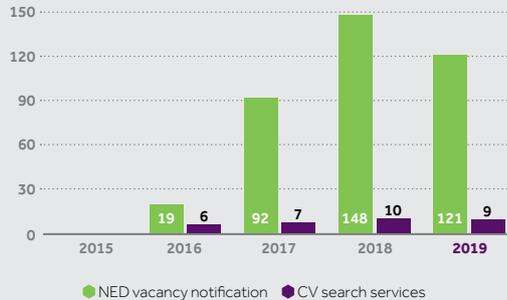
Membership surveys over the years indicate that, amongst the top reasons for member retention, is the opportunity to network at events and to have access to non-executive director (NED) vacancies.



## NED vacancies

Although down from the prior year, we continued to see great interest in our NED vacancy adverts and CV search services.

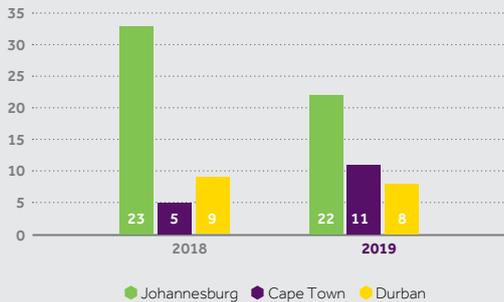
NED vacancies



## Events

We hosted 41 (2018: 37) member events during the year, which were attended by a total of 2 721 (2018: 1 867) attendees.

Member events per region

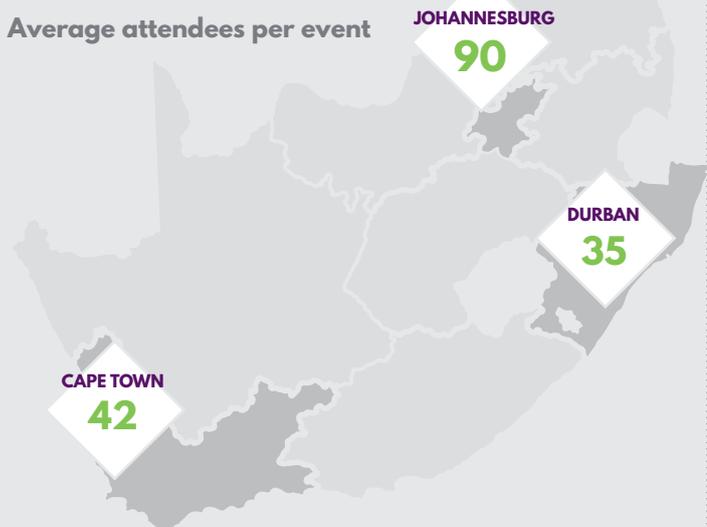


Key events such as our annual golf day, Women's Day events as well as our member cocktail evenings, have continued to grow in popularity. In addition, there was a deliberate move towards more purposeful snapshot events, wellness events, as well as the newly introduced 'CEO Recommended Reads', where members are exposed to authors of business/leadership books.

RS

Our events for the year achieved an average satisfaction rating of 4.6 out of 5, with the top five event topics being: governance (77%), strategy (75%), leadership (72%), ethics (67%) and risk (62%).

Average attendees per event



In the past, member engagement with members in KwaZulu-Natal and the Western Cape has been a challenge. We have made progress in this regard, and will continue with our efforts to improve the number of, and attendance at, these events.

Having said that, 2019 saw an increase in reputation score from the other five provinces, indicating increased IoDSA reach and message penetration.

O

RS

# PERFORMANCE IN DETAIL (continued)

## MEMBER SATISFACTION

> **96%** of members will recommend the IoDSA to others.



> External dialogue scored lowest on the reputation survey. Members want more communication on IoDSA services and member benefits; as well as to see the IoDSA be a stronger opinion leader on ethical malfeasance.



> Professional benefits ranked the highest in value, with governance alerts (7.24/10) and newsletters (7.11/10) being most popular, followed by events and networking (6.94/10) and free corporate governance support (6.72/10).



> **59%** of members who joined in the last year indicated they heard about the IoDSA either through referral or word of mouth, indicating our greatest marketers are our members.



