



**SEA
RESCUE**
SOUTH AFRICA



**Integrated Annual Report
2019**

About this report

HOW TO NAVIGATE OUR INTEGRATED REPORT



This icon signifies related information elsewhere in this report



This icon signifies related information available on our website at www.nsri.org.za

OTHER SOURCES OF INFORMATION AVAILABLE ONLINE

The integrated report forms part of and should be read in conjunction with a suite of reports available online on our website at www.nsri.org.za.

Other reports available include:

- » A risk register
- » Annual Financial Statements for 2019
- » A King IV compliance register.

Assurances of our business practices, governance and financial information are provided through compliance with audit and oversight from many regulatory organisations. Please refer to our website for a list.

The National Sea Rescue Institute (NSRI), or Sea Rescue, is a registered non-profit organisation that is committed to drowning prevention and focused on saving lives, changing lives and creating futures for those threatened by immersion or submersion in water in South Africa. Our integrated annual report covers all the operations of the NSRI for the period from 1 January 2019 to 31 December 2019. There has been no change in the scope and boundary of this report, except that the NSRI now incorporates the call centre function previously outsourced to a third party.

This report is a sincere attempt to tell our story and describe the progress we have made this year to achieve our vision to save lives and to uphold the values we live by. Management has prepared and verified the information in the report, ensuring an accurate, balanced and comprehensive overview of our organisation. All financial information in this report has been extracted from the audited financial statements. Our financial information has been audited by our independent auditors, Cecil Kilpin & Co.

In selecting information for this report, we have attempted to communicate the essence of NSRI and its evolution. We have therefore selected topics that will provide the reader with a broad overview of our operations, as well as insights into our strategy, funding base, most important risks and opportunities, our successes as well as our challenges. Stakeholders who would like to know more are invited to contact the NSRI directly or visit our website for further details.

We have used the reporting principles and guidelines provided by the International Financial Reporting Standards (IFRS), the King IV Report on

BOARD RESPONSIBILITY STATEMENT

While our financial information has been audited by our independent auditors, we have, in the interest of optimising the use of donor funds, not sought further independent verification for our integrated report. The report is however thoroughly verified internally and both executive management and our Board have assured themselves that all material aspects pertaining to NSRI have been covered comprehensively.

The Board of directors of the NSRI (the Board) acknowledges its responsibility to ensure the integrity of this report and confirms that this integrated annual report addresses all material matters and provides a balanced overview of the organisation and its prospects. The Board has therefore approved the 2019 Integrated Report for publication.

Corporate Governance for South Africa 2016 (King IV), the Supplement for Non-Profit Organisations included in King IV, and the International Integrated Reporting Council's (IIRC) International <IR> Framework, to prepare this report.

We strive for excellence in everything we do and we are particularly proud to be recognised for our live-saving efforts – this year NSRI Plettenberg Bay volunteers were chosen as finalists in the 2019 International Maritime Rescue Federation (IMRF) Innovation and Technology awards for their rescue stretcher, designed for coastline rock and surf patient extrication. They were awarded second place at



Robbie Gibson (NSRI Plettenberg Bay coxswain) and Marc Rodgers (NSRI Plettenberg Bay Station Commander) holding the award presented to them at the IMRF award ceremony

the awards ceremony held in London in September 2019. The full story can be found on: <https://www.nsri.org.za/2019/09/imrf-international-maritime-rescue-federation-awards-2019/>.

We are also very proud to be recognised for the quality of our communication and reporting, having again received the 2019 winner’s award for

our integrated annual report from Chartered Secretaries South Africa for the NPO Category.



Please refer to our website for a list of awards that we have received in recent years.

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NSRI in numbers



2019 REVIEW

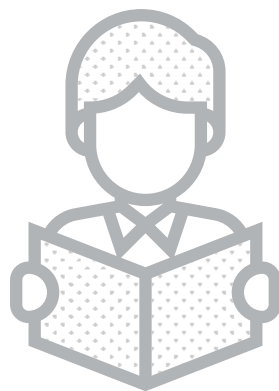
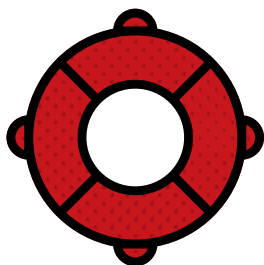
PREVENTATIVE MEASURES
HAD A PLEASING IMPACT, WITH
RESCUE OPERATIONS FROM

1 138

(2018) TO

757

(2019)

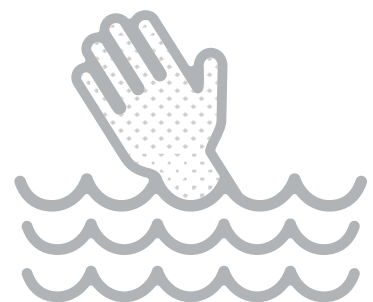


574 099

CHILDREN TAUGHT
WATER SAFETY AND

156

SURVIVAL SWIMMING



949

PEOPLE RESCUED

43

ANIMALS RESCUED

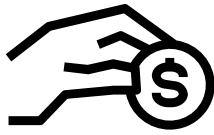


500*

PINK BUOYS DEPLOYED



*Total from
inception



R148 611 206

INCOME



R124 760 671

EXPENSES



41

RESCUE BASES



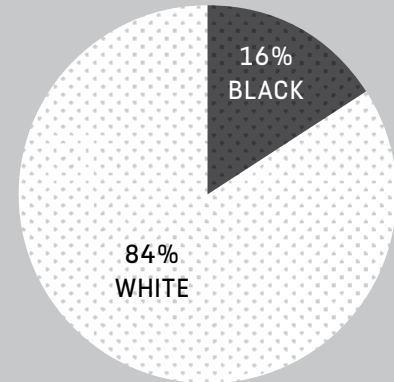
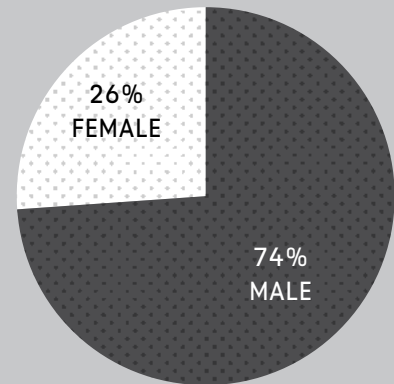
5

SATELLITE RESCUE BASES



1 359

VOLUNTEERS



Our business at a glance

Who we are

The National Sea Rescue Institute is a charity staffed by volunteers who are on call, at all hours, every day of the year. We have rescue bases along the coast and on inland dams. Our rescue crew are not paid, nor do we charge the people whom we rescue. Our goal is to prevent drowning through education, through preventative measures and through active rescue.

