



BMF

BLACK MANAGEMENT FORUM

ANNUAL REPORT 2016

40 YEARS OF CHANGING THE
TRANSFORMATION LANDSCAPE



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About The Black Management Forum

THE BMF'S MISSION AND WORK

The Black Management Forum (BMF) started as a grouping of black managers who came together with a view to provide a pillar of support and devise means of how to survive in what was a very hostile environment within Corporate South Africa for them at the time. The ultimate objective was to assist in transforming the South African economy by helping blacks to rise in the companies they worked for.

The BMF is a non-racial, thought leadership organisation founded in 1976, which has amongst others taken interest in socio-economic transformation of our country and managerial leadership development, in pursuit of socio-economic justice, fairness and equity. It is against this background that BMF conceptualised and lobbied for both Employment Equity and Black Economic Empowerment legislation. The BMF continues to be vocal on these aforementioned matters and has been keeping companies in check and encouraging participation of the broader South African stakeholders with a view to changing Corporate South African transformation landscape.

The BMF's role in revolutionising the South African economy remains a critical one as confirmed by the country's first black President, Nelson Mandela during his speech at the BMF's 1995 Annual Conference when he said "When the oppressed and disadvantaged take their destiny into their own hands; and when those divided in bitter conflict turn towards peace and reconciliation, that is indeed a collective act of extraordinary leadership". He further said, "I am confident that the Black Management Forum, which represents a sector of society that formed itself under the most difficult of circumstances and when opportunities were few, has a critical leadership role to play under the favourable conditions of today".

VISION

To be the foremost organization in the development of managerial leadership and advancing socio-economic transformation of organisations in South Africa and beyond.

MISSION

The BMF stands for the development and empowerment of managerial leadership, primarily amongst black people, and the creation of managerial structures and processes that reflect the demographics and values of the wider society.

OUR VALUES

- Ubuntu
- Integrity
- Creativity
- Respect
- Effectiveness

BMF DNA

A BMF type manager has the following attributes:

- A patriotic South African and therefore a committed partner in Nation Building
- Involvement in community work and structure that strives to stabilize and up-lift the weak and the disadvantaged.....a selfless approach
- A high performer whose modus operandi is underpinned by discipline, creativity, courage and integrity
- An effective manager and leader of people with strength in providing developmental and growth opportunities to others
- A string yet modest advocate and champion of organizational transformation through Affirmative Action and Black Economic Empowerment

An active subscriber to the values of UBUNTU and to the key principles such as:

- Non-racialism
- Afro-centrism
- Respect for individuals and especially the elderly
- Self-development and own initiative
- A person who learns continuously from other and adopts a supportive and inclusive approach in engaging others
- A person with a soul
- A believer in the wisdom of the collective
- A visionary with empathy who understand the socio and economic context we operate in

President's Foreword

The Black Management Forum (BMF) has experienced transition at both leadership and management levels in this financial year. These are major changes for any organisation to absorb, especially when they happen simultaneously. I would like to express my appreciation to our immediate past President, Mr Bonang Mohale for his leadership and ensuring that we have a seamless leadership transition. He is inspirational and remains a role model to most of us.

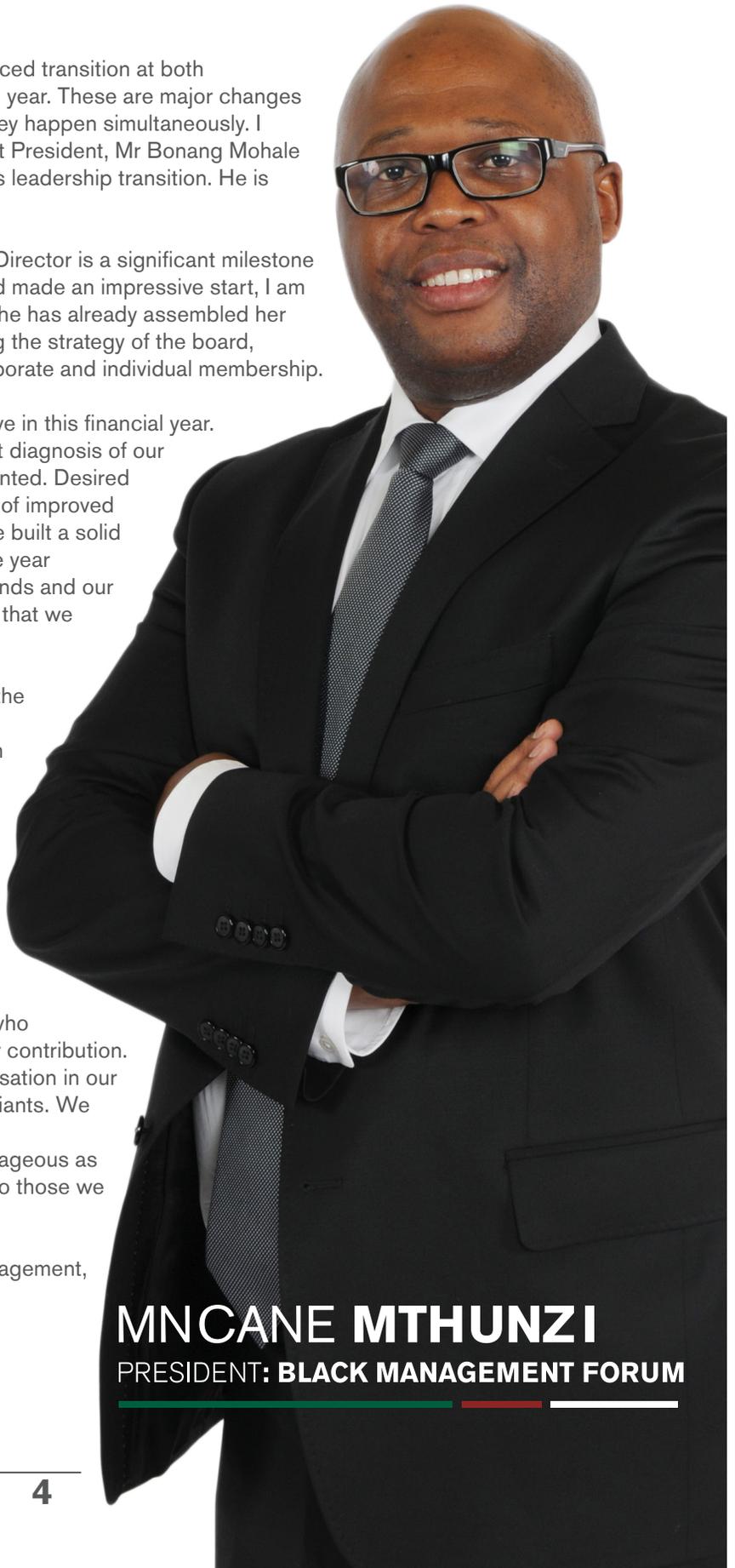
The appointment of Ms Busi Mavuso as our Managing Director is a significant milestone for our organisation. She has hit the ground running and made an impressive start, I am grateful to the Board for such a sterling appointment. She has already assembled her talented team together which will assist her in executing the strategy of the board, improving operational excellence and servicing our corporate and individual membership.

Our financial performance has been less than impressive in this financial year. However, we are confident that we have made a correct diagnosis of our challenges and corrective measures are being implemented. Desired positive results will be coming soon and I am confident of improved results next year. Transitions are never easy but we have built a solid foundation for a successful and sustainable results. The year under review has experienced tough economic headwinds and our performance is in context of the economic environment that we operate from.

On a positive note, we did exceptionally well in turning the fortunes of the BMF in executing our mandate as far as advocacy and lobbying is concerned. We tackled tough issues that are derailing transformation and took companies to account for not taking transformation seriously. We will continue to advocate for fairness, equity and justice in our pursuit for South Africa that is reflective of its broader demographic society in social, political and economic settings. Finally, it has been another milestone as the BMF turns 40 years this year. It's a great achievement by any measure.

We are grateful to our forbearers and selfless leaders who made an outstanding contribution to the success of our contribution. The BMF is a well-respected thought leadership organisation in our land. We are indeed standing on the shoulders of the giants. We remain a credible home of seasoned professionals and intellectuals in this country. We will continue to be courageous as we advance our advocacy mandate and yet respectful to those we engage and disagree with.

Much appreciation for the support from our board, management, staff, membership, sponsors and stakeholders.



MNCANE MTHUNZI
PRESIDENT: BLACK MANAGEMENT FORUM

Governance Structure

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Black Management Forum (BMF) Board of Directors applies the King Commission principles on corporate governance in order to conduct the affairs of the organisation with integrity, openness and accountability.

The Board is fully aware of the requirements of the King III Report on corporate governance for South Africa. In executing its fiduciary responsibilities, among others, the Board meets as often as is required – but not less than quarterly – to set overall policies, provide input and take decisions on matters of strategic importance to the organisation and its members. Prior to meetings, Board members are briefed extensively, ensuring that relevant matters are brought to their attention. The day-to-day management of the organisation's operations rests with the executive management team.

Financial Statements

At the end of each financial year, the directors prepare annual financial statements, which fully represent the organisation's state of affairs in conformity with the generally accepted accounting practice. External auditors carry out an independent examination of the branch, provincial and national financial statements and report their opinion in accordance with the South African auditing standards.

BOARD of Director's

MNCANE MTHUNZI



Mncane is the President of the Black Management Forum (BMF). He has grown through the structures of the organisation from Student Chapter to the Presidency over 22 years as a member of the BMF.

Mncane is a Massbuild Director and Member of the Executive Committee. He is the former CEO of the Consumer Goods Council of South Africa (CGCSA), an industry association for the retailers, manufactures and service providers. He has been the Managing Director of the Black Management Forum (BMF) for a period of three years. Prior to joining the BMF he worked for Microsoft as an Enterprise Strategy Consultant and later in a Sales Executive role within Microsoft. He was also a Senior Manager at PricewaterhouseCoopers. He started his career at Accenture, where he worked in a number of industries both locally and internationally handling large-scale systems integrations and business solutions for a number of clients.

His leadership and stakeholder involvement includes being a Member of Faculty at Duke Corporate Education; Honorary Member of Golden Keys International Honour Society (Wits University Chapter); Member of Board of Trustees of Accenture's Akha Trust; Non-Executive Director of the BMF Investment Company and Independent Non-executive Director of Adcorp Holdings Ltd. He is Chairman of Transformation, Social and Ethics Committee and also a Member of the Audit and Risk Committee at Adcorp Holdings Ltd.

Mncane holds a B.Com, PMD & EDP from GIBS as well as the AMP from Harvard Business School. Mncane's career span is across a number of industries which includes Retail, Transport, Industrial Products, Telecommunications, Broadcasting, Information Technology and the Government.

BOARD of Director's

DUMISANI MPAFA



Dumisani Mpafa is the SuperGreen Solutions founder and Chief Executive (CE). Dumisani is a passionate-green business leader, a Green Star SA Accredited Professional and a Carbon footprint analyst. He is also an energy auditor and has received multiple training in the green energy space including intensive training in the USA. Dumisani Mpafa is also founder of Beaver Agency, a specialist in Black Economic Empowerment Verifications fully accredited by SANAS and one of the oldest black owned agencies in the country.

He has been in the BBBEE verification space since 2005 and has performed multiple verifications over the years including listed companies and various state owned companies. He is an MBA graduate with a passion for small business development, economic transformation and development. He is the former board member and national deputy chairperson of ABVA (now ABP - Association of BEE Professionals) the only recognised industry body in the BEE verification and consulting space. He is the former Eastern Cape Provincial Chairperson of the Black Management Forum (BMF) and currently serves as the BMF Deputy President. He is in the panel of DBSA community trustee working in the IPP renewable energy projects.

BUSI MAVUSO



Busi Mavuso is the Managing Director of the Black Management Forum (BMF), an organisation she has been with since May 2009. She has also held the positions of Chief Financial Officer and Operations Director at the BMF. She serves on the Board of the BMF and is also a non-executive director on the board of the BMF Investment (Pty) Ltd (BMFI). She serves in various Board committees within the BMF and BMF.

Busi started her career in Finance in 1995 in the Banking Industry and has worked for different companies in various industries ranging from Training; Consulting; Telecommunications and Healthcare over the past 22 years. Busi holds a Master's Degree in Business Leadership from UNISA SBL; a Postgraduate qualification in Management from GIBS, a BCompt from UNISA and a Certificate in Banking from the Institute of Bankers (IoB). She is currently finalising her Chartered Accountant (CA) certification through the Association of Chartered Certified Accountants (ACCA) which she will complete in 2017. Her passion is in developing people.

LANGA MANQELE



Langa holds a Bachelors Degree in International Finance and Investments and a SAP Business Systems Certification, both from CIDA City Campus. He is currently a Senior Manager at Nedbank CIB Markets where he is responsible for the bank's Global Markets Trading Support and some Corporate lending systems. He is a recipient of the Nedbank Top Achiever 2014 and Nedbank Achiever 2012 awards. Langa is currently studying towards a Senior Management Programme (SMP) with GIBS. He is the chairman of BMF in Gauteng and a EXCO member of the BMF.

BOARD of Director's

JAN MASWANGANYI



Jan is the chief executive officer (CEO) at Hydra Arc Pty (Ltd) company. He has been with the company for Eighteen (18) years; started as a Project Manager, promoted to a Divisional Manager, then General Manager and later Managing Director to his current position. He also serves as member of the board of Directors of Hydra Arc.

Serves as liaison between the employees of the company and the board of directions, also serves as a member of GEC of Hydra Arc group of companies. As CEO he is responsible for advising the board and keeping it up to date on any changes related to the company's mission or goals and formulate policies and carry out any recommendations made by the board.

EDWIN GUMBI



Edwin Gumbi holds LLB from University of Zululand and is currently pursuing LLM with the same institution.

He also possesses SDP with BSU, Certificate in Training and Development with Maccauvlei, Chemical Engineering Diploma, Moderator and Assessor with CHIETA seta. Edwin believes in maintaining a high standard of integrity, reliability and hard working. I am very passionate about protection of Human and Children Rights, including real transformation and socio economic growth. I am the champion of youth development in realising their career ambitions.