> **94%** of members indicated the IoDSA impacted them positively in one way or another, with **58.3%** indicating the impact was considerable.



> Overall, members rated their membership experience at **4** out of **5**



## Member profiles

Our members represent a diverse constituency of directors and prospective directors. Member information is important in order for us to make relevant business decisions.

However, a challenge has been that our members are not all proactive when it comes to completing and maintaining the information on their membership profiles. Enriching our member data for business intelligence and **member value**, while remaining alert to data privacy, will be a focus area for 2020.



### MEMBERSHIP TYPE

#### Future Leader

▲ 213  
(2018: 185)

#### Member

▲ 8 658  
(2018: 8 350)

#### Fellow

▼ 238  
(2018: 263)

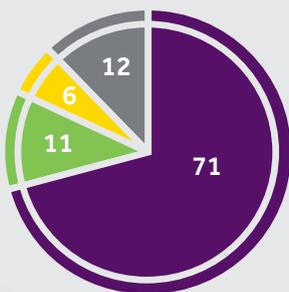
#### Certified Director

▲ 193  
(2018: 109)

#### Chartered Director

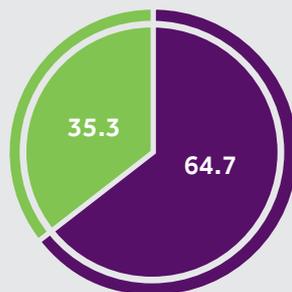
▲ 122  
(2018: 115)

#### Region (%)



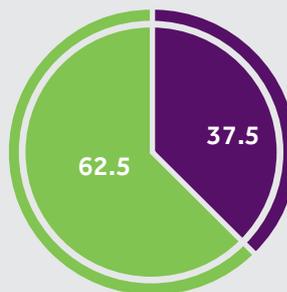
- Gauteng (2018: 72%)
- Western Cape (2018: 12%)
- KwaZulu-Natal (2018: 6%)
- All other provinces and international (2018: 10%)

#### Gender (%)



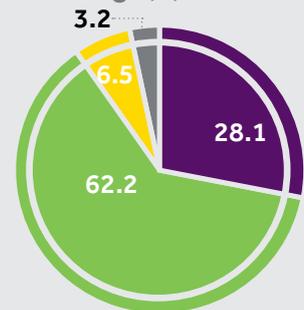
- Male (2018: 65.2%)
- Female (2018: 34.8%)

#### Race (%)



- White (2018: 40.4%)
- African, Coloured and Indian (2018: 59.6%)

#### Age (%)



- 20-40 (2018: 27.1%)
- 40-60 (2018: 62.5%)
- 60-66 (2018: 6.8%)
- 60+ (2018: 3.6%)

# PERFORMANCE IN DETAIL (continued)



## CERTIFICATIONS

WE AWARDED

**14**

NEW CD(SA)  
DESIGNATIONS

(2018: 28)