We visit schools around the country, teaching children about water safety, what to do in an emergency and how to do bystander CPR. We have built an online training academy for our crew and extended this platform to include free courses for the public as well. We extended our preventative measures to include emergency signage, Pink Rescue Buoys for emergency flotation, rescue swimmers, lifeguards and active

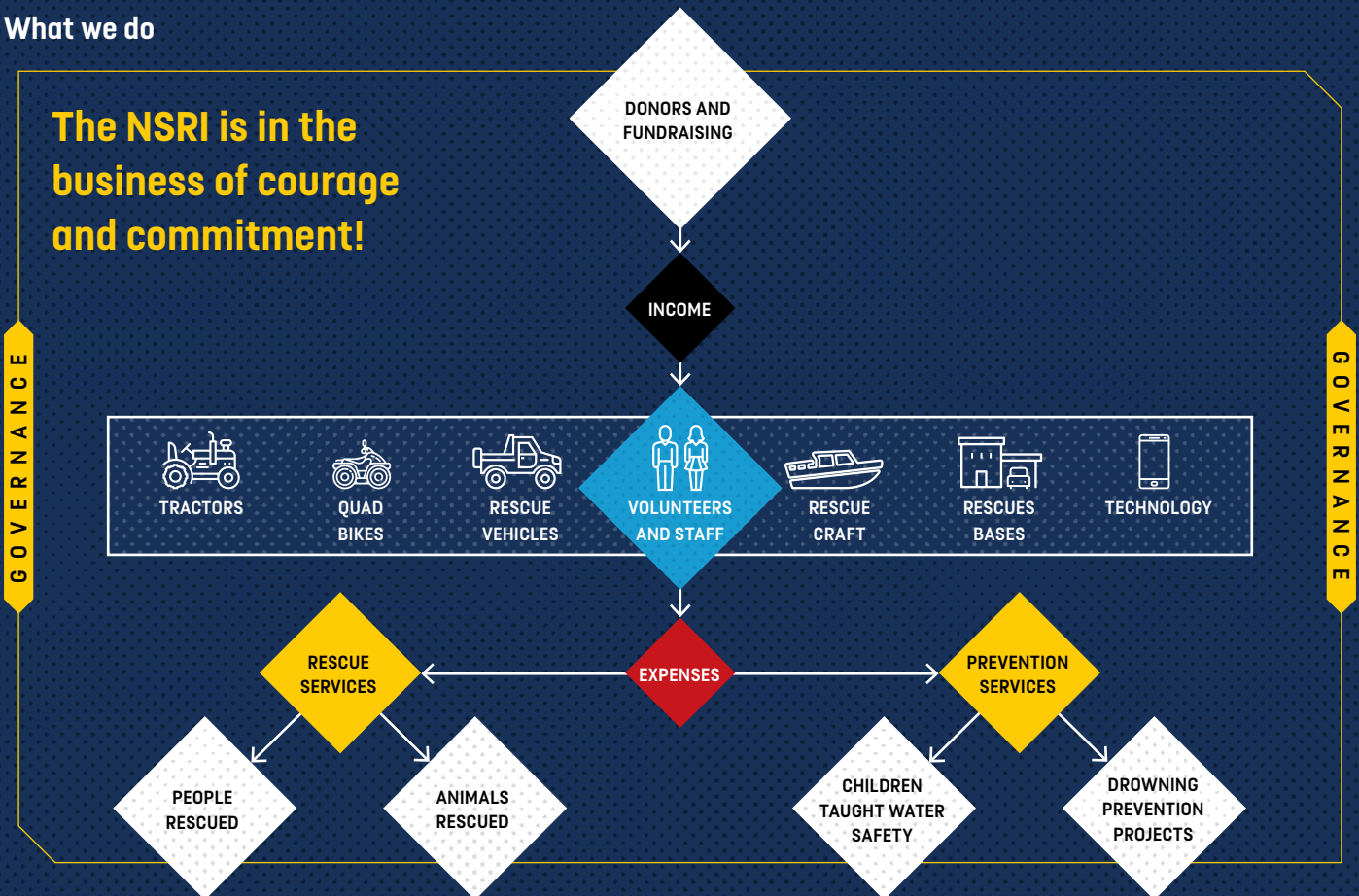
patrols during peak seasons.

Year after year we improve our skills and techniques and we continuously investigate new technologies and find new and more effective ways to prevent drowning.

Our charity exists through, and is funded by, a support base of more than 90 000 donors, most of them private individuals who donate on average R100 a month.

What we do

The NSRI is in the business of courage and commitment!



The values we live by



ALTRUISM

We love the sea and combine this love with our commitment to helping others



CARING

We care about people. The medical care that we provide extends this value to the people we rescue



ACCOUNTABILITY

We are accountable to the people whom we serve, for the service that we deliver and to each other for support



FAMILY

We have strong family values as individuals, as stations and as an organisation



PRIDE

We are a proud organisation. Proud of the service we deliver, proud of each other and proud to be South African



SAFETY

We value the safety of our crews, the safety of the children we teach and the safety of the people and animals we rescue

Our operations

R

RESCUE BASE & PINK BUOY PLACEMENTS

- 02 Bakoven
- 03 Table Bay
- 04 Mykonos
- 05 Durban
- 06 Port Elizabeth
- 06S Noordhoek
- 07 East London
- 08 Hout Bay
- 09 Gordons Bay
- 09S Strand
- 10 Simonstown
- 11 Port Alfred
- 12 Knysna
- 14 Plettenberg Bay
- 15 Mossel Bay
- 16 Strandfontein
- 16S Monwabisi
- 17 Hermanus
- 18 Melkbosstrand
- 19 Richards Bay
- 20 Shelly Beach
- 21 St Francis
- 22 Vaal Dam
- 23 Wilderness
- 23S Sedgefield
- 24 Lamberts Bay
- 25 Hartbeespoort
- 26 Kommetjie
- 27 Gauteng
- 28 Port St John
- 29 Asr Unit
- 30 Agulhas
- 31 Still Bay
- 32 Port Edward
- 33 Witsand
- 34 Yzerfontein
- 35 Witbank Dam
- 36 Oyster Bay
- 37 Jeffreys Bay
- 37S Kabeljous
- 38 Theewaterskloof
- 39 Rocky Bay
- 40 St Lucia
- 41 Ballito
- 42 Kleinmond
- 43 Port Nolloth

W

WATER SAFETY SCHOOL PROGRAMME LOCATIONS

Western Cape

- Ceres
- Cape Flats
- Khayelitsha
- George
- Lambert's Bay
- Riebeeck Kasteel
- Wellington

