

ANNUAL FINANCIAL STATEMENTS

Objective: To clarify uncertainties raised by clients regarding the submission of annual financial statements and Financial Accountability Supplements

Presented by: Cuma A. Zwane

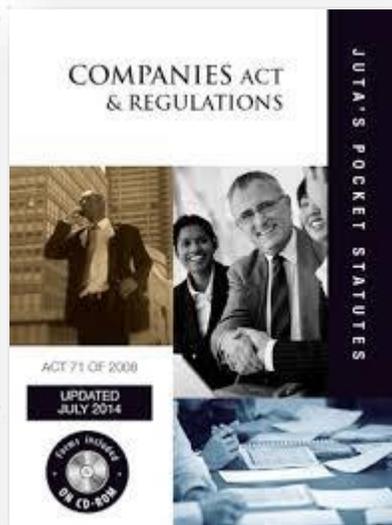


Matters to be addressed:

- (i) Why
- (ii) When
- (iv) Where
- (v) How
- (iii) By whom
- (vi) What



ANNUAL FINANCIAL STATEMENTS



MTN Group Limited
Financial results for the year ended 31 December 2015

WHY must AFS/FAS be submitted?

Prescribed by legislation; Companies Act 71 of 2008

- Section 28,29,30
- Regulation 27,28,29,30



WHEN must AFS be submitted?

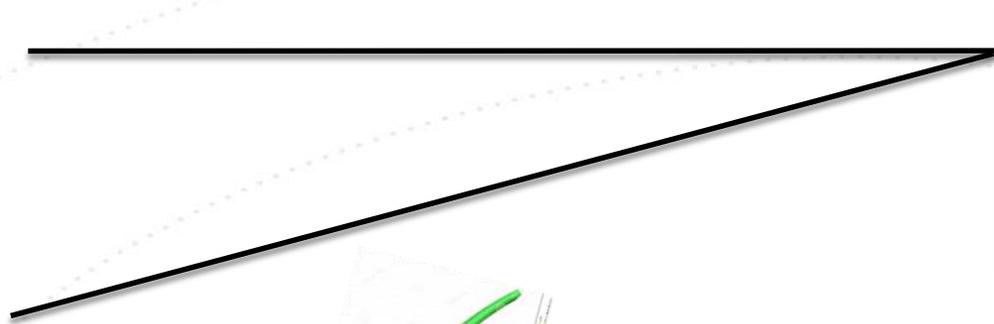
Subsequent to filing annual returns (30 days after anniversary date) <<*S33 of Co. Act*>>

Action: Send email to financialstatements@cipc.co.za and attach latest approved(signed) copy of AFS together with AR certificate. Ensure that Revenue amount in AFS is same as Turnover amount when filing AR.



WHERE should AFS/FAS be submitted?

Website



if file is too large
upload as
subsections

Email to financialstatements@cipc.co.za



eServices



Courier



Post Office



Option 1: **CIPC website,**

Click on

HOW

must AFS be submitted

- [Financial Statements and Independent Review](#) under the Maintain your business column
- The link in blue font written [Click here](#)
- Indicate the financial year (s) under comments



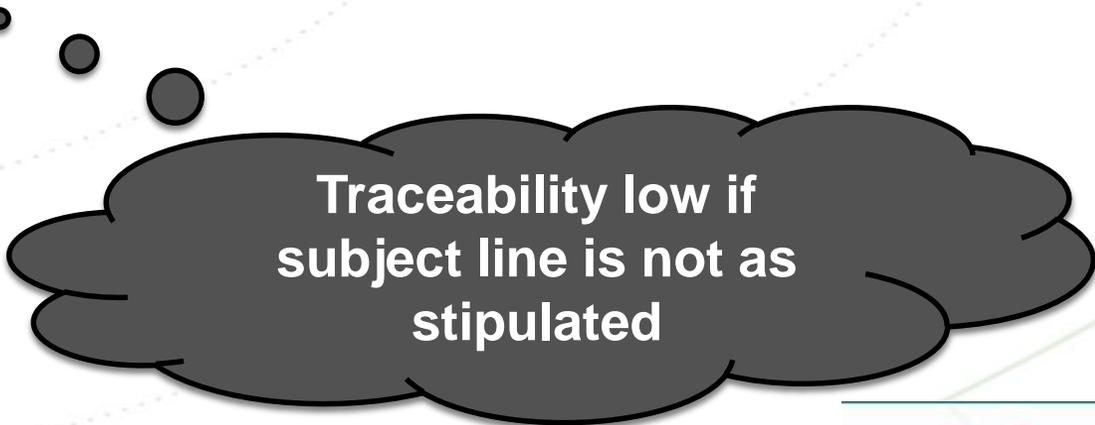
HOW must AFS be submitted? (Cont.)