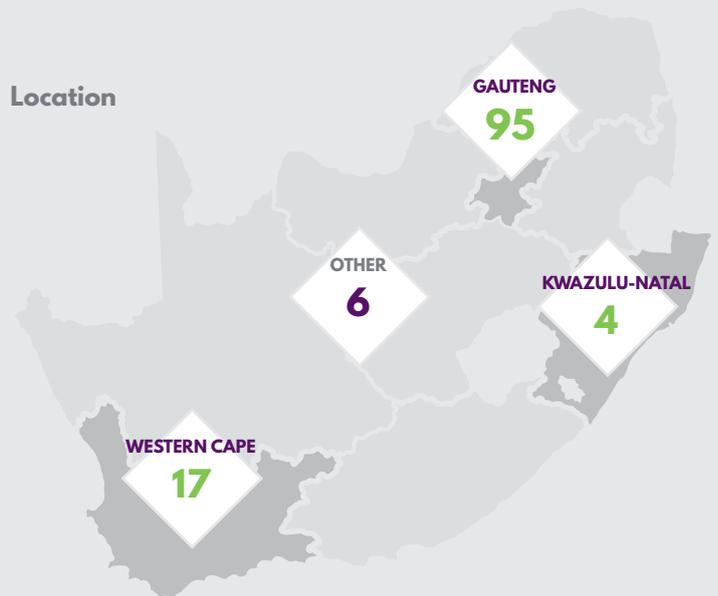
ENDING THE YEAR  
ON A TOTAL OF

**122**

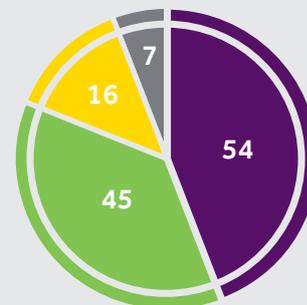
(2018: 109)

### Chartered Director (CD(SA))

Location



### Chartered Director (SA)



- African
- White
- Indian
- Coloured

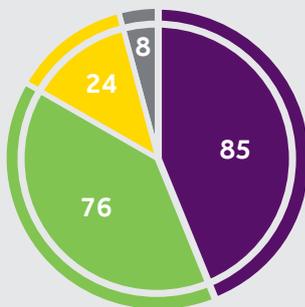
We awarded 86 (2018: 51) new Certified Director designations, ending the year on a total of 193 (2018: 115).

### Certified Director (Cert. Dir) ◀

Location



### Certified Director



- African
- White
- Indian
- Coloured



We hosted 8 (2018: 6) exclusive CPD sessions for our designees, with positive feedback:

### FEEDBACK RATINGS

- Customer satisfaction out of 5 **4.6**
- Level of impact on the attendee out of 5 **3.9**
- NPS – likely to recommend the IoDSA **+60**
- NPS – likely to return to the IoDSA **+74**

# PERFORMANCE IN DETAIL (continued)



## INDIVIDUAL DIRECTOR DEVELOPMENT

WE HOSTED

**182**

**PUBLIC PROGRAMMES**

(2018: 152)

WHICH WERE  
ATTENDED BY

**3 594**

**DELEGATES, THE  
MAJORITY OF WHOM  
WERE IODSA MEMBERS**

(2018: 2 749)

The increased delegate attendance was predominantly in our 'Being a Director' training series, which is linked to the attainment of the Certified Director designation.

### FEEDBACK RATINGS

>> Customer satisfaction out of 5	<b>4.6</b>
>> Level of impact on the attendee out of 5	<b>4.6</b>
>> NPS – likely to recommend the IoDSA	<b>+62</b>
>> NPS – likely to return to the IoDSA	<b>+75</b>

With the technological advancement challenges discussed in external environment, the introduction of e-learning will be a key future focus area for us.





## CUSTOMISED BOARD DEVELOPMENT

WE HOSTED

**229**

**CUSTOMISED PROGRAMMES**

(2018: 205)

WHICH WERE ATTENDED BY

**2 930**

**DELEGATES**

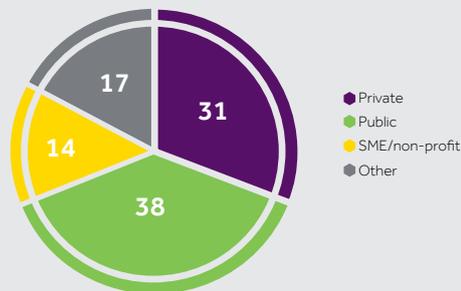
(2018: 2 760)

The majority of this training took place in Gauteng (69%) followed by the Western Cape (6%) and KwaZulu-Natal (4%).