Eastern Cape

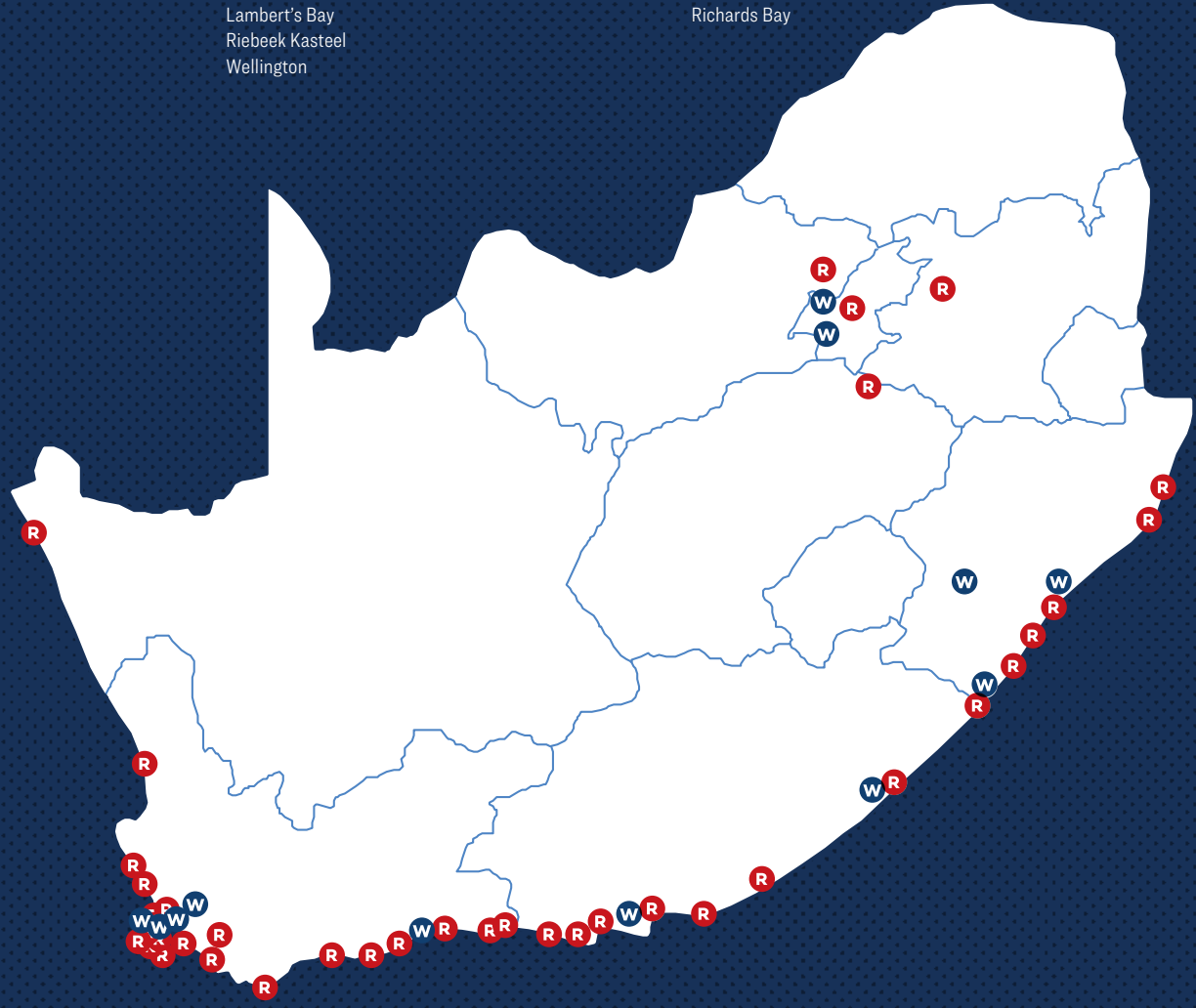
- Port Elizabeth
- Port St Johns
- East London
- Mthata

KwaZulu Natal

- South Coast
- Howick
- North Coast
- Durban
- Richards Bay

Gauteng

- Soweto
- Orange Farm
- Johannesburg



How we add value

OUR BOARD AND HONORARY LIFE GOVERNORS (HLG)

We govern the organisation with integrity and dedication and provide the assurance necessary to the relationship of trust with all our stakeholders.



Information about our HLG's, can be found on <https://www.nsri.org.za/about-us/governance/>.

OUR COMMUNITIES

We are committed to making local communities safer through our water safety education schools programme and survival swimming lessons. Our volunteers are from the communities they serve.

THE GOVERNMENT

We embrace and support the government's efforts to keep its citizens safe and take the responsibility of saving lives very seriously. We also contribute to safer tourism and business.

OUR DONORS AND PROSPECTS

We value the sacrifice from our donors – continuing to support us under trying economic conditions. We communicate with them on a regular basis on how we have spent their contributions.



Refer to page 38 for Donor information

WE SAVE LIVES, CHANGE LIVES AND CREATE FUTURES

WE SAVE LIVES

We place a strong focus on preventing loss of life by offering tracking and rescue services to sailors, surfers and swimmers and also through education, skills development and rescue training to save the lives of people and animals.



Refer to page 20 for more on Our rescues.

OUR ENVIRONMENT

We are aware that environmental pollution is one of the key problems facing our world today and are committed to do what we can to reduce our environmental impact. We also support and advocate the conservation of our marine areas and animal rescues

SOCIAL INFRASTRUCTURE

The NSRI is a proudly South African organisation and we embrace the ideal social construction, attitude and action that will take us forward as a country. Our values underpin our commitment to the development of our society's quality of life in the context of emergency service provision.

OUR EMPLOYEES AND VOLUNTEERS

We value the sacrifice from our volunteers – selflessly giving up family time to face, sometimes very difficult conditions, to focus on saving lives. We invest significant time, effort and resources in training our staff and volunteers and put effort in creating an environment where volunteers and their families can spend time together.



Refer to page 39 for more on Our people.

How we aim for excellence

The quality of our service runs through the people, processes and technology in our business, from the cleanliness of our boats, through to the expert rescue care we provide.

Achieving objectives at the right quality depends on the competence, commitment and passion of an entire community of volunteers and personnel, and achieving the balance through an effective management style, is a key issue.

Our work environment is dynamic and, although we do extensive planning, our world changes day by day. This requires agility and flexibility throughout the organisation, glued together by continuous communication through the structures.

Measurement, monitoring and evaluation are an integral part of achievement of excellence and, from Board evaluations to the number of lives saved, we maintain a continuous conscious reflection of where we are.


The principle focus remains however on the lives we save, the lives we change and the futures

we create through the work we do, both inside and outside the organisation. We are driven by the value we bring to society.