Option 2: Email

Send as an attachment to financialstatements@cipc.co.za

With the following in the subject tab **(NB)**:

Name of company Reg #, year of AFS



Traceability low if
subject line is not as
stipulated

e.g. **Call Centre Holdings (Pty) Ltd 2015/015774/07; 2016 AFS**



BY WHOM must AFS be submitted?

- All companies whose AFS must be (have been audited)
 - due to PI Score of 350+
 - Stipulated by MOI
 - PI score <100 but internally compiled
- <<Reg. 28>>



Decision to Audit or Review

Audit (Reg. 28)

Public companies (code 06)

SOC or Organ of SOC (code 30)

NPC incorporated by SOC, External Co, Foreign state

Pty (Ltd) or PLC that holds assets (<R5mil @ any time during financial year) in fiduciary capacity for persons not related to it

Pty (Ltd), NPC or PLC with PI score of 350+

Pty (Ltd), NPC or PLC PI with Score of 100+ with AFS internally compiled

Pty (Ltd), NPC or PLC whose AFS is compiled internally and PI Score is 100+

Pty (Ltd), NPC or PLC whose AFS is compiled independently and PI Score is 350+

Independent Review (Reg. 29)

Pty (Ltd) or PLC not managed by owners & whose AFS is compiled internally and PI Score is <100

Pty (Ltd) or PLC not managed by its owners, whose AFS is compiled independently & PI Score is between 100 & 349

(PI Score calculator)

Categories of companies required to be audited

- (1) This regulation applies to a company unless, in terms of section 30(2A), it is exempt from having its annual financial statements either audited or independently reviewed.
- (2) In addition to public companies and state owned companies, any company that falls within any of the following categories in any particular financial year must have its annual financial statements for that financial year audited:
 - (a) any profit or non-profit company if, in the ordinary course of its primary activities, it holds assets in a fiduciary capacity for persons who are not related to the company, and the aggregate value of such assets held at any time during the financial year exceeds R5 million;
 - (b) any non-profit company, if it was incorporated-
 - (i) directly or indirectly by the state, an organ of state, a state-owned company, an international entity, a foreign state entity or a foreign company; or
 - (ii) primarily to perform a statutory or regulatory function in terms of any legislation, or to carry out a public function at the direct or indirect initiation or direction of an organ of the state, a state-owned company, an international entity, or a foreign state entity, or for a purpose ancillary to any such function; or
 - (c) Any other company whose public interest score in that financial year, as calculated in accordance with regulation 26(2)-
 - (i) is 350 or more; or
 - (ii) is at least 100, if its annual financial statements for that year were internally compiled.

WHAT is a Financial Accountability Supplement? TO WHOM does it apply?

FAS web page and fields

Applicable to:

- All companies not subject to a Reg. 28 audit or to Reg. 29 Independent review & who voluntarily had their AFS audited but chose Not to submit AFS with AR certificate

Indication of accounting records being kept and maintained

- Less layers of regulation

Designated persons and responsible persons held accountable



Q & A



Companies and Intellectual
Property Commission

a member of the dti group

PUBLIC INTEREST SCORE CALCULATOR

	Description	No of points	Notes		Enter data here
A	Average number of employees during the financial year	10	Every employee is equal to one point	<i>Number of employees:</i>	10
B	Third party liability of the company, as at financial year end	12.00	R1 million or portion thereof is equal to one point	<i>3-rd Party Liability in Rand:</i>	R 11 200 000.00
C	Turnover for the financial year	21	R1 million or portion thereof is equal to one point	<i>Turnover in Rand:</i>	R 20 001 000.00
D	Total number of shareholders and/or beneficial owners of shares	70	One shareholder or beneficial owner is equal to one point	<i>Total beneficial interest holders:</i>	70
TOTAL NUMBER OF POINTS		113			

NOTES:

1. The calculation must be done at every financial year end
2. The score will determine whether or not the company needs to audit its annual financial statements (AFS) and establish a social and ethics committee:
 - 2a. The AFS must be **audited** if the public interest score is 350 or more
 - 2b. The AFS must also be **audited** if the public interest score is at least 100 and the AFS for the year were internally compiled
 - 2c. A **social and ethics committee** must be established if the public interest score in any two of the past five years were more than 500
3. Item D is for completion by **profit** companies
4. Item D.1 is for completion by **non-profit** companies
5. The number to be included in either D or D.1 must include all those who are also directly or indirectly shareholders or members of the company

INDEMNITY:

The above calculator is provided for **guidance purposes** only

iThemba does not accept any responsibility for the incorrect use of the calculator or for any actions taken based on the outcome thereof

It remains the responsibility of the user to verify the outcome of the score prior to making any decisions based thereon

For **additional information** refer to Regulations 26(2), 28(2)(c) and 43(1) to the Companies Act of 2008