### FEEDBACK RATINGS

> Customer satisfaction out of 5	<b>4.7</b>
> Level of impact on the attendee out of 5	<b>4.5</b>
> NPS – likely to recommend the loDSA	<b>+29</b>
> NPS – likely to return to the loDSA	<b>+41</b>

Customised board development (%)



# PERFORMANCE IN DETAIL (continued)



## GOVERNANCE ADVISORY SERVICES

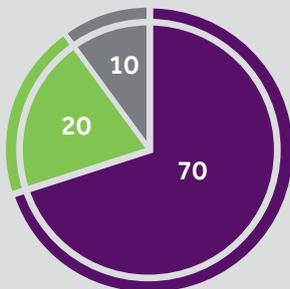
WE ASSISTED WITH

**159**

FREE GOVERNANCE  
TECHNICAL QUERIES

(2018: 173)

Governance advisory services (%)



- Private
- Public
- SME/non-profit
- Other

**For the first time this year, we also provided expert witness affidavits on two high profile court cases relating to director duties.**

The most common queries related to:

- Removal of directors
- Directors' liability
- Board composition
- Director misconduct
- Conflicts of interest
- Independence (due to this need we are developing an independence assessment offering for 2020)



### FEEDBACK RATINGS

Customer satisfaction out of 5	4.5
Level of impact on the attendee out of 5	4.0
NPS – likely to recommend the IoDSA	+75
NPS – likely to return to the IoDSA	+80

We completed 10 (2018: 12) fee-earning governance advisory projects.

The most common projects related to:

- King IV governance assessments
- Governance mapping workshops

### FEEDBACK RATINGS

Customer satisfaction out of 5	4.4
Level of impact on the attendee out of 5	4.3
NPS – likely to recommend the IoDSA	+50
NPS – likely to return to the IoDSA	+50



## BOARD PERFORMANCE EVALUATIONS

WE FACILITATED

# 28

BOARD PERFORMANCE EVALUATIONS

(2018: 33)

The number of projects decreased due to tough economic conditions (view External environment factor on page 8, risk number 2 on page 27) and increased competition (risk number 7 on page 30).

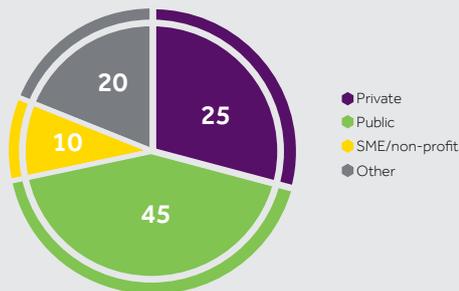
Our plans to counteract this challenge in 2020 include revamping our client engagement, pricing and service delivery strategies as well as communicating our key differentiators to the market.



### FEEDBACK RATINGS

> Customer satisfaction out of 5	4.6
> Level of impact on the attendee out of 5	4.8
> NPS – likely to recommend the loDSA	+75
> NPS – likely to return to the loDSA	+75

Board performance evaluations (%)



# PERFORMANCE IN DETAIL (continued)



## THOUGHT LEADERSHIP

WE PRODUCED

30

THOUGHT LEADERSHIP DOCUMENTS

(2018: 28)

Guidance – We issued governance guidance in various forms:

### 4 FORUM PAPERS (2018: 4)

**Corporate Governance Network** >> Director Mentorship  
>> Key issues for governing bodies

**Sustainable Development Forum** >> Stakeholder engagement

**Remuneration Committee Forum** >> Success profile for a remuneration committee

**Audit Committee Forum** >> To be relaunched in 2020 following suspension of activities in 2018

To extract more value and output from our forums, we intend to restructure them in 2020 so that they link to the typical board committee governance structures.

### 5 GENERAL GUIDANCE PAPERS (2018: 1)

- >> Public sector governance challenges
- >> Board evaluations
- >> Remuneration Committee terms of reference
- >> Nominations Committee terms of reference
- >> Risk Committee terms of reference

### 0 GOVERNANCE ALERTS (2018: 3)

There were no key governance developments to share with our members during 2019.

This will be more of a focus area for 2020.

## 1 KING IV PRACTICE NOTES (2018: 2)

Group Governance

## 18 ARTICLES (2018: 15)

- The link between education and leadership characteristics
- Making corporate governance universal
- Why King IVs apply and explain is so important
- Strategy – an often neglected core
- Key principles of risk oversight
- Responding to heightened scrutiny – three focus areas for governing bodies
- Watch out for conflicts of interest
- Directors need to put aside their personal interests when it comes to making decisions on behalf of a company
- Director sentiment in South Africa
- Governance in SMEs
- Audit Committees: a healthy environment for challenge
- King IV apply and explain
- King IV and the management of conflicts
- Delinquency provisions in the Companies Act – bringing errant directors to book
- Are you governance ready for 2020?
- IoDSA ED and SD initiatives – helping build SAs businesses
- Director sentiment results
- Directors need to forgo interests – business judgment rule

## 2 RESEARCH PAPERS (2018: 3)

### **Directors' Sentiment Index**

We issued the fourth edition of this research report which aims to survey directors' sentiments on economic, business, governance and directorship conditions in South Africa.