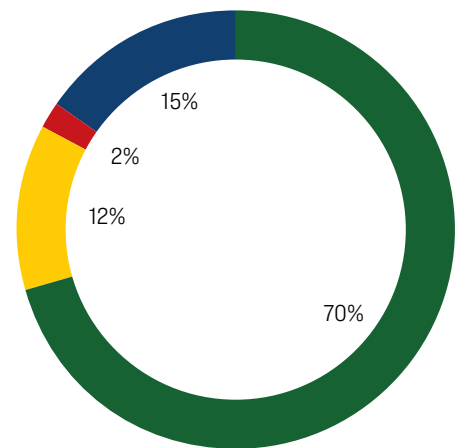
OUR GOALS AND OBJECTIVES

Each year, our directors, managers and regional representatives construct goals and key performance indicators into an activity matrix. This document is updated and circulated quarterly and ensures focus and tracks performance. The implementation of these goals and strategies serve the dual roles of firstly mitigating our risks to ensure continued sustainability, and secondly moving our organisation and mission forward in our drive for excellence.

The graph on the right indicates the status and performance of the goals and strategies in 2019:

 For a comprehensive list of our initiatives and progress, refer to our website at www.nsri.org.za

2019 monitoring and evaluation performance measurement

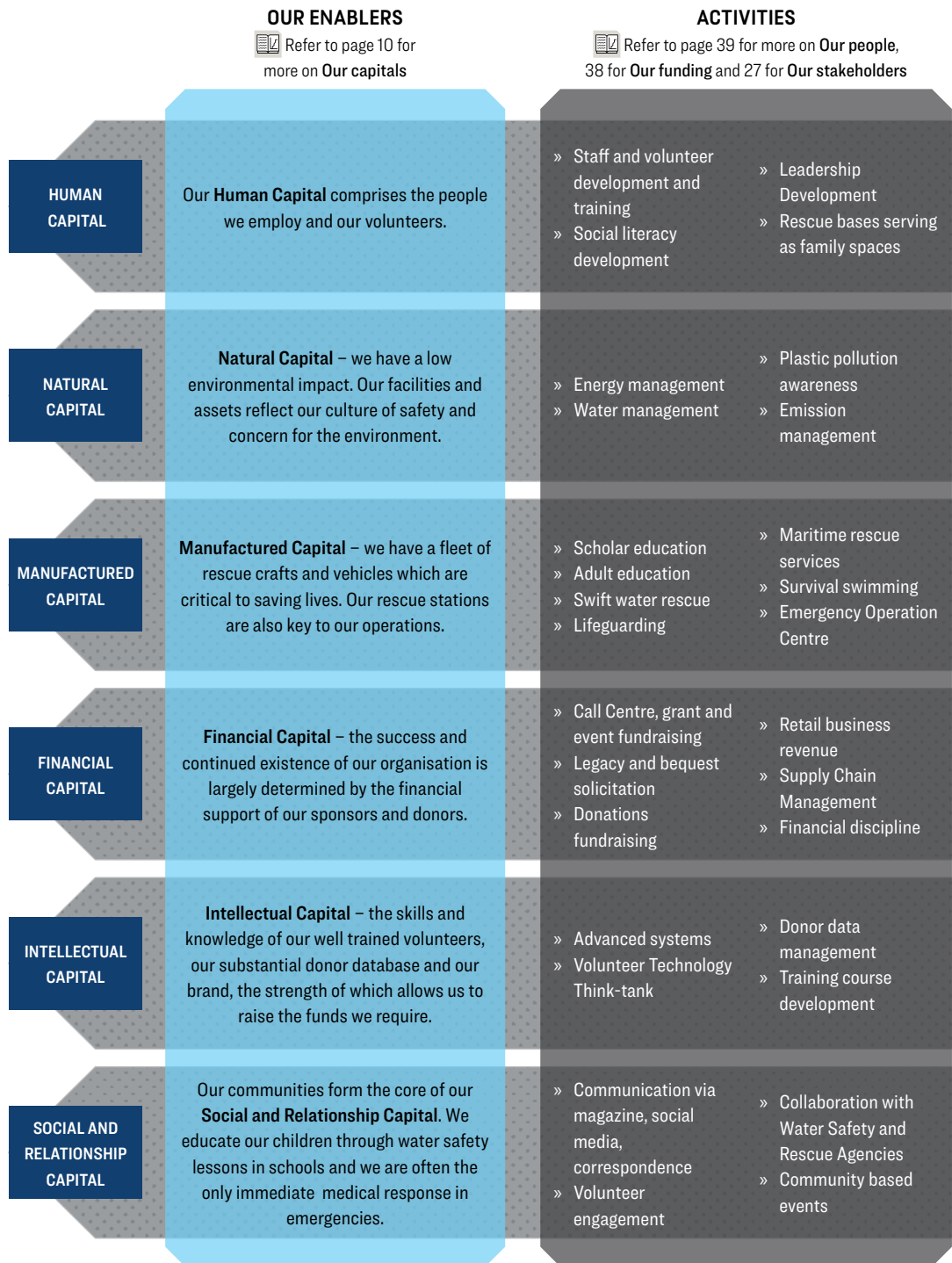


- ◆ Complete
- ◆ Progress
- ◆ No progress
- ◆ Completed, but not planned



Our business model

Our business model is simple – we depend on the goodwill and support of over 90 000 individuals and organisations to provide the financial capital to fuel the engine of our vast organisation and the crucial work we do. We provide our services where it matters – equitably and without fear or favour. Most importantly, we measure our success by the outcome of our efforts – the people and animals we save, the children we educate and skill, the volunteers we train and the lives we change.