PREVIOUS LEADERSHIP ROLES

- PEC member
- BMF Chairperson North Coast
- BMF Deputy Chairperson North Coast
- BMF membership manager

BOARD DIRECTORSHIP ROLES

- Board member : CHIETA Explosives and Fertilizer chamber
- Trustee : Foskor (RB) Retirement Fund

TSHEGOFATSO GOPANE



Tshegofatso Gopane is a medical practitioner who still operates a private GP practise and graduated with an MBChB from the University of Natal in 2004. She started Tshela Bophelo Wellness Solutions in 2010 which is a company focusing on Health Related Matters and Sustainable Development Consulting for Corporate. The company does Health Promotion Campaigns, Employees Wellness Strategies and Programs for organisations in the area of Sustainable Development key areas of focus are Environment and Community Development and Participation. The company employs variety of consultants in the various fields of health, environment and development.

She currently serves as the provincial secretary for South African Women in Mining for Northern Cape. Through further education she acquired a Post Graduate Diploma in Business Administration with UNISA School of Business Leadership, a certificate in Corporate Governance from the Institute of Directors South Africa (in partnership with the Department of Trade and Industry) and is also currently pursuing and MSc in Strategic Planning with the University of Edinburgh.

BOARD of Director's

JOHN MUDAU



John Mudau is currently the Chief Executive Officer (CEO) of UIGC (PTY) LTD. A company whole owned by the University of Venda. Before joining UIGC John Mudau has worked and served in several committees inside and outside the structures of the BMF.

Up until 2013 he was the Deputy Director at UNIVEN Centre for Rural Development and Poverty Alleviation (CRDPA). It was when he was attached to the CRDPA that apart from providing managerial, administrative and policy implementation he produced several Masters and Doctoral graduates in the rural development space.

Up until 2009 John was a senior lecturer in the department of Social Work at the University of Venda. His role where mainly Teaching, Research and Community Development. It was during this time that he facilitated the establishment of several community projects in Limpopo and especially within the Vhembe District.

Up and until 1997 he was a lecturer in the department of

Social Work at Fortshare University, Alice Campus. His responsibilities were mainly teaching and community development. This has assisted him to work very closely with the communities in and around East London.

He holds the following qualifications and certificates:

- BA (SW) from UNIVEN
- MA (Supervision and Management) from University of Pretoria
- PhD from University of Venda
- Certificate in Social Policy formulation and implementation from Oxford University, UK
- Executive programme at the top from University of Virginia, USA
- Currently studying for an MBA at Tswane University of Technology

He currently serves or is a member of the following professional bodies or Boards.

- Chairperson of the Vhembe FET College Council
- Member of the Limpopo Provincial Liquor Board
- Chairperson of the BMF in Limpopo
- Registered member of the South African Social Services Professions
- Registered member of the BHF South Africa

ANDILE NOMLALA



Andile Nomlala is a Founder and CEO of Ngwayibanjwa Consulting Services (NCS). He founded NCS in 2009. The business started as a strategic marketing consultancy firm focusing on young black professional's market, for companies like Sanlam, Protea Hotels Group and Vodacom. He built his business to become a fully licensed Business Partner of Vodacom, focusing on distribution of Vodacom GSM and Fixed Line solutions. NCS is now an IT solutions integrator with a focus on public, private and hybrid cloud design and deployment which analyze customers IT and Telephony systems to determine the business case for new technology adoption. To date it has a full spectrum of clients from both Public and Private sector. Andile remaining true to his entrepreneurial spirit, launched NCR accredited, short term loans business, providing finance for rental deposits, focusing particularly to young professional's market, where the barrier to entry

into the rental market is very high or expensive to fund.

He was a member of BMF Young Professionals before he was elected BMF Western Cape Provincial Treasurer. He now serves as BMF Western Cape Chairperson and BMF Board Member. Andile served in the steering committee of the Western Cape Economic Development Partnership Board, which developed the Western Cape Business Competitive Index. He is also a Member of the Cape Town Club.

Amongst various highlights of his previous working career, was the Project Management task of a multimillion rand contract from PRASA assigned to him in 2008. The contract was awarded to Goldex Engineering and Maintenance (GEM) for the refurbishment of Metro Rail Coaches in Cape Town Area where Andile served as Financial Manager and later as Group Procurement Head. His responsibilities included the setting up of the plant, procuring components from within and outside the country and ensuring the overall project implementation and success. He holds a Bcom degree from the University of the Western Cape.

BOARD of Director's

NELA MOJANAGA



Ms Mojanaga qualified as a social worker in 1983, at the University of Fort Hare. She honed her skills by pursuing post graduate diplomas in community development, health management and facility management from various universities locally and internationally, Afro Asian Institute in Israel, Sheffield Hallam, National Institute of Public Health in Japan, University of Natal, University of Cape Town, University of Free State and the North West University. Ms Mojanaga worked as a social worker for a period of twelve years. She has practised as a case worker, group worker and a community developer for seven of the twelve years.

She worked in Botshabelo in the Free State for a period of twelve years. During this time she was also doing philanthropic work throughout the Province in various organizations such as Trust for Christian Outreach and Education (TCOE), National Progressive Primary Health Care Network (NPPHCN) and Orange Free State Rural Committee (OFSRUC) She established the District Health System in Ventersdorp and Dr Kenneth Kaunda from 1996 to date. Her primary focus was on providing strategic leadership in integrating fragmented health and social welfare services.

She has been awarded various awards for her contribution in service delivery: TCOE for dedicated service delivery to communities in 1999, Premiers Awards for Outstanding Performance in Health Care Service Delivery in 1998 and 2003, Centre for Public Service Innovation (CPSI) Silver Awards for Public Private Partnership and Innovation in Improving Service Delivery in 2009. She has been actively involved in BMF activities since 2003. Ms. Mojanaga is currently Chief Director at the department of health North West and board member of North West Development Corporation.

THABISA SIGWELA



Ms. Sigwela is a socio-economic transformation catalyst whose vision and skills contributed to the attainment of business goals and objectives of various corporations that she previously worked for, namely: Coca Cola Sabco, Edcon Group, Transnet

National Ports Authority and Eastern Cape Provincial Treasury. Currently Ms. Sigwela holds the position of General Manager: Corporate Services in the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism.

Ms. Sigwela holds an honours degree in Industrial and organizational psychology. She is currently completing her MCOM degree with Stellenbosch University. She is also a registered Psychometrist with the Health Professions Board of South Africa. A Chartered HR Professional: Generalist who has gained extensive experience in the field of Human Capital Management. A multi-talented leader with a passion for transformation, sustainable socio-economic growth and development of the country.

Previous Leadership roles includes but not limited to:

- Provincial Secretary of BMF – Eastern Cape (2012 – 2014)

- Chairperson of BMF – East London Branch (2011 – 2012)
- Member of the BMF BoD HR Committee (2011 – 2012)
- Chairperson of BMF – Port Elizabeth Branch (2010 – 2011)
- Vice Chairperson of BMF – East London Branch (2008 – 2009)

Board Directorship Roles:

- Board Member of BMF (Oct 2014 – current)
- Board Member of Services SETA – Eastern Cape Province (2009 – 2011)
- Vice Chairperson: Nkqubela Radio Station (KQ FM) – Port Elizabeth (2008 – 2011)

In 2011, Ms. Sigwela won the BMF “Manager of the Year” award in recognition of the sterling work that she achieved as a leader and change agent over the years. Ms. Sigwela is currently the Chairperson of the Black Management Forum in the Eastern Cape Province. She is passionate about the advancement of women and youth, especially those from previously disadvantaged backgrounds.

Apart from pursuing her career ambitions and duty to society, she devotes most her time to family and close friends. Ms. Sigwela’s source of inspiration is embedded on firm Christian values. She values “UBUNTU”, integrity and prosperity. She is married to Dr. Ayanda Sigwela and they reside in East London.

BOARD of Director's

ANNAH LELIMO



Annah obtained National Diploma in Chemical Engineering from University of Johannesburg. She also has a diploma in Project Management with Damelin. She started her career with AECI Pty (Ltd) in 1996 and moved to Blade Technologies as a process engineer. She later worked for Fastrac Consultants in Nelspruit as a project manager. She is currently the founder and manager of Thabong Bakery and Chairperson of SAWEN (South African Women Entrepreneur's Network) for Free State province. In terms of awards, she received the following recognitions:

- 2014 Inkanyezi service Award by SAWE
- 2013 Best Performing Quality Intervention Technology Award by the Department of Trade and Industry (the dti)
- Previous National winner of Ligugu Lami Award by and Brandhouse Pitch and Polish
- Finalist of Eskom's BIC 2010, Technology For Women in Business (TWIB) 2011 and runner up of 2013 Best Female Entrepreneur by the International Labour Organization (ILO)

MANDLENKOSI NCUBE



Mandlenkosi Ncube is currently the Executive Chairman of Ncube Investment Holdings (Pty) Ltd. He is responsible for business and client development as well as stakeholder relations within the business.

Mandlenkosi has extensive experience in consulting, project management, financial accounting, tax and internal audit. He is also completing a professional qualification with the Association of Chartered Certified Accountants (ACCA). Mandlenkosi spent 8 years as a Missionary of Mariannhill and also served as a project manager where he was responsible for managing Mariannhill Food Aid Programme and Education Programme for Orphans and Vulnerable children in Zimbabwe.

Mandlenkosi has a BA Philosophy (Cum Laude) from St Joseph's Theological University in Pietermaritzburg, a Diploma in Accounting and Business from ACCA and a Certificate in Auditing from the London Chamber of Commerce and Industry (LCCI).

Mr Ncube spent three years as senior accountant at Frontline Business Solutions (Pty) Ltd, his tasks included business development, tax consulting, computation, performance management, model design and financial accounting for SMMEs. He established the footprint of the business in Zimbabwe, KwaZulu Natal and Gauteng securing clients in Bulawayo, Richards Bay, Durban and Johannesburg. In his career as internal auditor Mandlenkosi has been involved in various risk based internal audits and forensic investigations as well as other review engagements for municipalities such as KwaDukuza Local Municipality and Lesedi Local Municipality as well as KwaZulu Natal Treasury and University of Zululand. He is also a member of the Institute of Internal Auditors South Africa (IIASA).

Mandlenkosi is the former Provincial Chairman of the Black Management Forum Young Professionals (BMF YP) in KwaZulu Natal.

BOARD of Director's

NOMUSA PHUNGULA

Nomusa Phungula holds a Bachelor of Technology in Public Relations Management (B-Tech) from Durban University of Technology (DUT) and is currently studying towards M-Tech in Public Relations Management at Durban University of Technology. Nomusa is currently part of the Department of Trade and Industry as an Intern in Ministry - Media Relations Unit; she was part of the Business World Development Trust where she headed school renovations projects as part of the CSI Projects for the trust. She was also part of Jabu Ndlovu Foundation where she supported the foundation with her PR and Marketing Skills voluntarily.



She has exposure in Policy formulation, Legislative and regulatory complex concerning media such as Social Media Policy, Competition Act, Media Diversity and Development Agency Act, Broad Based Black Economic Empowerment Act, Companies Act, Media Policy, Publishing Policy & Editorial Guideline, and the Black Industrialist policy. She was selected as a Chairperson of the Internship Forum in 2015, an initiative supported by the dti's Learning Centre unit. Throughout her academic career at DUT, Nomusa has gained short and medium term experience at institutions such as the National Home Builders Registration Council, Public Relations Institute of South Africa, DUT Faculty of Management Sciences. During this period, she also had a slot at Umgungundlovu FM. Before she went to the Durban University of Technology, Nomusa attained her National Senior Certificate at Ixopo High School in KwaZulu Natal - Ixopo.

Previous Leadership Positions:

- Member of the Faculty of Management Sciences Committee at Durban University of Technology
- Branch Project Officer of BMFsc at Durban University of Technology
- Branch Chairperson of BMFsc at Durban University of Technology
- Provincial Finance officer of BMFsc at Durban University of Technology
- Provincial Secretary of BMF Student Chapter, KwaZulu Natal
- National Gender office BMF Student Chapter
- Provincial Chairperson of BMF Student Chapter, KwaZulu Natal
- National Deputy Chairperson of BMF Student Chapter

BOARD Committees

Board committees are pivotal in driving policy formulation and the strategic direction of the organisation. The BMF has nine committees and the Board appoints members annually from within its membership.

Executive Committee: This committee is responsible for ensuring that the Board's resolutions and strategies are implemented throughout the organisation.

Audit and Risk Committee: This committee is tasked with facilitating and ensuring that the Board is fulfilling its responsibilities to stakeholders, and managing the organisation's risk. The committee consists of non-executive BMF directors and independent external directors who have financial and risk management expertise.

HR and Remuneration Committee: This committee is tasked with recommending remuneration for executives and staff to the Board. It plays an integral part in succession planning, particularly regarding the managing director and executive management staff.

Policy and Research Committee: This committee ensures that adequate research is produced to inform the BMF's leadership and advocacy. The committee then strategically and proactively facilitates the development of positions for the BMF and its members to accomplish its vision.

National Events Committee: This Committee is primarily responsible for the oversight and organisation of flagship and major events, which include the Annual Corporate Update Dinner, the Annual Conference, and Achievement Awards Dinner.

Editorial Committee: This committee is responsible for checking and approving the content of the BMF's African Leader publication. Responsibilities include giving support and advice to the editor and the publishing house.

Gender Equity Catalysts Committee: This committee is mandated to address gender mainstreaming and to help female members to rise beyond their current levels at the workplace.

Managing Director's Report

THE STATE OF THE ORGANISATION

40 years ago in 1976 under the leadership of our Founding President, Eric Mafuna, the Black Management Forum (BMF) was formed. The intention of forming the organisation was to create a home for black managers within Corporate South Africa where they could serve as a pillar of support in what was a very hostile environment for them at the time. Our mandate therefore became the development of managerial leadership primarily amongst black people with the intention of effecting change within the socio-economic landscape for the majority of citizens of this country.