### **NED fees guide**

We issued a new NED fees guide, which aims to provide a high level benchmark on the annual NED fees paid to JSE listed companies

The planned research project on the board nomination process was delayed to 2020.

The planned research project on governance in local government was cancelled.

The IoDSA continues its endeavours to assist and promote governance research through its **governance research platform**.

It does so by:

- Providing a platform that enables students with established research projects to showcase their projects and thereby attract participation from IoDSA members, and
- Assisting students in the determination of potential governance-related research topics.

### **Directorship**

We produced three (2018: 3) issues of our member magazine, with specific focus on profiling/recognising our member's achievements and appointments. We encouraged members to contribute articles and saw an increase in member submissions.

# PERFORMANCE IN DETAIL (continued)

## Advocacy

We endeavour to provide comment on material legal and policy changes impacting corporate governance or directorship. Focus areas for the year included:

- Comment to the JSE on application of King IV to special purpose vehicles.
- Engagement with the Department of Trade and Industry on changes to the Companies Act.
- Engagement with the Department of Communications on public sector governance challenges and how those could be addressed in amendments to the Broadcast Act.

- Further engagement with SARS on tax and vat implications for directors.
- Comment to the Companies and Intellectual Property Commission (CIPC) on its new compliance checklist.

## Speaking slots

**15 SPEAKING SLOTS (2018: 9)**

Various conferences, seminars and forums

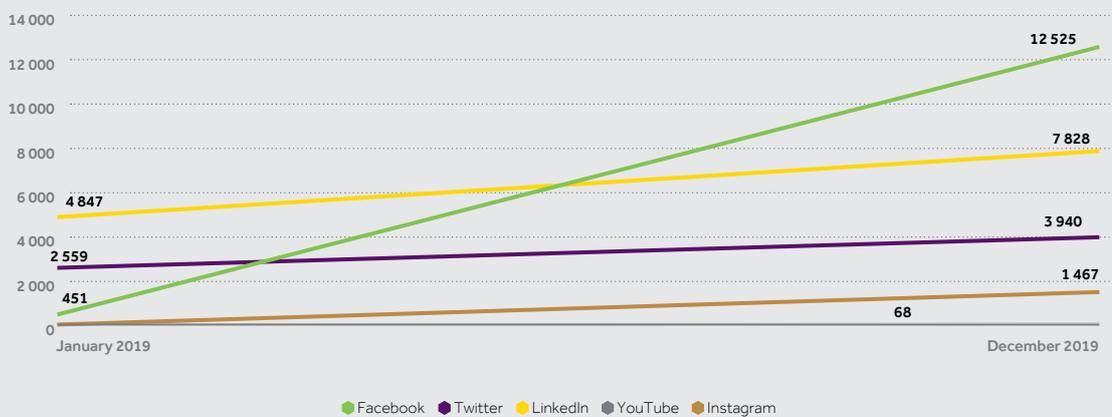


## MARKETING AND PR

We continued with our marketing efforts in order to raise awareness of the IoDSA itself, as well as governance and directorship in general. Following our name change, we also refreshed our brand and corporate identity.

Our investment in social media activity has resulted in significant growth in following on various platforms.