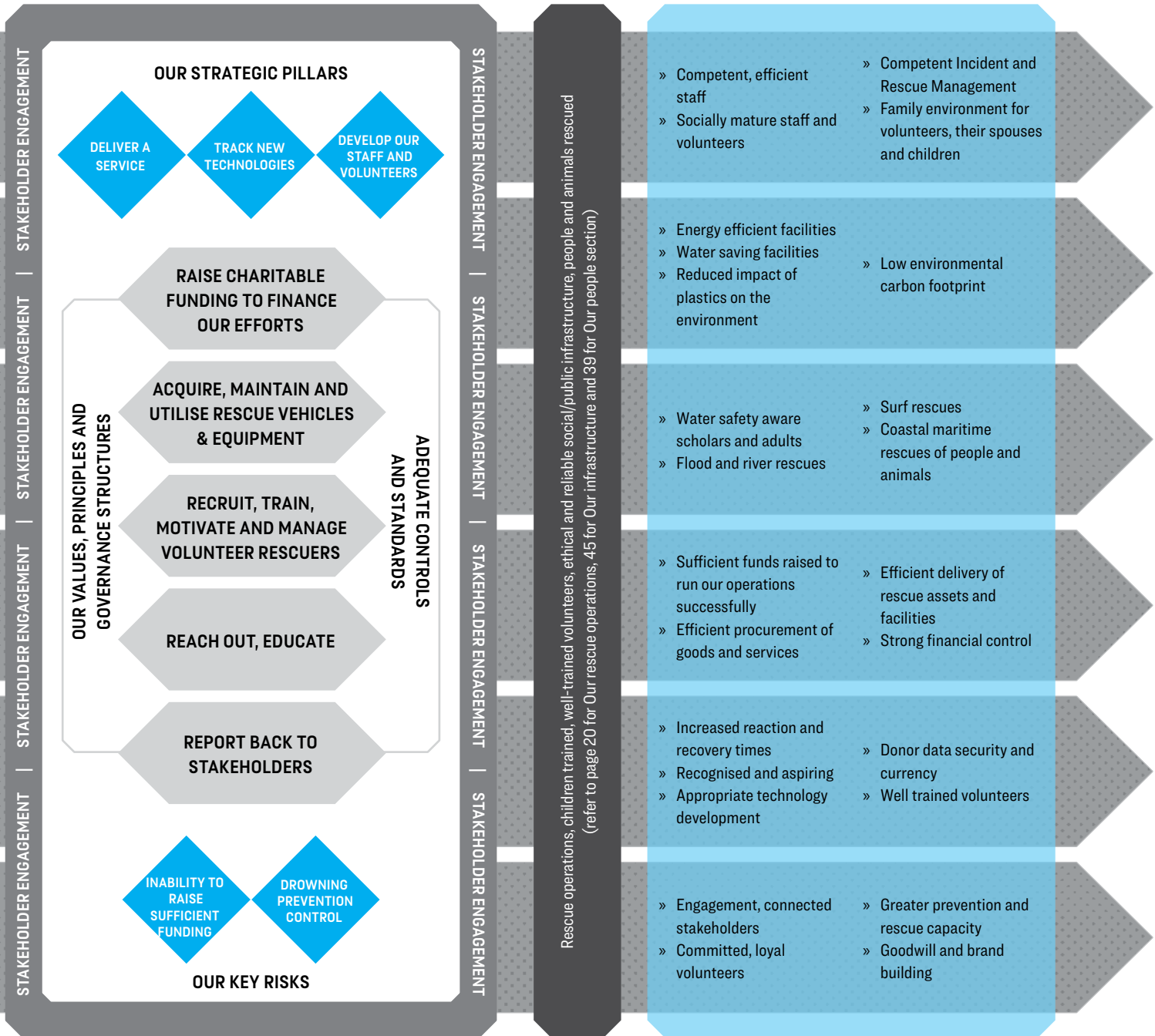


Refer to page 63 for more on **Our risk management** and page 7 for more information on our **Aiming for excellence strategy**

Refer to page 39 for more on **Our people**, 38 for **Our funding** and 27 for **Our stakeholders**

OUTPUTS

OUTCOMES



Sustaining a Non-Profit organisation in the twenty first century requires agility and flexibility, as the culture of giving within segments of society evolve with generations. Giving yesteryear is not the same as this year, requiring not only a diversity within a giving structure but flexibility and innovation, accommodating younger givers who seek greater purpose and control over their gift.

Our capitals

Financial capital is primary to sustaining our efforts and we continue to depend increasingly on individual and corporate giving through a diverse range of mechanisms and instruments.

Our **human capital** is probably our single most important asset, the culture of the organisation is vested in our volunteers and staff, people with purpose and passion who motivate and inspire donors, beneficiaries and the society. These are the engine and the oil of the drowning prevention movement.

Relationship capital, our bond with stakeholders in society, individuals, corporates, beneficiaries and communities based on continuous communication and interaction, sustains interest and giving of money, time and effort. Feedback is essential to adjusting or maintaining course and every letter, email, survey or WhatsApp informs our effort.

SafeTRX, a NSRI initiative which monitors a boat’s journey and alerts emergency contacts nominated by the user should they fail to return to shore on time, forms part of our **manufactured capital** and is key to our prevention strategy, as are our rescue bases, rescue vehicles, craft, quad bikes, tractors and pink buoys .

The health of the ocean and inland waters influences the health of human populations, either through illness or injury and we understand our role in influencing policy change to mitigate the destruction of environments and ecologies. As Yoshi the turtle, rescued by the Two Oceans Aquarium, clocks up 37 000 kilometres across the Indian Ocean towards Australia, we are reminded of the relevance of **natural capital**, particularly in the context of climate change to our society. Our CEO was privileged to be present when Yoshi started with her journey and took a video of the occasion.


Our material issues

Material issues are those matters that substantially impact on our ability to fulfil our mandate of saving lives through primary prevention (water safety education, skills development, advocacy) and secondary prevention (rescue services).

These matters are identified by every component of our structures: the Board, volunteers, Station Commanders in conference and consultation with stakeholders.

Our key material issues include:




 Each of these issues is discussed in detail in various sections of this report.

Our company structure and governance

A STRONG VOLUNTEER MODEL

Sea Rescue is undoubtedly driven by the purpose, passion and commitment of our volunteers who inspire and motivate our stakeholders, staff and society in general. It is the volunteer ethos and culture that is at the centre of the organisation. The volunteers are supported by more than 150 staff who share the same passion for purpose.

 For more information about Our people, please refer to page 39.


CORPORATE GOVERNANCE

Sea Rescue has inevitably, with growth over time, become more corporate in the way the organisation is managed while, at the same time, retaining balance with the core nature and responsiveness of the service.

Governance is formalised through a Board with a balance in equity and strong business skills, Board Committees to provide adequate oversight of operational, financial, human capital and risk related issues and pro-bono secretarial support from Kilgetty Statutory Services to ensure proper Board administration. Comprehensive internal and external audit functions flow from these committees, ensuring that stakeholders get assurance that the business is run properly.

Sea Rescue is substantially King IV compliant, with more than 98% of the principles applied and reviewed annually.

None of the non-executive Directors receive any remuneration or compensation for expenses and are in themselves, volunteers.

 For more information about Our governance, please go to page 57.

A NON-PROFIT STRUCTURE

Sea Rescue capitalises on the massive national volunteer effort and derives its efficiency and effectiveness from a self-managed, but well supported, rescue station structure. Station Commanders have absolute operational discretion and control which allows agile, flexible and appropriate emergency decision making.

Rescue station ownership by local



communities is an important pillar of this model.

Staff are there to support the volunteer effort with a focus on effectiveness and efficiency in providing the financial, training, infrastructural and logistical support necessary.

Donor funding deployment is made with detailed consideration in valuing every Rand and where it came from.