To this date the BMF continues to drive this agenda and our primary focus continues to be for the advancement of black managers without necessarily being anti-white. We have for the past 40 years unapologetically guarded the transformation terrain within Corporate South Africa. To mark this significant milestone we decided to carry the theme of 40 Years of Changing the Transformation Landscape as an embodiment of the BMF's journey over the past 40 years. This theme captures the impact that the BMF has had in confronting and altering the dynamics of how companies recruit, place and promote their employees. It encapsulates the revolution we have effected for black managers within Corporate South Africa with a view to changing the social and economic patterns in the country.

In line with our mandate, our focus continues to be on Employment Equity, Management Control and Skills Development. The BMF's ideal is to have a Corporate landscape that is reflective of South Africa's demographics.

EVENTS AND ACTIVITIES

40TH ANNIVERSARY PROVINCIAL LECTURES

To mark the 40th anniversary milestone, we decided to increase the number of events hosted. These events came in the form of Provincial lectures. To further highlight the 40 year milestone, we pronounced that the lectures would be delivered by our Past Presidents. This would give them an opportunity to reflect on the BMF of their time and also to share insights on how what the BMF could still do to ensure it remains relevant and continues to be the foremost advocacy and lobby organisation.

The Inaugural Lecture was hosted by the Gauteng Province on 19 February at the Deloitte offices in Woodmead, Johannesburg. The lecture was delivered by the Honourable Minister of International Relations and Cooperations, Ms Maite Nkoana-Mashabane. The theme of the lecture was: ***Economic Transformation Requires Patriotic Business Leadership.***

The Northern Cape hosted the immediate Past President Mr Bonang Mohale on 15 April at the Sol Plaatjie University. Their selected theme was: ***Transformational Leadership and its Role in Economic Sustainability.***

The North West lecture was delivered by Past President Mr Bheki Sibiyi on 12 May at the Mercedes-Benz Cargo Motors dealership in Klerksdorp. Their theme was: ***Championing the Blue Print of Industrialisation.***

The Western Cape hosted Past President Professor Wiseman Nkuhlu on 2 June at the One and Only Hotel under the theme: ***Changing the Transformation Landscape: The BMF's Role in the Current Economic Dispensation.***

The Eastern Cape hosted their lecture on 20 June at The Regent Hotel in East London under the theme: ***Championing the Transformation Master Plan for Sustainable Socio-Economic Growth in South Africa.*** The lecture was delivered by Mr Bheki Sibiyi.

The KwaZulu-Natal lecture format was changed due to the sad passing of Past President Dr Don Mkhwanazi. The lecture was turned into the The Inaugural Don Mkhwanazi Memorial Lecture. It was delivered by Dr Thami Mazwai at the Hilton Hotel in Durban.

The Mpumalanga lecture was held on 26 August at the Protea Hotel in Witbank. The theme for the lecture was: ***Industrialisation Through Beneficiation in the 21st Century.***

The Free State hosted Founding President Mr Eric Mafuna on 8 September at the Windmill Casino in Bloemfontein. The selected theme for the lecture was: ***A Winning Transformation Agenda Through Industrial Leadership Striving for Excellence and Sustainability.***

Limpopo's lecture will be hosted on 18 October at the Fusion Boutique Hotel in Polokwane. The lecture will be delivered by Past President Ms Nolitha Fakude under the theme: ***Economic Transformation: Trade-offs in the March Towards Black Industrialisation.***

Our Annual Corporate Update Gala Dinner in June 2015 attracted over 700 guests. The Annual Corporate Update Gala Dinner is used as a platform to update corporate and individual members on what the organisation has achieved in the past year as well as the plans for the future. And our Annual Achievement Awards Gala Dinner, which is used as a platform to discuss topical transformation issues and to map the BMF's programme for the following year. The conference ends with the gala dinner where various transformation agents are recognised for their contribution, both as individuals and corporations. This year this was held in October 2015 and it attracted over 800 guests. We continue to host quarterly Executives Breakfasts sponsored by Randwater, the purpose of these is to have a platform where a season CEO is invited to engage with executives from different sectors and discuss the pace of transformation within their sectors and also to share their learnings of how and what they have achieved in their journey.

On a quarterly basis we also host a Conversations with CEOs series sponsored by Standard Bank as an off the record platform where CEOs share their experiences, transformation journey and respond to questions regarding their organisational structures from the guests. In this financial year we have had Transnet Group come on Board as sponsor hosting quarterly provincial Executives breakfast sessions.

40TH ANNIVERSARY DOCUMENTARY

To continue to celebrate the organisation's 40 years of existence, a documentary has been produced. The video documents the BMF's journey from inception to date through the eyes of the Past Presidents, current President and other prominent leaders in the business fraternity, who were influential during the founding years of the organisation.

Managerial Leadership Development

DUKE Corporate Education

DUKE Corporate Education (Duke CE) continues to be our Education Partner. In December 2015, one of our members benefited from the partnership through the DUKE Leadership Programme offered by DUKE's Fuqua Business School in North Carolina, Durham.

In August 2016 Duke CE has once again committed to sponsor the 'Women in Power in the 21st Century Programme' which will benefit 25 BMF members.

PwC

Corporate Governance training by PwC is available to BMF members nationally conducted by PwC. PwC has consistently supported the BMF's management leadership development initiatives through offering continuous development programmes and seminars.

THOUGHT LEADERSHIP

As part of the BMF thought leadership goal, we embarked on research termed the Transformation Barometer which we completed in September 2015 and was sponsored by DELOITTE. The Transformation Barometer aimed at measuring the transformation landscape to ascertain the deterrents of transformation with a view to providing a solution to the Government on the interventions to be implemented to accelerate transformation. This research was conducted to inform the development of the Transformation Masterplan. The Transformation Masterplan is a policy instrument of the Black Management Forum. This will be a ten year strategy 2016 – 2026. The Transformation Masterplan contains Policy recommendations that if implemented will expedite the pace of socio-economic transformation and empowerment in the country. The BMF will lobby the government, the private sector and other stakeholders for the adoption and implementation of the Transformation Masterplan.

The Transformation Barometer research condensed its findings into the following themes:

TRANSFORMATION AND EMPOWERMENT BARRED BY TOP MANAGEMENT

At the heart of the theme is the acknowledgement of the centrality of the human agency in the transformation agenda, particularly top management. However, this needs to be looked at in the broader context of institutional structures that might serve to stifle transformation. The research found that top management broadly is responsible for determining the content and pace of transformation. Gate keeping by Top Management has been recognised as a serious impediment. Cultures and nepotism were also identified as challenges that demand attention.

The Transformation Barometer acknowledges that this is not only the responsibility of black or white top management but a combination of human agency and the institutional structures.

OUT OF THE STARTING BLOCK BUT FAR FROM THE FINISH LINE

The research found that significant progress has been made in socio-economic transformation. Regarding income, the research found that the poorest of the country's citizens have declined significantly during the period 2001 – 2012. This was corroborated by Oxfam's research in 2014 that found that the South African fiscus played a direct role in reducing poverty. However, income inequality continues to be one of the highest in the world with a Gini co-efficient of 0.63. During the period 1996 – 2012 the number of South Africans living under the poverty line increased by 1.6 million.

MOVING AWAY FROM TICKING BOXES TOWARDS CHANGING HEARTS AND MINDS

Given the history of South Africa, transformation continues to be a contested and emotive issue. The research found that there is widespread malicious compliance. Companies half-heartedly comply, not because they believe it is an important imperative. There is an entrenched belief especially amongst minorities, that redress is a form of reverse racism.

The Transformation Barometer argues that whilst penalties for non-compliance have a role to play, it is important to approach transformation as a moral imperative. This is part of nation building and building a fair and equitable society.

THOUGHT LEADERSHIP

Continued..

EDUCATION AND SKILLS ARE FUNDAMENTAL TO TRANSFORMATION AND EMPOWERMENT

The Transformation Barometer research identifies education as fundamental to the transformation project. It however notes with concern the woeful performance of our education system as a whole. The research states that although education has been broadened and accessed by more people, quality remains a critical challenge. It observes that South Africa's allocation of 6.0 of GDP to education is higher than other emerging countries (World Bank, 2012). Yet, the literacy rate of 88.7% is low compared to developed countries and only India is lower amongst the BRICS countries. The Barometer also found that there is a correlation between employment levels and education. Unemployment amongst graduates of all groups tend to be lower than the national average.

The BMF also weighed in on the Minimum Wage debate and presented a detailed submission to parliament in this regard as follows:

- Our high unemployment rate is a contributor to inequality. BRICS unemployment statistics are: Brazil 4.3%, Russia 4.9%, China 4.05%, India 3.8% South Africa 25%. These statistics show a massive unemployment crisis.
- Whilst we fully support the introduction of the national minimum wage, we are worried that that without private sector support and buy in, it will not achieve much. In fact, as we have seen with the mining industry when workers legitimately demanded what is due to them, threats of job cuts and mechanization are raised.

The BMF is deeply concerned about the apparent reversal in transformation gains that we have achieved over the past few years as a country in the top echelons of Corporate South Africa. We have in the past 3 years witnessed a phenomenon where the CEOs of the Top 40 JSE listed companies have declined from 15% in 2012 to 10% in 2015. We have to this extent resolved as the BMF Board to embark upon a study which aims to look at the succession plans of the Top40 JSE listed companies with the aim of putting an end to this unwelcome trend in the long run.

ADVOCACY AND LOBBYING

The BMF continues to keep Corporate South Africa's transformation record in check by advocating for the appointment of black professionals to meaningful positions within companies. The Jack Hammer Executive Report which was released in late last year, revealed that the proportion of CEOs who are black South African has fallen from 15% in 2012 to 10% in 2015.

The BMF notes with deep concern the reversal of transformation gains where black CEOs of major companies in our country were replaced by white candidates where qualifying black candidates were available. It is for this reason that we have been critical to appointments made by MTN Group Limited; Tiger Brands Limited's ; ArcelorMittal SA; Nestle SA and SASOL Limited to name a few.

We have on the other hand applauded the progressive appointments made by Nedbank Limited; Telkom Business Connexion; Edward Nathan Sonnenberg Law Firm and the Transnet Group to name a few.

The BMF also expressed its utter disappointment upon the release of the Commission of Employment Equity Report on 25 April 2016. The report revealed that the top management representation within Corporate South Africa sits at only 14.3% Africans and 68.9% Whites against an economically active population of 77.4% Africans and only 9.9% Whites. We are on record calling for tougher measures to be enforced in the form of fines and penalties for companies that continuously fail to comply with the Employment Equity Act. We are in the process of motivating for an Employment Equity Tribunal in this regard.

Sponsorships

The BMF remains grateful to the following organisations who have continued to support us in this financial year:



Gender Equity Catalysts

Through the Gender Equity Catalysts the BMF aims to cultivate a gender equity culture for inclusive managerial leadership within the BMF and Corporate South Africa. The intention is to champion issues affecting women leaders within Corporate South Africa and how the environment can be further cultivated to be more inclusive.

During its strategy session in May 2016 the Catalysts agreed to confront the following issues affecting professional women within Corporate South Africa:

- Patriarchy
- Unhealthy Competition Amongst Women
- Ineffective Networking
- Misunderstanding and Misapplication of Policies by Corporates
- Harassment of Women Professionals and Entrepreneurs

These initiatives are developmental, they have scalability, they create support mechanisms for women in leadership and they have envisaged sustainability.

2016 Financial Year Highlights

2016 has been one of the most financially challenging years that the BMF has experienced. The financial position of the entity has declined by R5 771 840 (20%) due to the movement of various balances within the assets, equity and liabilities with the following being the significant movements:

- The Other financial assets decreased by R2 880 408 mainly due to the fact that we had to dispose of some unit trusts held with Nedbank in order to finance the organisation's activities.
- Loans to related parties increased by R340 278 as a result of more funds being advanced to The Maduke Lot Ndlovu Trust.
- Trade and other receivables increased by R1 528 760 due to the fact that we had committed sponsorships and corporate membership owing at year end. Most of the monies we received them after year end in June and July 2016.
- Cash and cash equivalents decreased by R4 393 481 as a result of the need to finance our organisational operations.
- Trade payables balance increased by R1 303 386 as result of sponsorship received in advance for the Corporate Update Dinner held after year end in June 2016.
- Overall the surplus for the year has decreased by 389% from R2 570 266 to (R7 431 037).
- The deficit for the year was attributed to the decrease of investment income as dividends received from the BMFI declined from R12.8 million in 2015 to R5.6 million.
- We incurred an operating deficit of R7.3 million which increased from operating surplus of R2.7 million. This has been mainly attributed to the significant decrease in investment income and an increase in employee related costs.
- Revenue for the year has increased in the current year by R1.03 million (17%), which is mainly attributed to the increase in corporate update dinner, conference and awards and membership income streams.
- Employment costs increased by 14% due to the annual salary increments and leave days' pay outs to employees who resigned or who were dismissed in the current financial year.

Investments

BMFI

The BMF continues to have its investment vehicle (BMFi) which was setup in 1993 with the intention of ensuring the continuity and prosperity of the organisation's mandate of developing managerial leadership skills with a view to changing the social and economic patterns of the majority of the citizens of our country.

The BMFi continues to focus on its defined 2014 strategy of seeking private investment opportunities in the small-and-medium enterprise space targeting companies with equity valuations in the range of R50m to R400m with a view of growing its portfolio to R800million by 2019. The current gross value of the BMFI portfolio is R348 million.