### Growth in social media



**WE CONTINUED TO BE VOCAL IN THE MEDIA ON GOVERNANCE PRINCIPLES PERTAINING TO CURRENT AFFAIRS.**

**16**  
**media**  
**releases**  
 (2018: 11)



- Attendance at board meetings – a critical director's responsibility
- Maria Ramos retirement should remind boards of the implication of succession planning
- IoDSA welcomes SONA commitment to improve governance in state-owned enterprises
- IoDSA commits to helping SMEs use governance to grow
- MTN demonstrates link between board composition and financial performance
- SOE boards: It matters who gets appointed and how they get appointed
- Old Mutual row puts conflicts of interest into the spotlight
- Eskom CEO, board must put safeguards in place
- New ministers have a critical governance role to play
- IoDSA steps in to equip more women for board roles
- Duzi contamination is wake-up call for boards
- Delinquency provisions in Companies Act bring errant directors to book
- City of Johannesburg ransomware attack a wake-up call for boards
- Director Sentiment Index Report (4th edition)
- Non-executive director fees guide (6th edition)
- IoDSA supports Auditor-General's call for greater accountability from public-sector boards.

**13**  
**broadcast**  
**interviews**  
 (2018: not measured)

- Covering various media releases on numerous radio and television stations.

**286**  
**news**  
**mentions**  
 (2018: not measured)

- Covering various media releases on numerous print and online news mediums.

**157 000**  
**website**  
**traffic**  
 (2018: 142 000)

- Number of users visiting the website.

# PERFORMANCE IN DETAIL (continued)



## HUMAN RESOURCES

WE ENDED THE YEAR WITH

**40**

PERMANENT EMPLOYEES

(2018: 35)

### Gender



(2018: 8)



(2018: 27)

### Race



2018: 7



2018: 28

Average age of loDSA employees is 36 (2018: 35).

We aim to attract and retain skilled employees. Under the oversight of our Social and Ethics Committee and Remuneration Committee, the following were key activities:



#### Fair remuneration

- > Salary benchmarking
- > Review of remuneration policy

#### Performance rewards

- > Team member of the month
- > Annual CEO awards introduced for innovation, customer service, work ethic and team player

#### Development

- > 14 (2018: 11) employees were awarded study bursaries
- > Total bursary and training spend of R426 791 (2018: R489 159) being spent on the development of employees
- > 8 (2018: 6) employees were promoted
- > Investment of R128 547 (2018: R0) in 3 learnerships

#### Safe and healthy workplace

- > Health and safety committee and audit
- > Employee wellness initiatives including ICAS

#### Engagement

- > Ethics survey A rating (2018: A)
- > Culture survey



## FINANCE, OPERATIONS AND LEGAL

We introduced an outsourced internal audit function, which has added significant value to the control environment.

We renovated and upgraded our general office space to increase productivity (see risk number 7 on  page 30) and started making investment in digitally-smart facilities in order to increase video-conferencing and reduce travel costs. During 2019, we made a focused effort to reduce our printing of programme packs. We also continued with our recycling efforts.

Effort was also put into streamlining our IT infrastructure (see risk number 5 on  page 29).

We focused significant attention on our **BBBEE strategy** (see risk number 1 on  page 27). We also reviewed all of our internal policies and procedure and introduced employee assessments thereon to embed the discipline. **Management of our intellectual property** continued to be a key focus area (see risk number 8 on  page 30).



# SUMMARY

## FINANCIAL INFORMATION



Refer to the full set of [Annual Financial Statements](#)

### STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

	2019 R	2018 R
Revenue	52 581 488	48 903 851
Other income	2 152 126	1 443 652
<b>Gross income</b>	<b>54 733 614</b>	<b>50 347 503</b>
Operating expenses	(51 944 109)	(48 155 626)
<b>Operating profit for the year</b>	<b>2 789 505</b>	<b>2 191 877</b>
Fair value adjustments on investments	586 534	(602 343)
<b>Comprehensive income for the year</b>	<b>3 376 039</b>	<b>1 589 534</b>