REPUTATION MANAGEMENT

Sea Rescue's reputation is key to soliciting support across a diverse range of stakeholders. We believe our reputation is built and upheld by our organisational values, our responsiveness, our connection with society and a range of industries and activities, as well as our commitment to open, accurate and honest communication and

transparency. This Integrated Annual Report is a key component of our efforts to operate honestly and transparently – providing comprehensive disclosure on the activities of the organisation.

The visible leadership and behaviour of staff and volunteers, the representation of our brand, the quality of our services, the professionalism of crews and our efforts to communicate through diverse media and languages all underpin our reputation. Furthermore, we ensure awareness and strong buy-in of this important aspect among our volunteers and the values they live by.



For more information about Our stakeholder engagement, please refer to page 27.

"The success of our funding model is attributable to the distribution of risk over almost a hundred thousand donors, each giving between R25 and hundreds of thousands of Rands. It's easy to give a little bit and sustain it!"

Our capital trade-offs

In order to achieve our vision, we are constantly required to review the use and allocation of the available resources to ensure maximum effectiveness. Below are a few of the primary trade-offs that we have made amongst capitals in the past, as well as the reasoning behind our decisions.

Fully paid versus volunteer workforce

INSIGHT INTO THE TRADE-OFF

A fully paid rescue force will be easier to manage as the NSRI will not have to rely on goodwill and require people to give up their spare time for training and rescues at all hours. This alternative will however come at huge cost, if state funded. In contrast, a volunteer force comes at a significantly reduced financial burden on donors, state and taxpayers. It does however require specific organisational skills to cultivate, manage and maintain a substantial volunteer force.

HOW THIS WORKED FOR US IN 2019

Our volunteers are our most valuable asset. Their only rewards are saving lives, the camaraderie within the service and the intensive training and personal growth they experience. As an organisation, we have a strong focus on our people and the development of leadership training, including core skills such as strategic thinking and planning, effective interpersonal communications, social literacy, time management, delegation and control aspects. Volunteers bring a unique positive culture, passion and enthusiasm to the organisation; as they say, “culture eats strategy for breakfast”.

MAIN OUTCOMES

We rescued 949 people and 43 animals in 2019 through the selfless dedication of our volunteers and the commitment of donors.

Response and security

INSIGHT INTO THE TRADE-OFF

The security of volunteers at sea has come under the spotlight with the increasing levels of unregulated and uncontrolled fishing along the South African Coastline. Volunteers responding to distress calls never know the level of risk until they arrive on scene, however they continue to respond without fear or favour to all emergencies.

HOW THIS WORKED FOR US IN 2019

During a police operation in Hout Bay a fisherman was shot. What ensued was the destruction of government and commercial infrastructure during the riots that followed. The NSRI was able to remain neutral having responded to the distress call and our base and craft were spared.

MAIN OUTCOMES

We are committed to maintaining the trust of people in distress, so that they call for emergency help early and that we can respond as necessary to saving lives, regardless of the difficulties and risk this create. To date we have not had personnel threatened or harmed.

Helicopters vs vessels for medivacs

INSIGHT INTO THE TRADE-OFF

Every year the NSRI performs medical evacuations of crew from ships at sea. In recent years the NSRI has been doing these by vessel, because of the paucity of helicopters available, at great risk to crew and patient.

HOW THIS WORKED FOR US IN 2019

The NSRI performed 50 medivacs in 2019, with no reported crew or patient incidents or injuries. The risks however remain and, despite pleas to the South African Maritime Safety Authority (SAMSA), the South African Search and Rescue Organisation (SASAR) and the Department of Transport (DOT), the availability of aircraft has not improved. According to our information, only six South African Air Force SAAF Oryx helicopters will be available for service in 2020.

MAIN OUTCOMES

All patients were successfully rescued off the vessels concerned.

Independent Station Commander management versus centralised management

INSIGHT INTO THE TRADE-OFF

The distribution of stations along 3 000 kilometres of coastline, constitutes a management challenge. However, the distributed model currently in operation provides for independent operational management with central support for logistics, capital procurement and systems. We have realised that there is a need for another level of management that provides more immediate support to stations, so in 2020 the organisational structure will include two regional managers to deliver this assistance.

HOW THIS WORKED FOR US IN 2019

Station Commanders operate with independent discretion with respect to emergency activation and response. This system facilitates rapid response in cooperation with local emergency service providers and ensures immediate responsibility and accountability.

MAIN OUTCOMES

The average activation to launch time is 15 minutes and all emergency calls requiring response, received a response in 2019.

Swimming versus craft in surf rescue

INSIGHT INTO THE TRADE-OFF

The traditional approach to lifeguarding has always been to swim to recover persons in distress in the surf zone. Sea Rescue has introduced a model of primary response with craft or immediate support to rescue swimmers to improve the speed of rescue and reduce the risk to victims and rescue swimmers.

HOW THIS WORKED FOR US IN 2019

Our rescue swimmer / lifeguarding model is working well in the Sea Rescue lifeguarding operations. The new JetRIB has been a game changer and will be rolled out across surf rescue stations as funding becomes available.

MAIN OUTCOMES

Surf rescue swimmers and NSRI lifeguards are trained to the highest levels of proficiency. Boat or personal watercraft support to rescue swimmers is immediate. The outcome is a safer rescue environment for both victim and rescue swimmer / lifeguard.

Outsourced versus insourced call centre

INSIGHT INTO THE TRADE-OFF

Historically, Sea Rescue outsourced its outbound call centre to a private sector provider and paid commissions as a percentage of each donation. In 2018 the call centre business was purchased out of a close corporation and is now managed as a business unit within the non-profit company.

HOW THIS WORKED FOR US IN 2019

The purchase of the business gives Sea Rescue direct management control over the operations of the call centre and creates a more direct relationship with donors. We were able to appoint new management of the structure, job evaluate all the roles and begin the digitalisation of the function.

MAIN OUTCOMES

Additional revenue of almost R34 million was accrued due to this transaction.

Leased versus owned property for bases

INSIGHT INTO THE TRADE-OFF

Historically, Sea Rescue has leased property from local authorities or the Department of Public Works (DPW) on long leases. Recently, DPW leases have been converted to month-to-month, creating a level of risk and uncertainty that the Board is uncomfortable with. In 2018, it was resolved at Board level to purchase property when establishing new bases.

HOW THIS WORKED FOR US IN 2019

Sea Rescue began construction of a new base in St. Lucia and Lamberts Bay in 2019. A new premise was purchased for the Head Office, Stores and Call Centre which will enable everyone to be in a single facility, thereby improving efficiency as well as communication. Current property assets will be sold to the same value.