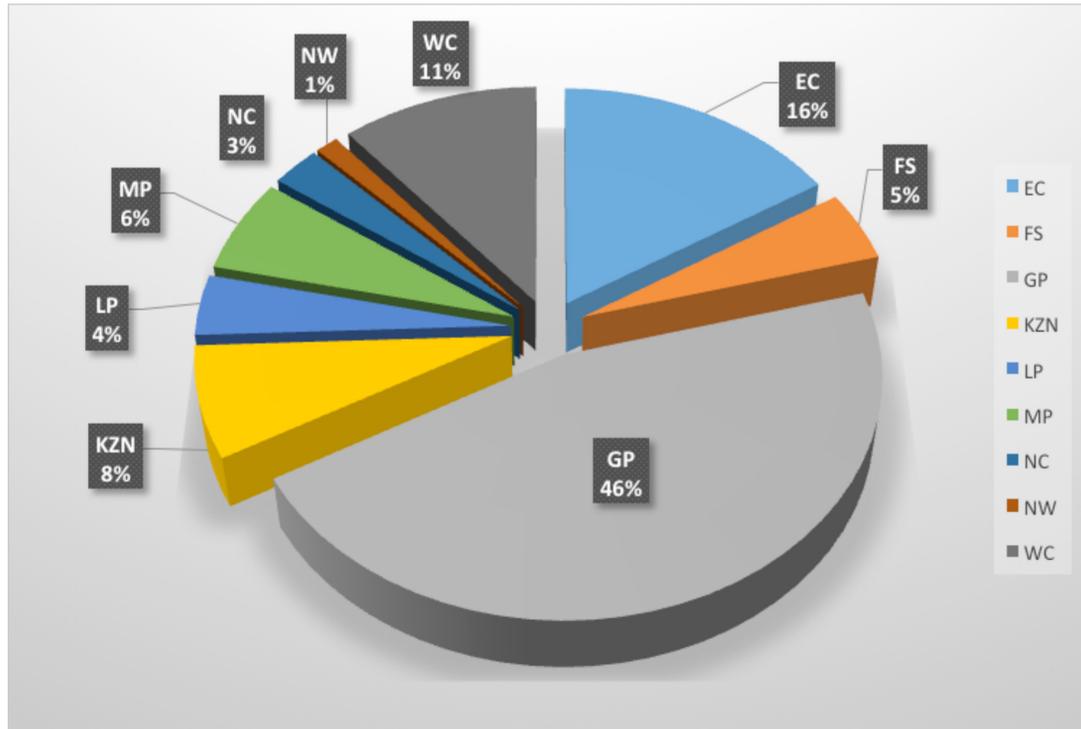
SASOL INZALO

In 2008 the BMF took part in the Sasol Inzalo Investment Transaction which was open to selected participants only. The participants had to meet certain criteria, e.g the company has to be broadbased; has to be involved in societal developmental projects so that when the dividends are received they will have a trickledown effect into the community, etc. Each selected participant is locked in for 10 years until 2018 with no option to sell or encumber these shares.

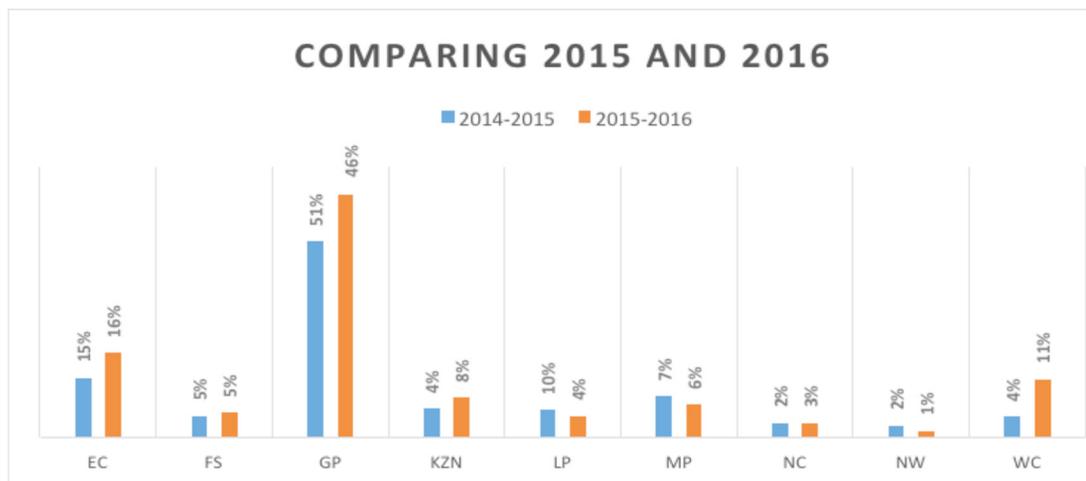
The value of the shares at purchase is R75, 000,000.00 (seventy five million) but we only paid a R5, 000,000.00 (five million) deposit and the rest of the equity was financed through loans/debt. At the end of 10 years, we may not be sitting with the same number of shares (204,198) because some of the shares may be used to pay off the equity debt of R70, 000,000.00 (seventy million), if it is not fully repaid yet. After 10 years the shares will be converted into SASOL Ltd shares. It is, however, important to note that this investment is currently sitting under water.

Individual Membership Analysis

The BMF boasts a database of 11 119 individual members located in 35 branches nationally.



Membership Breakdown by Province 2015/16



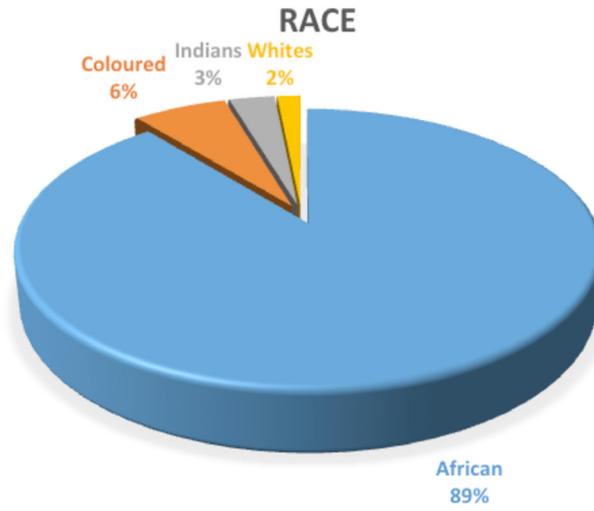
Comparison of Members by Province

GENDER



Membership Breakdown by Gender 2015/16

RACE



Membership Breakdown by Race 2015/16

Provincial Reports

NORTHERN CAPE

For the year, 1 August 2015 – 31 August 2016, the Province made a decision to focus on 3 strategic objectives. The three strategic thrusts are: Development of Managerial Leadership; Thought Leadership and Advocacy; and Stakeholder Collaboration. Activities and initiatives undertaken during this period were in support of objectives. A strategic session was held in order to align the 2016-2018 national strategy with that of the Northern Cape.

BMF Northern Cape still occupies office space at seventh floor Templar building, the building occupation has since changed from office of the Premier to the Department of Treasury. A new lease has been signed with the BMF, at no cost.

INITIATIVES IN LINE WITH STRATEGIC THRUSTS

ADVOCACY & THOUGHT LEADERSHIP	INITIATIVE	STRUCTURE
	<ul style="list-style-type: none"> 2 articles were published in the New Age; The State of Transformation in the Mining Sector 'Is SA capable of becoming an inclusive economy?' BMF 40th Anniversary Provincial Lecture – "Transformational Leadership and its Role in Economic Sustainability" 15 April 2016 delivered by immediate Past President Conversation on Women striking the work-life balance hosted on 21 July 2016. Thought Leadership Conversations themed "Freedom Has Been Good to Business but Has Business Been Good to Freedom?" Inaugural Lecture with Dr Umar Johnson a Pan Africanist on 3 August 2016 focusing on Leadership and Black Economy 	Provincial Event Provincial Event Kuruman Branch Kuruman Branch Kuruman Branch Young Professionals & Kimberley Branch
	<ul style="list-style-type: none"> Information session -Allan Gray investments focusing on Transformation of Culture, Ethics and the Intrinsic Values of Organisations Leveraging your wealth-talent dynamics to achieve all your business/career goals 	Kimberley Branch Kuruman Branch

STAKEHOLDER COLLABORATION	INITIATIVE	STRUCTURE
	<ul style="list-style-type: none"> BRICS Northern Cape Expo Provincial Skills Development Forum – BMF is a sitting member of the forum SARB – Monetary Policy Forum participation Participation in the Youth Chamber of Commerce and Industry summit Participation in the Kathu Industrial Park Programme as part of the broader black business in partnership with the IDC and Anglo American. Participation in Provincial Dialogue on the Transformation of Heritage Sector with the Department of Sport, Arts and Culture Northern Cape LED Forum under the theme: "Business Unity in the Northern Cape" 10 June 2016 	Provincial Event Provincial Event Kimberley Branch Young Professionals Provincial Event & Kuruman Branch Provincial Event

YOUNG PROFESSIONALS

In 2016 YP NC has been involved in the following:

- BMF Northern Cape 40th Anniversary Provincial Lecture.
- The South African Business Incubation Conference 2016.
- Northern Cape Local Economic Development Forum, on a quarterly basis.
- Stakeholder Consultation Workshop on the Review of Small Business Act.
- NC ANC Economic Transformation Committee meeting, on a quarterly basis.

Summary of Successes

- Relationships: Building close and influential relationships in the province with various stakeholders.
- Advocacy role: Sitting at key and strategic stakeholder engagement platforms that discuss and plan the future of the Northern Cape Province.

The identified stakeholder collaborations is as follows:

- PwC – Training on Governance and the Mining Charter
- SIRDAR Institute – Development of board for small business
- IDC - Workshops focusing on Black Industrialists
- Sanlam - Financial Wellness
- Assmang Black Rock Manganese – Discussion on support of Student Chapter Programs
- Office of the Premier – Formation of Partnership with regards to Gender Catalysts initiative
- BMF Participation in the Economic Transformation Sub-Committee of the ANC
- DTI – Black Industrialists Program
- National Empower Fund and SEFA

EASTERN CAPE

In pursuit of expanding the footprint of the BMF in the province under the membership drive strategy, a number of senior managers, managers and aspirant managers were recruited and a new branch was established in King Williams Town & Bisho. The main purpose for establishing this branch is to reach out to public sector managers and leaders to ensure that BMF is relevant in the provincial government. This branch was an initiative of the past provincial leadership during the term of Mr Dumsani Mpafa but was carried forward by the current leadership to see to its implementation. The branched was launched in August 2015 by the former President Bonang Mohale.

The task team attended some of the provincial committee meetings in order to present their plan action for 2016, learn from other leaders and to report on the branch activities. The branch this year held its elective annual general meeting and has now installed new leadership in order to implement programmes to its constituency and to recruit more members. The branch is in good standing and has started to enjoy support from provincial government departments such as the OTP, Provincial Treasury, DRDAR and DoH.

As a thought leadership organization, a trusted voice of socio-economic transformation, this leadership resuscitated the CEO's Roundtable Dialogues with industry experts in private and public sector. The second dialogue was hosted in East London in November 2015 wherein the MECs for Finance / DEDEAT & DRDAR were invited as guest speakers along with the CEO of UDDI, Ms Patricia Dlamini. This dialogue tackled with the subject of Leadership & Sustainable Economic Growth & Development. The session was attended by seasoned professionals and leaders of note in the region. This session also positioned BMF as relevant in tackling issues in public discourse.

The 3rd Executives Roundtable dialogue was hosted by PEC in Chris Hani Branch. The keynote speaker for this notable programme was Ms Zodwa Ntuli, the recently appointed B-BBEE Commissioner at the dti, Deputy President of BMF, Dumsani Mpafa & Mr Moppo Mene: Chris Hani District Municipality Municipal Manager as panelists. BMF provided a platform for engagement by various stakeholders on the implications of the new amendments of the B-BBEE, its intended consequences. Once again this programme was a success and the BMF was strategically positioned as a trusted voice and champion for socio-economic transformation in pursuit of fairness and justice.

Provincial Reports

EASTERN CAPE

Continued..

Stakeholder engagement has been a strength of this leadership. The provincial and branch leadership availed themselves and took time to visit a number of stakeholders to engage them on what the BMF stands for and concluding partnership proposals in hosting a number of BMF programmes and networking sessions. Stakeholders visited during the period under review are namely: MBSA; VWSA; CIDB; NMBM; NMBDA; the dti; IDC; CDC; TNPA Port of PE; TNPA Port of Ngqurha; TNPA Port of East London; DoL; OTP; Standard Bank; Chris Hanu District Municipality; Old Mutual; ESKOM; SANLAM & NMMU. The BMF brand has been rigorously repositioned in Corporate South Africa by way of Corporate presentation which outlines the mandate of the BMF, its contribution over the years in shaping the transformation landscape of the country and its revised value proposition. Corporate have received the BMF value proposition with enthusiasm and there is commitment in working with the BMF on a number of programmes.

The period under review marks the 40th Anniversary of the BMF's existence. The Board took a firm decision to host these celebrations nationally in all nine Provinces fully funded from the national office. The Eastern Cape held its anniversary on 23 June 2016 in East London at the ICC. Mr Bheki Sibiyi, a Past President of the BMF delivered his keynote address under the theme "Championing Transformation Master Plan for Sustainable Socio-Economic Growth in South Africa." The anniversary celebrations were graced by high profile guests namely, Deputy President of BMF: Mr Dumsani Mpafa, Executive Mayor of Buffalo City Municipality, Mr Mtsi; Speaker of Eastern Cape Legislature Ms N. Kiviet, Eastern Cape Auditor General: Mr S. Pieters, Department of Labour Executive: Mr Bheki Gama; CEOs of various companies, Financial Director of BMF: Mr Philani Dlamini, Corporate Partners, BMF Stalwarts and BMF members. The event was a resounding success with a turn up of 160 delegates.

This leadership believes and subscribes to the principles of mentoring and coaching young leaders of today for tomorrow. It is with this enthusiasm that in 2016 the Eastern Cape is continuing with the Young Professionals Development Programme (YPDP) which was initially implemented in 2015. 90% of the 2015 intake completed this programme with success and a graduation ceremony will be hosted in October to celebrate this achievement and also show case BMF value proposition to stakeholders – the case for joining BMF as a young fellow. This year we are proud to announce that the programmes is financed by national office and TNPA Port of East London is sponsoring a venue for 8 months. This is indeed, yielding good prospects for membership growth.

The student chapter experienced a number of challenges this year. Since the previous provincial leadership was deployed nationally to serve in 2014, this has caused leadership vacuum in the province. This leadership vacuum led to lack of activity in some campuses. Until recently, the acting task team managed to resolve such challenges and new leadership was installed in April 2016.

NORTH WEST

North West Province comprises of four Districts namely Bojanala, Dr Kenneth Kaunda, Dr Ruth Segomotsi Mompati and Ngaka Modiri Molema. Most of the members are concentrated around Dr Kenneth Kaunda. Most of the members are employed by Public Sector, Government and Municipalities, Farming and Mining Sector. The State Owned Corporations have a foot print as well. The large corporations and financial sector also have a foot print however they revert to their National offices for donations and sponsorships.

MEMBERSHIP

BMF has one functional branch and that is the Dr Kenneth Kaunda branch. The functional branch members who are in the different districts are working hard to put BMF on the map in the Province. With the 40th anniversary lecture we began to see a small growth of membership in the Province. There was a 40% increase (14 to 24)

PROVINCIAL ACTIVITIES

Student Chapter

The Student Chapter has two branches, NWU (Mafikeng campus) and UNISA (Rustenburg campus) had their AGM on 16 April 2016 in Rustenburg. The student chapter hosted their Transformation seminar on 29 July at the NWU Campus in Mafikeng. The activities were supported by the Administrator and some of the PROVCOM members.

YOUNG PROFESSIONALS

Gender Equity Catalysts

Delivered a keynote address for department of Education Women's Day event in Dr Kenneth Kaunda, on 12th August 2016.

The BMF Member also led the development of a programme of action for Gender Equity for the North West Department of Health on 26th August 2016 Collaborate with Stakeholders.

The BMF has collaborated with the Department of Finance, Economy and Enterprise Development (FEED), Department of Health, Kgorogo Social Investments, Bloyta Maintenance and Properties, ABSA, SANRAL, Wesvaal Business Chamber, Tshabalala General Trading and Kopano Brickworks.

The partnerships we have forged have made it possible for the Forum to be visible. The YP in partnership with the Wesvaal Business Chamber hosted the SMME Business breakfast which was sponsored by ABSA.

The Department of Health, Kopano Brickworks and Bloyta Properties hosted the youth day celebration which was held in Ventersdorp. This is an Interactive Dialogue Programme. The project is benefitting 10 learners from Ventersdorp. This project will be expanded to Maquassi Hills. John Hopkins University and Bloyta Properties have trained the beneficiaries on Public Speaking and presentation skills This is the second year that the Interactive Dialogues are in the running. The winner and facilitator from the 2015 project won a trip to Robben Island.

The highlight of the year for BMF North West was the 40th Birthday celebration which was a success.

The Province hosted three Marketing interns from Central University of Technology. They were groomed and mentored by the late Welkom branch Chairperson to ensure that they are fit for work after they complete their studies. These students did a sterling job and piloted the open day platforms that showed struggling branches survive and kept their branch status.

FREE STATE

This report covers the three branches in the Province, namely: Bloemfontein, QwaQwa and Welkom. A lot of work has been done to ensure that all three branches function properly and act as a support structure to one another. One of the common challenges has been and still remains decreasing numbers of members and lack of enthusiasm to participate in programmes and events. A lot of effort was put on bringing QwaQwa branch on board and ensuring that they participate fully as members of Provincial Committee.

The Welkom branch had its own fair share of challenges and had to deal with the passing on of Mr. Patric Khobotle Mohale who took over as the acting branch chairperson after Adv. Litabe vacated the position due to work commitments. All three branches descended to Lesotho for the burial of Mr. Mohale on 21 May 2016 and rendered heartfelt messages of support to the family of our fallen leader.

There have been numerous engagements with various stakeholders to build lasting relationships to ensure that we work on productive programmes across the whole Province. The Bloemfontein Branch took a lead in ensuring that we continue to have support from stakeholders and that trainings continue in the midst of all these challenges. These platforms were made available to all branches and will still be rolled out with focus on the QwaQwa branch.

Stakeholders:

- Central University Of Technology
- University Of Free State
- Mercedes Benz
- Core Group Financial Solution
- PWC
- Matjhabeng local Municipality
- Sanlam

A number of events aimed at the development of members were hosted. The Young Professionals and Student Chapter have also taken the lead in ensuring that they are more visible and active. YP is currently taking part in a YPDP that is being held in Bloemfontein once a month. The programme runs over a period of 8 months.

WESTERN CAPE

Below is the detailed account of our work since the new leadership took over:

STRATEGY SESSION

23 May 2015 – 21 June 2015

Immediately after assuming office we convened a strategic session to diagnose the organisation's problems and cut-out a clear plan for the two-year term of office.

We identified the following areas to be the focal point of our strategy:

- Economic Transformation – As a broad exercise that includes, work place dynamics, enterprise development, and retention of black talent in our Province.
- Membership Drive – We felt it was important for a membership based organisation to have a wide membership base if we wanted to claim to be the voice of Professionals in Western Cape.
- Lobbying and Problem Solving – We felt it was necessary for the BMF to also add its voice on any matters that are associated with our founding principles and mandate. But we were deliberate to say, we must always try to find solutions to the problems
- Roads Shows - We embarked on the road show programme to introduce ourselves and the mandate we carry to many companies, in and around Cape Town. On those road shows we were armed with our plans of how we can collaborate with companies in trying solve a common problem of lack of transformation in many companies in Cape Town.

Following are the companies that we engaged with during the road show:

- Airports Company South Africa (ACSA)
- City of Cape Town
- Media24
- ABSA Cape Region
- Capitec Bank
- Department of Opportunity, Finance & Tourism
- Western Cape Economic Development Partnership
- Secretary to Parliament
- University of Cape Town
- Investec Asset Management
- Woolworths
- Engen

Membership & Branch establishment: We have seen a growth in membership due to the above-mentioned efforts. Our strengthened relationships with corporates in the Province have resulted in improved paid up membership numbers. We have moved from 54 to 146 members in good standing, which translate to a 140% growth. We also launched two new branches, a first in the history of the BMF WC. The first branch to be launched was Century City Branch on 1 August 2016 which is to be hosted by ABSA and the Cape Town Branch on 25 August 2016. We congratulate once again the newly elected leadership of the Century City branch. Ms. Ayanda Mfusi and Nomulando Lukuleni, respectively Chairperson and Deputy Chairperson of Century City Branch. It is also worth noting that not only are they both female but also Young Professionals. We aim to continue on this growth path.

Legacy Projects: The Legacy projects stem from the several enquiries on the Black Brain Drain issue in Cape Town but also on challenges experienced by Black Business to access opportunities with the City of Cape Town Procurement. We have commissioned research which will provide long-term solutions to what has become an issue for both the City and the Province from a skills retention and attraction point of view. It will focus on two aspects:

Provincial & National Recognition: Last year; the Western Cape reclaimed an Award that has always been its own. Ms. Zinzi Mgolodela, Group Head, Transformation & BEE from Woolworths was selected as the National Manager of the Year 2015 at the BMF Annual Achievement Awards hosted in October 2015 at Gallagher Estate in Gauteng.

KWAZULU- NATAL

Our term of office has been challenging but also very rewarding ,despite many internal challenges, we remained focused on our core mandate of managerial leadership .The existing Branches; North Coast and Durban managed to be sustainable throughout the year .There has been forum meetings and stakeholders engagements in both Branches.

Developing Managerial Leadership

- Sanlam Gender Desk Development workshop” Planning beyond our Lifetime “
- Financial Awareness & Managerial Skills workshop with Nedbank held in Richards Bay
- Business Partners Ltd presentation on viable business held in Richards Bay
- Nedbank Women Business Breakfast held at Sun Coast Casino in Durban

Stakeholder collaboration

The KZN Province managed to put the national priority into practice that is Black Industrialisation

Nedbank and Old Mutual Partnership in Branch events

Sanlam for Gender related initiatives

ABI Partnership for Aluminum Beneficiation

Tata Steel offered the BMF to utilise their training centre for critical scarce skills development in KZN

MEMBERSHIP

Membership is picking up. This is attributed to the fact that members are driving the programmes themselves. The Province was boosted through engagements with Nedbank’s Marketing team in Richards Bay, who offered assistance in branding the BMF and driving membership growth.

YOUNG PROFESSIONALS

16 members are part of the Young Professionals Development Programme. The programme seeks to prepare our members to contribute to economic development by enhancing their knowledge and skills necessary to lead careers that make a positive impact on their organisation and economy.

MPUMALANGA

BMF Mpumalanga had a very exciting 2016 and it was a successful year. We grew our membership and advanced key strategic initiatives. This enabled us to improve our competitiveness and create value for our members. Led by our long-term vision that says “To be the foremost driver in the development and empowerment of managerial leadership in the advancement of socio-economic transformation in South Africa and beyond”. We continued with the development of our Mpumalanga strategy.

EVENTS AND ACTIVITIES

Our Province had several events that gave members a wide scope of developmental opportunities amongst them as follows:

1. The Province held successful Branch launch/dinner at Graceland Secunda under the theme “21 Years of democracy, now is the time” graced by Executive Mayor of Govan Mbeki, Business Representatives, Government representative, NAFCOOC and BMF members
2. PEC held a Strategic session for the Province
3. The Province had induction that was facilitated by the Managing Director which was a success
4. Mbombela Branch had a launch which was attended by BMF members, business stakeholders and Mpumalanga Government officials
5. The Student Chapter managed to revive four branches in the Province.
6. The Province hosted a 40th Anniversary Provincial Lecture which was addressed by the Managing Director of the BMF as well BMF Founder and Stalwart, Connie Nkosi
7. There was a signing of an MOU with the Department of Correctional Services (Department) within the Bethal Management Area. The core function being that the Department will provide available resources for farming and training purposes and other resources within the Bethal Management Area to be utilised by the community members (youth, parolees) and offenders
8. The Provincial AGM is scheduled to take place in October 2016

STUDENT CHAPTER

The Student Chapter managed to revive four branches in the Province. A successful AGM was held where a new and active committee was elected.

YOUNG PROFESSIONALS

The Young Professionals conducted and hosted a number of initiatives and activities throughout the course of the year. The majority of these were a success.

FINANCE

The finances of the Province has been controlled by way of proper budgeting and getting approval of any events within the budget. If the Event is been sponsorship for that matter, the proof of sponsorship payment is requested way before the event can take place.

ACHIEVEMENTS

- The resuscitation and relaunch of the Mbombela branch
- The launch of the Secunda Branch
- The various induction process implementation
- The development of the Provincial strategy.
- The holding of the financial and budgeting session with head office

GAUTENG

Following the election of Mncane Mthunzi and Dumisani Mphafa as the new BMF President and BMF Deputy President respectively in October 2015, the BMF Board adopted a new strategy. Accordingly, BMF Gauteng Provincial Committee revised the provincial execution plan for 2015/2016 in line with the new strategy as follows:

- Management Control and Skills Development focused on strategies to break the corporate Glass Ceiling on Executive Appointments. To this end, work is underway to develop key principles that must inform the Employment Equity Certificate of Compliance to enable the promulgation of Section 54 of the EE Act. On the skills development part; the Province, BMF Johannesburg and BMF Ekurhuleni branches rolled out various capacitation programmes for members on latest managerial and corporate governance competencies.
- Equity Ownership and Control executed through responding specifically to two regulatory Sector Charters, the Financial Services Charter and the Mining Charter. The Province also undertook a detailed assessment of Continued Consequences principle otherwise known as “Once Empowered, Always Empowered”. As things stand, both charters are in limbo whilst key players - ABSIP and the FSCC on one hand, the Mining Chamber and Department of Minerals Resources (DMR) on the other hand - seek solutions. BMF is not directly engaged on either processes, our weakness in this area is our complete lack of institutional engagement at the BB-BEE Advisory Council notwithstanding our former Deputy President serving at the Council. The Province would have to urge that the BMF Board moves speedily to address this weakness.
- Enterprise and Supplier Development initiated and championed by BMF Sandton and BMF Ekurhuleni Branches, sought to put into operation the Black Industrialist Programme and the BuyBlack Campaign. To this end, a Memorandum of Understanding (MoU) is pending ratification by the Department of Trade and Industry (DTI). Once signed, it will become a framework of collaboration between the BMF and DTI. In addition to these branch-led programmes, the Province facilitated a decisive input to the National Treasury’s draft PPPFA Regulations for 2016 through the BB-BEE Advisory Council.

The Province also concluded an agreement with the Department of Science and Technology (DST) whereby BMF Gauteng will participate in various programmes funded by the European Union. These range

from the Industry Innovation Programme (IPP) to SME's and Business Association capacitation programmes. Lastly, the Province has reached an in-principle agreement with the EU Chamber to partner on facilitated Market Access and Support for SME's owned and run by BMF members in Gauteng. The MoU is pending approval by the EU Chamber Board of Directors.

YOUNG PROFESSIONALS

The last twelve months have been active for Gauteng Young Professionals (YP) as lots of activities were taking place both at a provincial level and the branch level. Our activities have been centred around three (3) pillars of YP as those are our core focus area. The leadership of the YP at a provincial level took a decision to assist all the YP branches to establish their own programs thereby providing good platform for members to take part and get involved. In addition, we have recognised that we cannot work in silos hence we prioritised to create strong relations with the like-minded organisations in pursuit of black excellence. The events/program list will show all the activities we had this year. Our interactions with organisations such as the Association of Black Accounts of South Africa (ABASA), The South Africa institute of Chartered Accountant (SAICA), The South African Institute of Professional Accounts (SAIPA), the Wits Business School (WBS), and the Black Business Council (BBC) will allow us going forward to create more programs that are long term based which will assist our members to contribute towards the social upliftment while creating wealth for themselves.

ACTIVITIES

The Gauteng Branches namely; Ekurhuleni, Sandton, Tshwane, Soweto, Johannesburg, Westrand, their Young Professionals and Student Chapters collectively hosted 59 events and initiatives from August 2015 – August 2016

Provincial Partners and Sponsors

The Province, through its Branches continues to enjoy the fruitful partnerships with the following organization:

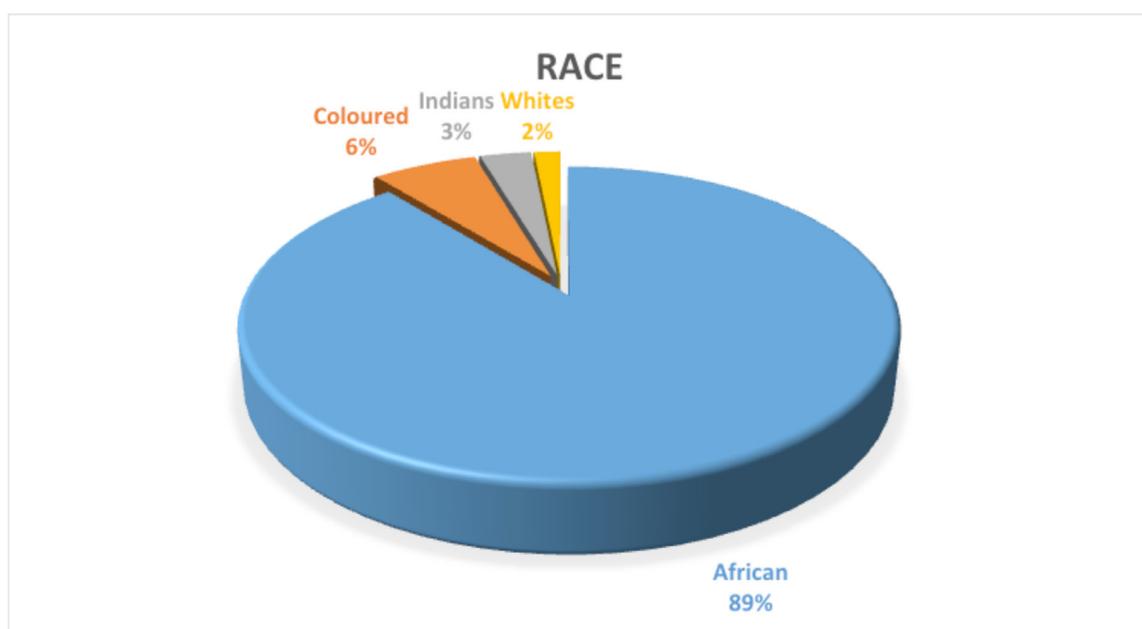
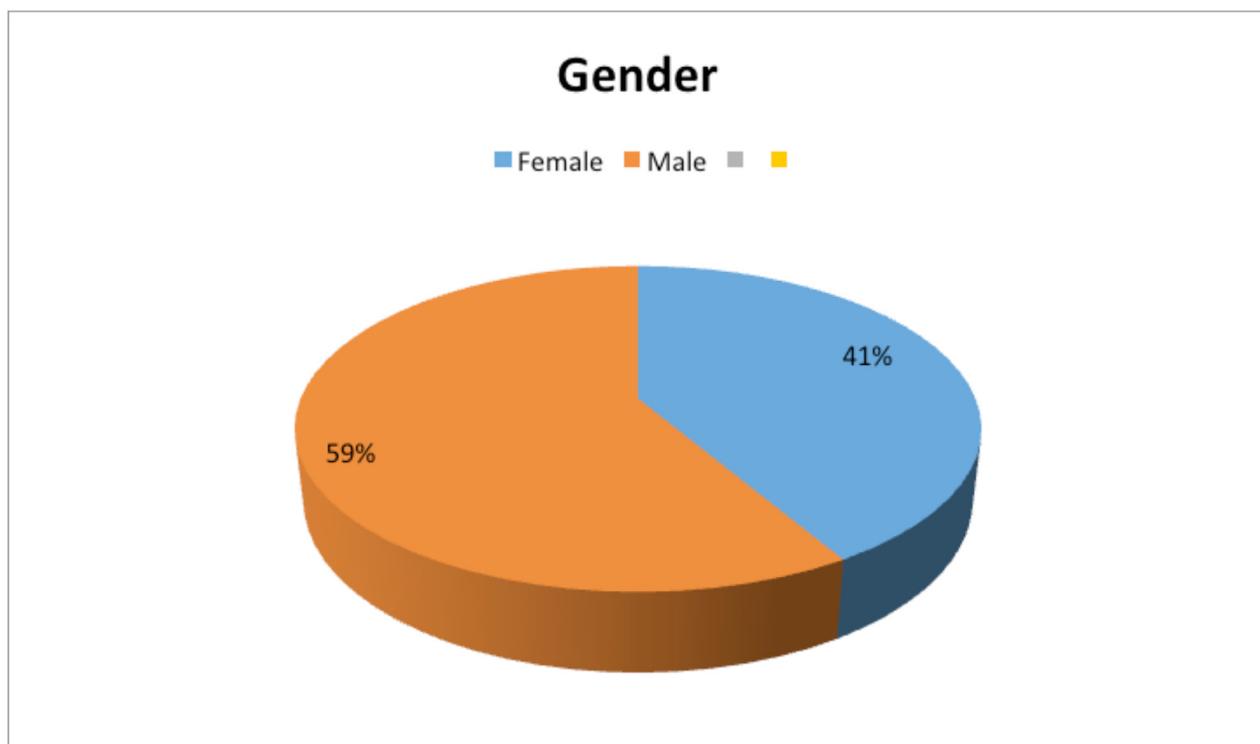
- Fibre Processing & Manufacturing SETA
- Norton Rose
- Allan Gray
- Deloitte
- Webber Wentzel
- Inkunzi Wealth Group
- Sanlam

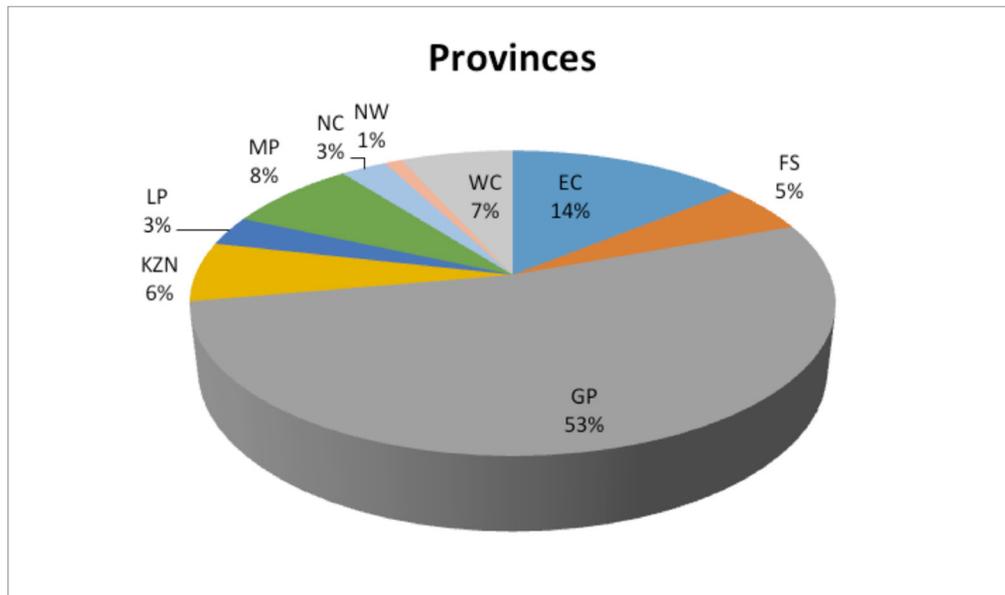
Young Professionals Report

The BMF Young Professionals (YP) elected their leaders for the next three years on 12 December 2015. Mandlenkosi Ncube and Zazi Makapela were elected National Chairperson and Deputy Chairperson respectively.

In line with YPs' strategic focus areas the following were also elected to form part of the YP Executive Committee: Rose Mathlabegoane as Head of Skills Development and Empowerment; Thabisho Cogang as Head of Enterprise Development; and Sihle Magaga as Head of Community Development.

YP MEMBERSHIP DEMOGRAPHICS





INDUCTION AND INVESTMENT WORKSHOPS

To launch YP in Limpopo an induction breakfast was held on 30 January 2016. The YP National Executive had a strategy session for 2016 to 2018 on 6 February 2016 in which three focus areas were articulated; namely Skills Development and Empowerment, Enterprise Development and Community Development.

Gauteng Province YP hosted an induction for its members on 9 February 2016.

The Mpumalanga Province was resuscitated in June 2016 and the interim Chairperson and the team are growing the membership there.

ENTERPRISE DEVELOPMENT

The Young Professionals in KwaZulu-Natal started the year with hosting their inaugural Enterprise Development Summit on 13 February 2016.

Gauteng held their annual Enterprise Development Summit on 6 August 2016.

SKILLS DEVELOPMENT AND EMPOWERMENT

Due to the success of the 2015 YPDP in Gauteng and the Eastern Cape, a decision was made to extend the programme to two more Provinces; KwaZulu-Natal and the Free State. The sessions in KZN are hosted by PwC in Durban and the University of the Free State respectively.

In Gauteng the 2015 cohort of the YPDP passed with an improved rate of 82% compared to 60% in 2014. The graduation was held in April 2016 and a new cohort resumed in the same month. The Eastern Cape had a 76% pass rate in the 2015 cohort.

Gauteng held an Investment Workshop on 2 June 2016 in Johannesburg and a leadership breakfast in Soweto on 12 June 2016.

The Young Professionals in the Western Cape hosted a programme on 31 May 2016 in partnership with the IEDC Bled School of Management where a postgraduate programme was presented to members wishing to study modules in Management and Entrepreneurship.

COMMUNITY DEVELOPMENT

The Young Professionals in Gauteng participated in the "Take a Girl Child to Work" initiative aimed at exposing high school learners to the work environment.

The Young professionals made a submission to the Department of Higher Education and Training on the Higher Education Funding and Transformation model.

The Young Professionals in Gauteng, Northern Cape and Mpumalanga participated in various community development initiatives in July as part of Mandela Day commemorations.

Student Chapter

NATIONAL STUDENT CHAPTER REPORT

In line with the BMF student chapter (SC) strategic perspective and the BMF's core mandate, the National Student Chapter Committee (NSCC) has adopted a strategy that coincides with the term of office of the Presidency.

The strategy through execution has assisted the NSCC to streamline and spear head activities which support and complement the organisational strategy .

The National Chairperson Godfrey Maja resigned on 1 March 2016 and Nomusa Phungula assumed office with immediate effect. The NSCC meeting in March 2016 affirmed the portfolio of National Chairperson and the Deputy Chairperson remained vacant throughout the term of office.

STUDENT CHAPTER COMMITTEE ACTIVITIES

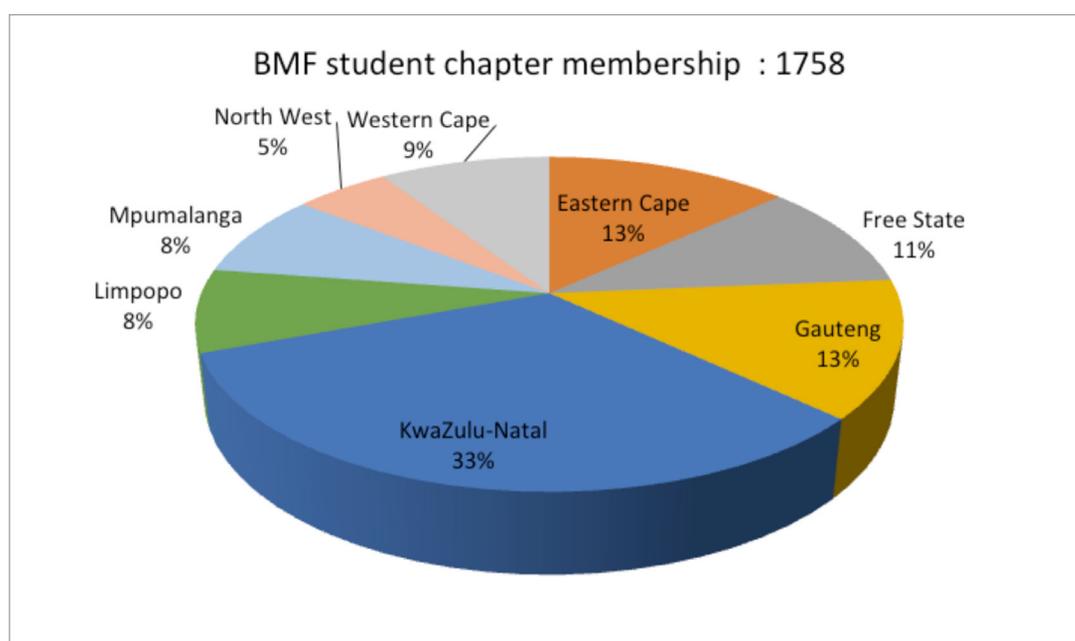
Branding and recruitment materials

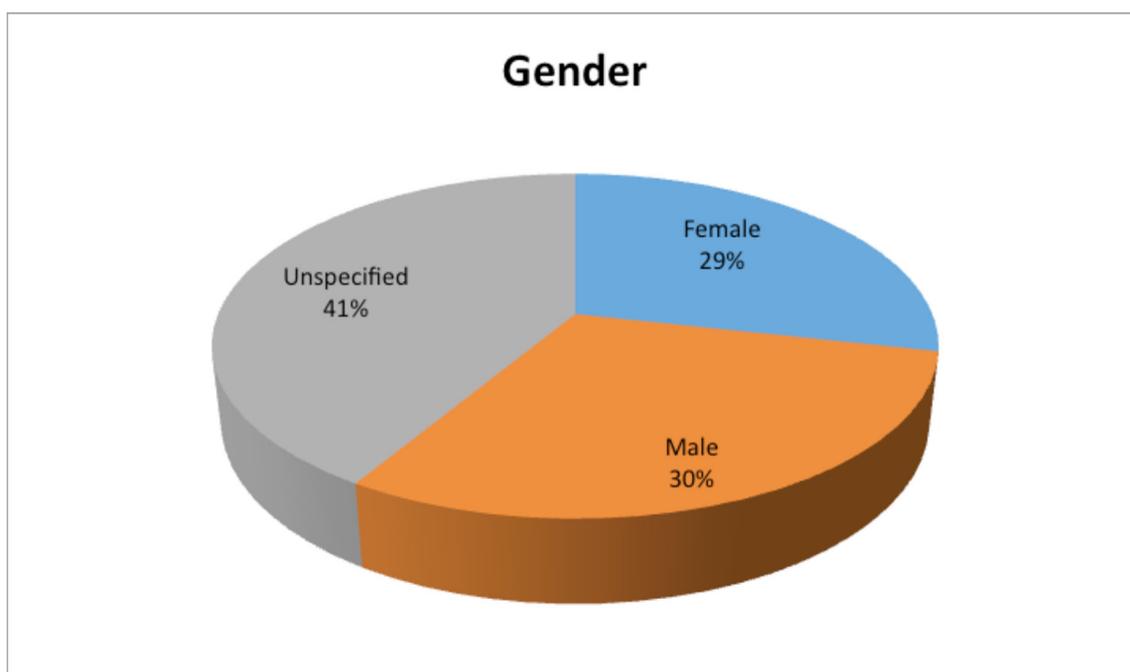
The NSCC through the support and assistance of the Head Office provided lanyards and posters for the purpose of a recruitment drive for its Branches. The provision was for 44 Branches throughout the country.

STRATEGY SESSION

The NSCC held a strategy session from 1 - 3 April 2016 in Gauteng. The purpose of the session was to develop three-year strategy which corresponds with the term of office of the Presidency as opposed one year strategy which has been ineffective and unmanageable in implementation. The strategy session also set and streamlined programmes that would be relevant and necessary for the members. These programmes are namely:

- Financial Literacy Workshops and Seminars
- Work Readiness Programmes
- Entrepreneurships Programmes
- Personal Development Seminars
- Transformation and Leadership Seminars
- Corporate Governance Workshops
- Membership Breakdown





AGM AND ORGANISATION INTERVENTIONS

The BMF head office provided support for the various Provincial Student Chapter AGMs and organisational interventions. The aim of the interventions were to enforce organisational direction on the new strategy and to building credible, legitimate and stable structures. The NSCC attended the following AGMs – Kwa Zulu Natal, 19 March 2016; Limpopo, 9 April; and Eastern 16 April 2016. Through the Provincial AGMs, the NSCC was able to advance the process of cleaning up the membership system of the student chapter. Furthermore the NSCC with the North West SC task team were able to bring a stable structure and duly elected Provincial Student Chapter Committee (PSCC) after two years of instability in the Province.

COLLABORATIONS WITH STAKEHOLDERS

Massmart Research Programme

The two-tier programme is aimed at affording working exposure to the students while at the same time rewarding them in terms of monetary value. The programme is run in four provinces. The first phase took place in three provinces: Western Cape, Limpopo and Kwa Zulu Natal . 25 students were trained and had part-time research employment in October/November 2015. The Gauteng Province cohort was trained on 28 and 29 July 2016 at the Massmart head offices. 14 students from Gauteng will be on the

THE MADUKE LOT NDLOVU LEGACY TRUST BURSARY

The Maduke Lot Ndlovu Legacy Trust, through its partners and sponsors, was able to offer bursaries to two students. The Trust assisted the students with tuition fees and other academically related fees which enabled them to continue and complete their studies.

NATIONAL SUMMIT 2016

The Summit was held on 5 -8 August 2016 in Johannesburg. The PSCC were the delegates at the Summit. A new leadership was elected:

THE NEW NATIONAL STUDENT CHAPTER COMMITTEE

Chairperson	Mr Melcome Mahlathini
Deputy Chairperson	Mr Tshepo Mabuya
Secretary	Ms Sibahle Mbele
Academic and Transformation Officer	Ms Khensani Motileni

Financials

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 May 2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 28, which have been prepared on the going concern basis, were approved by the directors on 26 September 2016 and were signed on its behalf by:



Mr M Mthunzi



Mr D Mpafa

Independent Auditors' Report

To the Members of Black Management Forum

We have audited the annual financial statements of Black Management Forum, as set out on pages 9 to 26, which comprise the statement of financial position as at 31 May 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Black Management Forum as at 31 May 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act, 71 of 2008.

Supplementary matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 27 to 28 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Head Office
20 Morris Street East, Woodmead, 2191
P.O. Box 2939, Saxonwold, 2132
Tel: +27 (0) 11 231 0600
Fax: +27 (0) 11 234 0933

Victor Sekese (Chief Executive)
A comprehensive list of all Directors is available at the company offices or registered office.
SizweNtsalubaGobodo Incorporated. Registration Number: 2005/034639/21



Independent Auditors' Report

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Victor Sekese (Chief Executive)

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Financials

Continued..

Black Management Forum Annual Financial Statements for the year ended 31 May 2016

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non-profit organisation - Development of Managerial Leadership
Directors	Mr M Mthunzi Mr D Mpafa Ms B Mavuso Mr G Nxweni Dr T Gopane Dr J Mudau Adv E Gumbi Ms A Lelimo Mr A Nomlala Ms N Mojanaga Ms T Sigwela Mr M Ncube Mr J Maswanganyi Mr L Mangele
Registered office	Black Management Forum House 12 Summer Street Rivonia 2146
Postal address	PO Box 781220 Sandton 2146
Bankers	ABSA Nedbank
Auditors	SizweNtsalubaGobodo Inc. Chartered Accountants (S.A.) Registered Auditors
Company secretary	Xoliswa Mpongoshe
Company registration number	1981/001893/08

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

Index

The reports and statements set out below comprise the annual financial statements presented to the members:

Index	Page
Directors' Responsibilities and Approval	3
Independent Auditors' Report	4 - 5
Directors' Report	6 - 8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Funds and Reserves	11
Statement of Cash Flows	12
Accounting Policies	13 - 17
Notes to the Annual Financial Statements	17 - 26
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	27 - 28

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

The financial statements have been prepared under the supervision of Philani Dhlamini (previous Finance Director).

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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The directors have reviewed the company's cash flow forecast for the year to 31 May 2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 28, which have been prepared on the going concern basis, were approved by the directors on 26 September 2016 and were signed on its behalf by:

Mr M Mthunzi

Mr D Mpafa

Independent Auditors' Report

To the Directors of Black Management Forum

We have audited the annual financial statements of Black Management Forum, as set out on pages 9 to 26, which comprise the statement of financial position as at 31 May 2016, and the statement of comprehensive income, statement of funds and reserves and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Black Management Forum as at 31 May 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Supplementary matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 27 and 28 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Independent Auditors' Report

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 May 2016, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Altaf Fajandar
Director

SizweNtsalubaGobodo Inc.
Registered Auditors
26 September 2016

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Black Management Forum for the year ended 31 May 2016.

1. Nature of business

The Black Management Forum (BMF) is a non-racial, thought leadership organisation founded in 1976, with the main purpose of influencing socio-economic transformation of our country, in pursuit of socio-economic justice, fairness and equity. It continues to be vocal on these aforementioned matters and has been keeping corporate South Africa in check and encouraging participation of the broader South African stakeholders.

The organisation stands for the development and empowerment of managerial leadership primarily amongst black people within organisations and the creation of managerial structures and processes, which reflect the demographics, and values of the wider society.

While the Black Management Forum is not apolitical, it is non-partisan. It is also not neutral on matters of transformation. We are pro-transformation.

Amongst the BMF high level activities performed during the year of reporting, the BMF engaged with many stakeholders and industry players in advocating on socio-economic development matters. Through its strategic focus area, BMF continues to lobby for and execute its transformational mandate.

In pursuit of managerial leadership development, the BMF facilitates skills building of its members through partnerships that cater for executive, senior and other managerial courses.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Member's funds and contribution

BMF is a non-profit organisation. There have been no changes to the member's funds and contribution in the year.

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

Directors' Report

4. Directorate and Prescribed Officers

The directors and prescribed officers in office at the date of this report are as follows:

Directors	Position	Designation	Changes
Mr M Mthunzi	President	Non-executive	Appointed 05 October 2015
Mr D Mpafa	Deputy President	Non-executive	Appointed 05 October 2015
Ms B Mavuso	Managing Director	Executive	Appointed 01 May 2016
Mr G Nxuweni		Non-executive	Appointed 01 May 2016
Mr J Matsho		Non-executive	Resigned 31 October 2015
Dr T Gopane		Non-executive	
Dr J Mudau		Non-executive	
Adv E Gumbi		Non-executive	Appointed 01 October 2015
Ms A Lelimo		Non-executive	
Mr A Nomlala		Non-executive	
Ms N Mojanaga		Non-executive	
Ms T Sigwela		Non-executive	
Mr T Segopolo		Non-executive	Resigned 30 November 2015
Mr G Maja		Non-executive	Resigned 31 January 2016
Ms T Ngwane		Non-executive	Resigned 05 October 2015
Ms M Mthwecu		Non-executive	Resigned 05 October 2015
Mr M Ncube		Non-executive	Appointed 01 December 2015
Mr J Maswanganyi		Non-executive	Appointed 01 October 2015
Mr BF Mohale		Non-executive	Resigned 05 October 2015
Ms MG Khumalo		Non-executive	Resigned 05 October 2015
Mr R Laxa		Non-executive	Resigned 31 July 2015
Mr L Mangele		Executive	
Mr TTC Dhlamini		Executive	Resigned 31 January 2016
Prescribed Officers			
Mr P Dhlamini	Previous Finance Director	Executive	Resigned 31 August 2016

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient cash reserves to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Auditors

SizweNtsalubaGobodo Inc. continued in office as auditors for the Black Management Forum for 2016.

At the AGM, the members will be requested to reappoint SizweNtsalubaGobodo Inc. as the independent external auditors of the company for the 2017 financial year.

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

Directors' Report

8. Secretary

The company secretary is Ms Xoliswa Mpongoshe.

Postal address

P.O Box 781220
Sandton
2146

Business address

12 Summer Street
Sandton
2146

9. Investments in Subsidiaries

These annual financial statements are separate financial statements in which the subsidiaries listed below have not been consolidated. However, the subsidiaries have been consolidated in the Consolidated Annual Financial Statements which are available for inspection at the company's registered office.

Name of Subsidiaries	Percentage of Ownership
Black Management Forum Investments Limited	63,43 %
BMF Leadership Search Proprietary Limited	100%
BMF Empowerlogic Proprietary Limited	50%

Black Management Forum Investments Limited

The Black Management Forum has a 63,43% shareholding in Black Management Forum Investments Limited. The BMF has significant influence through the voting rights of its majority shareholding in the company. This investment is shown at cost and will be consolidated in the consolidated annual financial statements. The companies principal operations are in South Africa.

BMF Leadership Search Proprietary Limited

The company is a wholly owned subsidiary of the Black Management Forum with its principal business being recruitment, search and selection. While the company has been dormant since 2009, Black Management Forum tried to revive its operations in the current year, however the efforts were futile. The companies principal operations are in South Africa.

BMF Empowerlogic Proprietary Limited

The company is 50% owned by the Black Management Forum with its principal business being the verification of the BEE status of companies. The company ceased operations during the 2009 period and it is now dormant. The companies principal operations are in South Africa. The board has taken a decision to deregister BMF Empowerlogic. This is expected to be concluded by the end of the 2017 year end.

10. Sponsorships

During the current financial year sponsorship, in money value and in kind, were received from various sponsors, including Standard Bank, Rand Water, Deloitte, Nestlife, Shell, Sasol, Vodacom, Transnet, Eskom and Infiniti.

Black Management Forum

(Registration number 1981/001893/08)

Annual Financial Statements for the year ended 31 May 2016

Statement of Financial Position as at 31 May 2016

Figures in Rand	Notes	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	3	12 619 092	12 990 673
Intangible assets	4	7 303	2 711
Investments in subsidiaries	5	6 150	6 150
Other financial assets	6	7 825 137	7 495 524
		20 457 682	20 495 058
Current Assets			
Loans to group companies	7	304 107	304 107
Loans to related parties	8	805 865	465 587
Other financial assets	6	817 925	-
Trade and other receivables	9	2 802 195	1 273 435
Cash and cash equivalents	10	3 504 630	11 926 057
		8 234 722	13 969 186
Total Assets		28 692 404	34 464 244
Equity and Liabilities			
Equity			
Share capital		339 043	339 043
Reserves		2 825 137	2 495 524
Accumulated surplus		22 822 405	30 253 442
		25 986 585	33 088 009
Liabilities			
Non-Current Liabilities			
Finance lease obligation	11	141 105	138 662
Current Liabilities			
Other financial liabilities		15 000	-
Finance lease obligation	11	8 755	-
Trade and other payables	12	2 540 959	1 237 573
		2 564 714	1 237 573
Total Liabilities		2 705 819	1 376 235
Total Equity and Liabilities		28 692 404	34 464 244

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Annual Financial Statements for the year ended 31 May 2016

Statement of Comprehensive Income

Figures in Rand	Notes	2016	2015
Revenue	15	7 112 793	6 080 411
Other income	16	1 572 312	2 715 620
Other operating expenses		(7 373 893)	(5 980 002)
Employee cost		(8 163 145)	(8 051 418)
Conference and functions		(6 169 675)	(4 875 167)
Operating deficit	17	(13 021 608)	(10 110 556)
Investment revenue	18	5 679 529	12 806 210
Finance costs	19	(88 958)	(125 388)
(Deficit) / Surplus for the year		(7 431 037)	2 570 266
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income adjustments		329 613	303 977
Other comprehensive income for the year net of taxation	21	329 613	303 977
Total comprehensive (loss) / income for the year		(7 101 424)	2 874 243

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Annual Financial Statements for the year ended 31 May 2016

Statement of Changes in Funds and Reserves

	Member's Funds and contribution	Financial assets at fair value through other comprehensive income reserve	Accumulated surplus	Total
Figures in Rand				
Balance at 01 June 2014	339 043	2 191 547	27 683 176	30 213 766
Surplus for the year	-	-	2 570 266	2 570 266
Other comprehensive income	-	303 977	-	303 977
Total comprehensive loss for the year	-	303 977	2 570 266	2 874 243
Balance at 01 June 2015	339 043	2 495 524	30 253 442	33 088 009
Loss for the year	-	-	(7 431 037)	(7 431 037)
Other comprehensive income	-	329 613	-	329 613
Total comprehensive loss for the year	-	329 613	(7 431 037)	(7 101 424)
Balance at 31 May 2016	339 043	2 825 137	22 822 405	25 986 585
Note		21		

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Annual Financial Statements for the year ended 31 May 2016

Statement of Cash Flows

Figures in Rand	Notes	2016	2015
Cash flows from operating activities			
Cash used in operations	22	(12 694 321)	(11 306 244)
Interest income		126 699	120 350
Dividends received		5 552 830	12 685 860
Finance costs		(88 958)	(125 388)
Net cash from operating activities		(7 103 750)	1 374 578
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(164 532)	(241 247)
Sale of property, plant and equipment		-	87 564
Purchase of other intangible assets	4	(6 140)	-
Loans advanced to group companies		-	(42 049)
Dividend receivable - Financial asset	6	(817 925)	-
Net cash from investing activities		(988 597)	(195 732)
Cash flows from financing activities			
Loans advanced to related parties		(340 278)	-
Finance lease movements		11 198	26 883
Net cash from financing activities		(329 080)	26 883
Total cash movement for the year		(8 421 427)	1 205 729
Cash at the beginning of the year		11 926 057	10 720 328
Total cash at end of the year	10	3 504 630	11 926 057

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Annual Financial Statements for the year ended 31 May 2016

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	Average useful life
Buildings	40 years
Furniture and fixtures	5 - 6 years
Office equipment	3 - 5 years
Computer equipment	3 years

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

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

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

1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Software licences	3 years

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Annual Financial Statements for the year ended 31 May 2016

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.3 Investments in subsidiaries

Subsidiaries are entities over which the company has the power to govern the financial and operating policies to obtain benefits from the activities of the entity. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the company controls another entity.

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements of company.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through other comprehensive income
- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

Classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset at initial recognition. Classification is re-assessed only when, an entity changes its business model for managing financial assets.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on BMF's statement of financial position when BMF becomes a party to the contractual provisions of the instrument.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value unless it is measured at amortised cost. A financial asset shall be measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

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Annual Financial Statements for the year ended 31 May 2016

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Subsequent measurement

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses

The company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchase and sales of financial assets are recognised on trade date i.e. the date that the company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regular on convention in the market.

Subsequent Measurement of financial assets depends on their classification as follows:

- Loan and receivables are non-derivatives financial assets within a fixed or determinable payments that are not quoted in active market. After initial measurement such financial asset are subsequently measured at amortised cost.
- Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.
- Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as financial assets held at fair value through other comprehensive income.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

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Annual Financial Statements for the year ended 31 May 2016

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Loans to group companies and related parties

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, related parties and associates and are recognised initially at fair value plus direct transaction costs.

On loans and receivables, an impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment is measured as the the difference between investment's carrying amount and the fair value.

Impairment values are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investments at the date the impairment is reversed shall not exceed the fair value which would have been had the impairment not to be recognised.

Loans to group of companies and related parties are classified at amortised cost.

Trade and other receivables

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days over due) are considered indicators that are trade receivable is impaired. The allowance recognised is measured as the difference between the assets carrying amount and the estimated amount to be recovered.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Leases

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

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

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Annual Financial Statements for the year ended 31 May 2016

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.6 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of value added tax.

Revenue represents income from membership fees, sponsorships, workshops, conferences and functions, interest income and dividends.

Revenue from membership fees and sponsorship is recognised when no significant uncertainty as to its collectability exists, over a period of membership and sponsorship.

Income from workshops, conferences and functions is recognised when events take place.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 June 2016 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• 2009 Annual Improvements Project: Amendments to IAS 7 Statement of Cash Flows	01 January 2017	Unlikely that there will be a material impact
• IFRS 9 Financial Instruments	01 January 2018	Unlikely that there will be a material impact
• IFRS 16 Leases	01 January 2019	Unlikely that there will be a material impact
• IFRS 15 Revenue From Contracts with Customers	01 January 2018	Unlikely that there will be a material impact

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Notes to the Annual Financial Statements

3. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and Buildings	13 409 898	(1 228 598)	12 181 300	13 409 898	(884 078)	12 525 820
Furniture and fixtures	438 163	(304 629)	133 534	442 330	(245 395)	196 935
Office equipment	447 034	(265 481)	181 553	345 922	(235 004)	110 918
Computer equipment	975 604	(852 899)	122 705	908 017	(751 017)	157 000
Total	15 270 699	(2 651 607)	12 619 092	15 106 167	(2 115 494)	12 990 673

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Land and Buildings	12 525 820	-	(344 520)	12 181 300
Furniture and fixtures	196 935	12 813	(76 214)	133 534
Office equipment	110 918	87 432	(16 797)	181 553
Computer equipment	157 000	64 287	(98 582)	122 705
	12 990 673	164 532	(536 113)	12 619 092

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land and Buildings	12 870 341	-	-	(344 521)	12 525 820
Furniture and Fixtures	198 504	133 702	(74 000)	(61 271)	196 935
Office equipment	139 541	15 804	-	(44 427)	110 918
Computer equipment	168 653	91 741	(13 564)	(89 830)	157 000
	13 377 039	241 247	(87 564)	(540 049)	12 990 673

Office Equipment with a carrying amount of R 79 492 (2015: R101 786) is encumbered by obligations amounting to R 149 860 (2015: R138 662).

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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

4. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	10 789	(3 486)	7 303	4 648	(1 937)	2 711

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	2 711	6 140	(1 548)	7 303

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer software	4 261	(1 550)	2 711

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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

Figures in Rand

	2016	2015
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5. Investments in subsidiaries

Name of company	Nature of business	% holding 2016	% holding 2015	Carrying amount 2016	Carrying amount 2015
Black Management Forum Investments Limited	Investments	63,43 %	63,43 %	5 100	5 100
BMF Leadership Search Proprietary Limited	Recruitment services	100,00 %	100,00 %	1 000	1 000
BMF Empowerlogic Proprietary Limited	Consulting services	50,00 %	50,00 %	50	50
				<u>6 150</u>	<u>6 150</u>

Subsidiaries are held at cost less any impairment losses. BMF Investments Limited is the only trading subsidiary. BMF Leadership Search Proprietary Limited and BMF Empowerlogic Proprietary Limited have been dormant since 2009. The consolidated Annual Financial Statements for Black Management Forum are available for inspection at the companies registered office.

6. Other financial assets

Financial assets held at fair value through other comprehensive income

Sasol Inzalo Group Limited	5 000 000	5 000 000
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The investment in the funded Sasol Inzalo share scheme is 204 918 unquoted shares whose fair value cannot be measured reliably. In terms of the conditions of the scheme, the shareholders are prohibited from trading in these shares until 2018.

Ritztrade 159 Proprietary Limited	2 825 137	2 495 524
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The Black Management Forum holds a 5% interest in Ritztrade 159 Proprietary Limited, which holds a 17% interest in Tsogo Sun Emonti Proprietary Limited. Tsogo Sun Emonti Proprietary Limited is engaged in the gaming, hotels and entertainment industry in Eastern Cape.

<u>7 825 137</u>	<u>7 495 524</u>
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Financial assets measured at amortised

Dividend Receivable - Black Management Forum Investments Limited (BMFI)	817 925	-
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This was dividend withheld by BMFI as dividend withholding tax on dividends declared in the year. BMF was required to submit their declarations and undertakings to BMFI as required by the Income Tax Act so as receive the full dividend declared. The documentation was submitted late and therefore the BMFI had to withhold the tax. The money was subsequently received after year end once the documents were lodged.

<u>817 925</u>	<u>-</u>
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Non-current assets

Financial assets held at fair value through other comprehensive income	7 825 137	7 495 524
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Current assets

Dividend receivable	817 925	-
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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
7. Loans to group companies		
Subsidiaries		
BMF Leadership Search Proprietary Limited	304 107	304 107
The loan is interest free, unsecured and has no fixed terms of repayments.		
	304 107	304 107
8. Loans to related parties		
The Maduke Lot Ndlovu Trust	805 865	465 587
BMF does not own shares in the trust but governs the entity by providing administration and management services to the trust. The loan is interest free, unsecured and has no fixed terms of repayments.		
9. Trade and other receivables		
Trade receivables	1 935 013	20 089
Prepayments	482 478	729 591
VAT	364 704	486 258
Other receivables	20 000	37 497
	2 802 195	1 273 435
10. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	103	3 452
Bank balances	3 495 799	7 885 931
Short-term deposits - Nedbank Unit Trust**	8 728	4 036 674
	3 504 630	11 926 057

**Nedbank Unit Trust - This investment is risk free and yields an internal rate of return of 6.23%. The funds are accessible within 24 hours.

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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015	
11. Finance lease obligation			
Minimum lease payments due			
- within one year	113 614	103 285	
- in second to fifth year inclusive	285 712	376 061	
- later than five years	-	23 264	
	399 326	502 610	
less: future finance charges	(249 466)	(363 948)	
Present value of minimum lease payments	149 860	138 662	
Present value of minimum lease payments due			
- within one year	8 755	-	
- in second to fifth year inclusive	141 105	117 450	
- later than five years	-	21 212	
	149 860	138 662	
Non-current liabilities	141 105	138 662	
Current liabilities	8 755	-	
	149 860	138 662	
12. Trade and other payables			
Trade payables	129 763	58 801	
Amounts received in advance	1 317 890	203 877	
Leave pay accrual	308 360	405 214	
Sundry creditors	784 946	569 681	
	2 540 959	1 237 573	
13. Financial assets by category			
The accounting policies for financial instruments have been applied to the line items below:			
2016			
	Financial assets at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Loans to group companies	-	304 107	304 107
Other financial assets	7 825 137	-	7 825 137
Loans to related parties	-	805 866	805 866
Trade and other receivables	-	2 802 195	2 802 195
Cash and cash equivalents	-	3 504 630	3 504 630
Dividend receivable	-	817 925	817 925
	7 825 137	8 234 723	16 059 860

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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

13. Financial assets by category (continued)

2015

	Financial assets at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Loans to group companies	-	304 107	304 107
Other financial assets	7 495 524	-	7 495 524
Loan to related parties	-	465 587	465 587
Cash and cash equivalents	-	11 926 507	11 926 507
Trade and other receivables	-	1 273 435	1 273 435
	7 495 524	13 969 636	21 465 160

14. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2016

	Financial liabilities measured at amortised cost	Total
Trade and other payables	2 540 959	2 540 959
Other financial liabilities	15 000	15 000
Finance lease obligations	149 860	149 860
	2 705 819	2 705 819

2015

	Financial liabilities measured at amortised cost	Total
Trade and other payables	1 237 573	1 237 573
Finance lease obligations	138 662	138 662
	1 376 235	1 376 235

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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
15. Revenue		
Membership fees	1 842 084	1 295 944
Conferences and functions	2 388 070	1 787 699
Sponsorships	1 018 607	2 318 018
Corporate update dinner	1 864 032	678 750
	7 112 793	6 080 411
16. Other income		
African Leader magazine	30 928	10 099
Rent received	566 176	318 784
Sundry income	343 427	1 039 842
Donations for training	-	200 000
Events sponsorship	631 781	1 146 895
	1 572 312	2 715 620
17. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Branch Premises		
• Contractual amounts	126 056	113 973
Equipment		
• Contractual amounts	65 975	61 334
	192 031	175 307
Impairment of accounts receivable - Provincial loans written off	875 280	41 208
Repairs and maintenance	146 064	80 069
Depreciation and amortisation	537 662	541 599
Employee costs	8 163 145	8 051 418
Research and development costs	1 177	29 220
Auditors' remuneration - fees	296 049	278 536
18. Investment revenue		
Dividend revenue		
BMF Investment Limited	5 552 830	12 685 860
Interest revenue		
Bank	126 699	120 350
	5 679 529	12 806 210
19. Finance costs		
Interest paid	88 958	125 388
20. Taxation		

No provision has been made for 2016 tax as the Black Management Forum is exempt from taxation in terms of Section 10(1)(cN) of the income Tax Act of 1962 as amended.

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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

Figures in Rand

	2016	2015
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21. Other comprehensive income

Components of other comprehensive income - 2016

	Gross	Tax	Net
Items that may be reclassified to profit or loss			
Financial assets at fair value through other comprehensive income adjustments			
Gains and losses arising during the year	329 613	-	329 613

Components of other comprehensive income - 2015

	Gross	Tax	Net
Items that may be reclassified to profit or loss			
Financial assets at fair value through other comprehensive income adjustments			
Gains and losses arising during the year	303 977	-	303 977

22. Cash used in operations

(Deficit) / Surplus before taxation	(7 431 037)	2 570 266
Adjustments for:		
Depreciation and amortisation	537 662	541 599
Interest received - investment	(126 699)	(120 350)
Finance costs	88 958	125 388
Dividends received	(5 552 830)	(12 685 860)
Rental deposit from tenants	15 000	-
Changes in working capital:		
Increase in trade and other receivables	(1 528 761)	(334 218)
Increase / (decrease) in trade and other payables	1 303 386	(1 403 069)
	(12 694 321)	(11 306 244)

23. Related parties

Relationships

Subsidiaries

Entity which BMF provides management services

Members of key management

Refer to note 5

The Maduke Lot Ndlovu Legacy Trust

Directors - Refer to Directors' Report

Related party balances

Loan accounts - Owing by related parties

BMF Leadership Search Proprietary Limited	304 107	304 107
The Maduke Lot Ndlovu Legacy Trust	805 865	465 587

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Annual Financial Statements for the year ended 31 May 2016

Notes to the Annual Financial Statements

24. Risk management

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 May 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
• Finance lease obligation	8 755	31 123	109 982
• Trade and other payables	2 540 949	-	-

At 31 May 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Finance lease obligation	-	5 125	112 305	21 232
• Trade and other payables	1 237 573	-	-	-

Interest rate risk

The Black Management Forum has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Financial Instruments

Loans to related parties - interest free with no fixed terms of repayment.

Finance lease liability - fixed payments for 60 months.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial instruments	2016	2015
Bank balances - Nedbank, ABSA, FNB and Standard Bank	3 495 799	7 885 383
Nedbank Unit Trust	8 728	4 036 674
Petty Cash	103	3 452

25. Events after the reporting period

There were no significant events after the reporting period.

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