## STATEMENT OF FINANCIAL POSITION

at 31 December 2019

	2019 R	2018 R
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1 789 589	1 708 921
	<b>1 789 589</b>	<b>1 708 921</b>
<b>Current assets</b>		
Inventory	7 237	19 079
Trade and other receivables	4 029 481	2 191 263
Investments in collective investment schemes	25 322 097	19 366 966
Cash and cash equivalents	11 816 705	12 530 831
	<b>41 175 520</b>	<b>34 108 139</b>
<b>Total assets</b>	<b>42 965 109</b>	<b>35 817 060</b>
<b>FUND AND LIABILITIES</b>		
<b>Funds and reserves</b>		
Accumulated funds	<b>23 777 778</b>	<b>20 401 739</b>
<b>Non-current liabilities</b>		
Amounts received in advance	<b>502 753</b>	<b>1 106 033</b>
<b>Current liabilities</b>		
Trade and other payables	4 450 980	4 032 132
Provisions	2 185 988	1 758 155
Amounts received in advance	12 047 610	8 519 001
	<b>18 684 578</b>	<b>14 309 288</b>
<b>Total funds and liabilities</b>	<b>42 965 109</b>	<b>35 817 060</b>



# SUMMARY

## FINANCIAL INFORMATION (continued)

### STATEMENT OF CHANGES IN ACCUMULATED FUNDS

for the year ended 31 December

	R
Balance at 1 January 2018	18 812 205
Comprehensive income for the year	1 589 534
<b>Balance at 31 December 2018</b>	<b>20 401 739</b>
Comprehensive income for the year	3 376 039
<b>Balance at 31 December 2019</b>	<b>23 777 778</b>

### STATEMENT OF CASH FLOWS

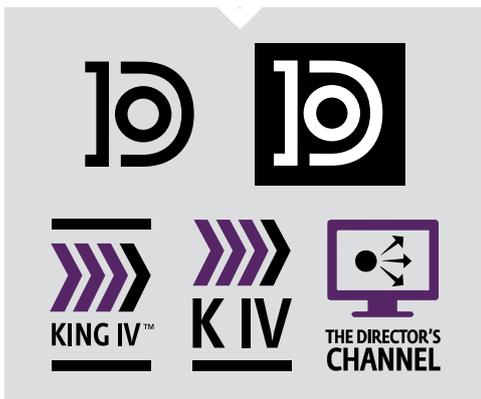
for the year ended 31 December 2019

	2019 R	2018 R
<b>Cash inflow from operating activities</b>		
Cash generated by operations	3 338 058	889 825
Investment income	580 722	519 370
<b>Net cash inflow from operating activities</b>	<b>3 918 780</b>	<b>1 409 195</b>
<b>Cash outflow from investing activities</b>		
Acquisition of computers, furniture and equipment	(588 841)	(486 370)
Proceeds from sale of assets	1 200	
(Payment)/receipt of other financial assets	(4 045 265)	4 012 106
<b>Net cash outflow from investing activities</b>	<b>(4 632 906)</b>	<b>3 525 736</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(714 126)</b>	<b>4 934 931</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12 530 831</b>	<b>7 595 900</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11 816 705</b>	<b>12 530 831</b>

# TRADEMARKS OWNED BY THE IoDSA

The following trademarks, amongst others, are owned by the IoDSA.

Better Directors. Better Boards. Better Business.	Directors Education Programme
Board Leadership Programme	For Directors By Directors
Board Learning Programme	Get your Board on Board
Board Simulation Programme	Global Network of Director Institutes
Centre for Directorship and Corporate Governance	GNDI
Certificate in Company Direction	Institute of Directors
Cert Dir	Institute of Black Directors in Southern Africa
Certified Director	IoD
Chartered Director SA	IoD Directorship
CDSA	IoDSA
Code for Responsible Investing in South Africa	King Code of Corporate Governance
Company Directors Course	King Report on Corporate Governance
Director Development	King III
Director Professionalism Course	King III Report on Corporate Governance
Directors Club	Mastering the Boardroom
Directors do Good	South African Code of Corporate Governance
	King IV
	King IV Report
	King IV Report on Corporate Governance
	King IV Code
	Being a Director
	Director Competency Framework
	Director Sentiment Index



 [View our \*\*Intellectual Property Policy\*\*](#)



# FEEDBACK ON THIS <IR>

We value and encourage feedback on this report from our stakeholders.

## CONNECT WITH US ON:



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\* Name changes on these accounts to reflect "South Africa" are taking longer than anticipated due to the protocols on the third-party platforms.