MAIN OUTCOMES

Sea Rescue owns the properties providing security of tenure and the service and the properties are an asset that will appreciate with time. Greater efficiency is achieved.

Containers versus brick and mortar buildings for lifeguarding

INSIGHT INTO THE TRADE-OFF

Lifeguarding has traditionally been delivered out of purpose-built buildings located approximate to the respective beach where the service is provided. Sea Rescue has adopted a flexible model of converted containers which can be deployed in a dynamic and flexible way.

HOW THIS WORKED FOR US IN 2019

Containers, converted to provide the basic facilities necessary to a lifeguarding operation, have been deployed at multiple beaches with short lead times and within a limited budget. The containers can be removed for maintenance at a central location during winter season. Containers were also used to build a temporary NSRI base in Hermanus, whilst the base building was being enlarged, and this system will be employed in other locations as well.

MAIN OUTCOMES

Flexible, mobile, deployable lifeguarding station which can be re-located within short lead times.

Our purpose – saving lives

Sea Rescue’s purpose is to save lives and our methods to achieve that include the following activities:

- » Education and skills development
- » Primary prevention
- » Secondary prevention – rescue

EDUCATION AND SKILLS DEVELOPMENT

Education initiatives are conducted through:

- » our water safety lessons in schools,
- » our survival swimming programme, and
- » our public eLearning portal

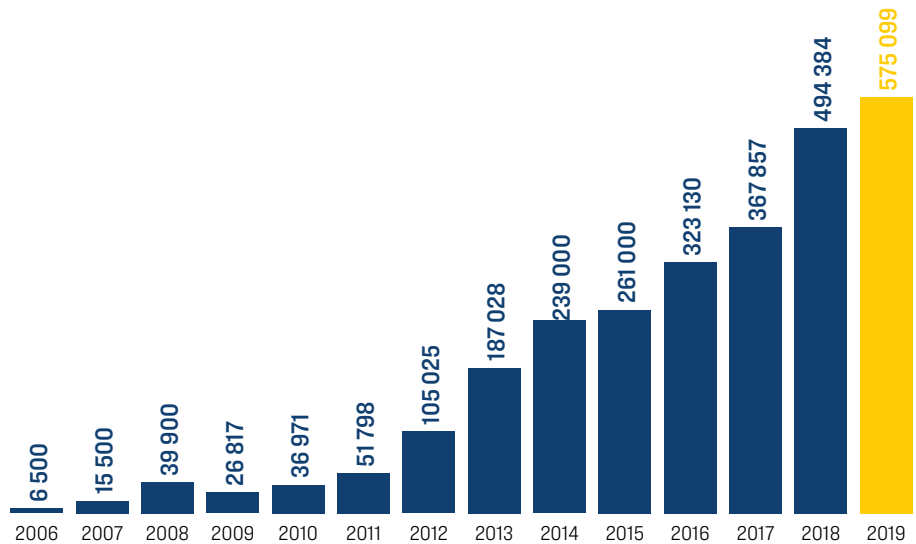
We have been running a school water safety programme since 2006, teaching water safety to pupils in the safety of their classrooms.

In 2019, our water safety team taught 574 099 children, bringing the total to over 2.6 million children taught since the inception of the programme in 2006.

WATER SAFETY LESSONS IN SCHOOLS

We have a team of 19 water safety instructors spread around South Africa, from Richards Bay in the east to Lambert’s Bay in the west and from Khayelitsha in the south to Soweto in the north. Our full time, professional instructors visit children in their school classrooms and teach them about water safety. The Sea Rescue water safety lesson fits into a school period and teaches children, in a fun and interactive way, how to be safe in or near water, how to help a friend without endangering themselves, who to call for help and how to do CPR.

CHILDREN TAUGHT WATER SAFETY



Our NSRI Water Safety Instructors

SURVIVAL SWIMMING

In 2019, one of the major focuses of our prevention services department was the survival swimming programme. The team, led by drowning prevention coordinator, Yaseen Gamiet and national water safety team leader, Eoudia Erasmus, started utilising our intensive research into international survival swimming programmes to incorporate this into local pilot projects.

Our aim is to have the survival swimming programme operational using our professional water safety instructors by the end of the first quarter of 2020. This task will be another method of volunteering for Sea Rescue – full time water safety instructors who are interested in teaching survival swimming as well, will be upskilled and then teach water safety in the morning and survival swimming in the afternoon.

Sea Rescue is actively recruiting volunteer survival swimming instructors and will increase the number of pools and other water bodies that we are active at as our survival swimming volunteer base increases.

SURVIVAL SWIMMING PROGRAMME

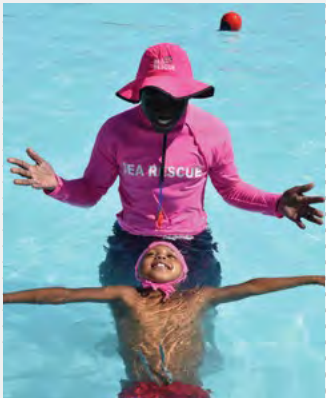
POP-UP SURVIVAL SWIMMING LESSONS

Driven by volunteers and aimed at upskilling children who are visiting a swimming area. This could be a municipal pool, tidal pool or dam. Our voluntary instructors will quickly assess the children's swimming ability and, in a short 20 – 30-minute lesson, focus on one area to improve their ability to be safe in water. This might be to control their breathing, to orientate themselves in the water, to float or to propel themselves to safety. These lessons will be repeated on a weekly basis at the same swimming area.



SURVIVAL SWIMMING LESSONS

Professional survival swimming lessons will be run with the same students in groups of three per instructor, over a set 16-lesson period. The students will be introduced to being comfortable putting their faces in the water, controlling their breathing, orientating themselves, floating and swimming out of deep water in case they ever find themselves in trouble. The final test will be that students can demonstrate getting to safety, out of deep water, while fully clothed, rather than dressed in a bathing suit, after falling into the water.



Our Survival swimming programme was piloted in pop up lessons at the municipal swimming pool in Sea Point over the October 2019 school holidays. We up-skilled the swimming ability of 141 children of which 68 were boys and 42 girls, all in the high risk group of 9 to 14 year olds. During that pilot project we included 31 children (in the same age group) who were unable to swim and taught them to be confident in water and to safely swim 25 meters. The programme will be rolled-out around the country in 2020, taking free swimming lessons to children where they are swimming. The programme is an outcomes-based set of lessons in which children will be able to achieve the various goals at their own pace. Students will be rewarded with a certificate of competence when they have achieved the final goal of being able to get to safety after an unexpected immersion.

ELEARNING PORTAL

eLearning is very relevant to our volunteers and we are now able to reduce the “in classroom” time by having online modules. This means more time for practical training. We have also made our eLearning Academy available to other organisations, such as Lawhill Maritime Centre, Sea Cadets and St Helena Island Sea Rescue. We currently have approximately 1800 eLearning users. We expanded the list of courses available on this platform and added the following:

- » Personal Survival Techniques
- » Fire Fighting
- » Diesel Engineering
- » Electronic Navigation Systems
- » The Social Literacy Conversation.



Read more about Lawhill Maritime Centre on page 42.

Bravo Bravo is also one of NSRI’s online learning platforms. The platform is professional with lots of information, without being overwhelming. The first module is the Skippers Guide for small vessels which is a useful course to complete as preparation for the SAMSA skippers’ examinations. In 2019, we completed a written version of this training course – it has the same look and feel as the online version, but it is available in print. In 2020, we plan to update the Bravo Bravo system and add new features to the platform.

In 2019, 1 880 new users registered for Bravo Bravo, and in total there are now 2 293 users registered.



BRAVO, OLIVER!

We are a family based in Waterfall just north of Durban. I felt that we should share the following with you.

We home-school our son Oliver, 12 years old. As part of his geography lessons we have given him a project to do: complete the BravoBravo online Skippers Guide for small vessels course.

Oliver is not only enjoying and loving the programme but progressing well. We would love to surprise him with an invite to visit the Durban NSRI station to meet some of the people and to see what great work the NSRI is doing.

Garry Salkow



Oliver and his family visited the station on Saturday, 9 March, and after a brief introduction about Sea Rescue, its history and operational capabilities, we launched *Eikos Rescuer III*. With everyone on board we proceeded to sea where Oliver was shown how a Class 1 rescue vessel is operated and then he was given the opportunity to take the helm. Oliver handled the vessel like a seasoned helmsman, even maintaining a straight course while ‘steering the compass’. Station 5 enjoyed hosting Oliver and his family and have invited them back to visit when the new ORC rescue vessel is on station. (For more information on NSRI’s learning platform BravoBravo, go to bravobravo.co.za)

Primary prevention

The number of rescue operations carried out by the NSRI dropped from 1 138 in 2018 to 757 in 2019, mainly due to preventative measures. Preventative measures can be defined as any actions that provides advice, guidance or direction to a person that mitigates against risk. These include identifying and eliminating hazards, beach or water patrol, moving safe area swimming flags, erecting and moving signage, closing the beach and educating beach goers on fixed hazards. The focus on lifeguarding has changed from being a rescue team on the beach, to being a prevention team whose actions are aimed at eliminating or reducing the severity of incidents and changing the type of rescue service required. The beaches where lifeguards conduct greater amounts of preventative measures, see a lower ratio of rescues.

Proactive drowning prevention education, awareness and physical interventions have also increased dramatically. This leads to fewer rescue operations as members of the public are more mindful about water safety. Sea Rescue launched an intentional campaign in November 2019 with all our media partners to promote safety messages to water users. We can also attribute fewer people visiting the beaches over the festive season due to cooler days and unpleasant weather. This was particularly noticed on traditional beach days such as Boxing Day and New Year’s Day.

Rescue swimming, lifeguarding and safety signs

Sea Rescue’s prevention services department leads our drowning prevention strategy. They are focused on reducing drowning statistics by analysing drowning data to understand who is drowning, where, when and how they drowned and then putting mitigating measures in place to

reduce these avoidable deaths. We partner with other organisations that also focus on drowning prevention to achieve our goals and to raise awareness on water safety in South Africa.

To this end, Sea Rescue has worked with several organisations in 2019 to implement the suggestions that came out of the Western Cape Drowning Prevention Framework and the World Health Organisation’s guidelines on drowning prevention.

In 2019, we focused on improving our drowning data collection and capturing, implementing mitigation measures and reporting to targeted audiences of our water safety programme. We piloted and refined our survival swimming courses, streamlined our Pink Rescue Buoy production and distribution methods and produced a surf rescue swimmer manual aimed at our volunteers and municipal lifeguarding projects.

Below is a list of some of the projects we ran in 2019:



PROJECT	STATUS
Standardisation of emergency signage	Ongoing
Pink Rescue Buoys	Developed and growing – focus is now on inland waters
Lifeguarding /rescue swimmer/ beach safety patrols on the west coast: Lambert’s Bay and Elands Bay beaches, as well as the Clanwilliam Dam	Completed year two – designated swimming areas are proactively being patrolled and beachgoers are being educated. We are pleased to report that no drownings were reported in these areas and the patrols will be ongoing.
Survival swimming programme development	Developed and rolling out – ongoing
Expansion of lifesaving / rescue swimming programme	Ongoing
Rolling out of JetRIBs and all-terrain vehicles (ATV) for mobile life guarding units	Ongoing



We deployed **200** new Pink Buoys in 2019 and currently have a total of **500** active buoys with more being placed every week. **22** people have been assisted using these devices in 2019 – that's nearly **2** per month, and **57** since the start of the programme in 2017.

Pink Rescue Buoys

The NSRI Pink Rescue Buoys roll-out started in November 2017, with the first batch erected in the drowning hotspots of Plettenberg Bay and the Wilderness beaches. These buoys form part of our drowning preventative strategy and the idea behind it was to provide emergency flotation for a person in danger of drowning, as well as for a rescuer who decides, against advice, to enter the water to help someone in an emergency.

There has also been notable interest from home owners associations, resort and security estates nationwide for Pink Buoys to be deployed around their pools and dams (e.g. Club Mykonos (10), Springfield Wine Estate (3), Somerset Lakes

(3), Swadini Resort Hoedspruit (2), Sagewood Estate (1) and Ritsako Game Lodge in Gauteng (1)).

Theft of the buoys was approximately 20% in 2019, with about one in three stolen ones being returned. Our Pink Rescue Buoy mould now has our name and contact telephone number embossed in it, which we trust will result in less buoys being stolen.

As funding becomes available, the areas that we reach with the Pink Rescue Buoys is expanding. All signage installation requires approval from local municipalities and 90% of the signs and buoys are now sponsored by local companies, individuals and municipalities.

Cederberg Municipality water safety project

The Cederberg project started off in September 2018 with the appointment of Nicole Anthony as a water safety instructor in Lambert's Bay. In 2019, Nicole taught 29 970 children about water safety.

In late October 2018, the Cederberg Municipality asked if NSRI could facilitate lifeguarding at Lambert's Bay, Elands Bay and Clanwilliam Dam and, with funding from the municipality and the Western Cape government, we rolled out teams of trained beach patrollers and rescue swimmers at all three venues by 19 November 2018.

2019 was our second year of lifeguarding at these three venues. We are very proud and grateful to be able to report that we had no drownings in this area since the start of the operation. