

# About this report

The board of directors of Iemas Financial Services (Co-operative) Ltd ("Iemas" or "the co-operative") presents the group annual report for 2018 which reflects the value creation of the business for its stakeholders and the strategy to ensure the continued sustainability of the business. Governance, compliance, management of corporate risks and ethical behaviour underpin the business and these aspects are addressed in the report.

The annual report for the year ended 31 August 2018 has been prepared in accordance with the principles and practices contained in the King Code of Governance Principles for South Africa 2009 (King III). The King IV report, released in November 2016, further advances South Africa's leadership in corporate governance. Iemas is in the process of evaluating its governance practices against those proposed in King IV, and will adopt King IV in the next financial year, to the extent practical, possible and in accordance with the co-operative model.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Co-operatives Act, No 14 of 2005. The co-operative has also taken cognisance of the recommendations contained in the International Integrated Reporting Framework published in 2013.

## SCOPE AND BOUNDARY OF THE REPORT

Stakeholders and partnerships are crucial to the co-operative's business. Iemas endeavours to tell an integrated value creation story and the report is aimed at providing key stakeholders with concise and transparent feedback regarding the co-operative's strategy, performance, governance and prospects.

The scope of the report covers the main business units, subsidiaries and cell captives. It encompasses the business activities of Iemas, which are conducted exclusively within South Africa, for the period from 1 September 2017 to 31 August 2018.

The report includes information about Iemas' past, present and future strategy, stakeholder engagement initiatives, financial and non-financial performance, the most important risks that the group has to manage and mitigate, together with future opportunities. The significant risks are listed on pages 25 and 26 and are addressed throughout the report.

## ASSURANCE, COMPARABILITY AND RESTATEMENTS

The consolidated financial statements have been audited by PricewaterhouseCoopers Inc. (PwC). Comparative figures, unless specifically indicated otherwise, cover the prior financial year ended 31 August 2017. There were no restatements during the year under review.

## FEEDBACK REQUEST

The board of directors welcomes feedback on the annual report for 2018 from stakeholders. Please contact Madelein Barkhuizen, group manager of corporate marketing, at [madelein.barkhuizen@iemas.co.za](mailto:madelein.barkhuizen@iemas.co.za) with any suggestions or enquiries.

## FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking. Iemas believes that these statements are reasonable and take into account information available up to the date of the report. Results could, however, differ materially from those set out in the forward-looking statements due to, among other factors, changes in economic and market conditions, changes in the regulatory environment, changes in interest rates and changes in the exchange rate of the rand. The forward-looking statements are not guarantees of future performance and are based on assumptions regarding Iemas' present and future business model, strategy and the environment in which it operates. Forward-looking statements attributable to Iemas, or any member thereof, or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statements above and below.

Iemas expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which forward-looking statements are based. The forward-looking statements have neither been reviewed nor audited by Iemas' external auditors, PwC.

## APPROVAL OF THE ANNUAL REPORT

The board of directors acknowledges its responsibility to ensure the integrity of the annual report. The board has accordingly applied its mind to the annual report and, in its opinion, the annual report addresses all material issues and fairly presents the integrated performance of the co-operative.

The annual report has been prepared in line with best practice to the extent possible in the year under review. The board authorised the annual report for release on 16 October 2018.

For and on behalf of the board



**Temba Mvusi**  
Chairman



**Johan Nel**  
Chief executive officer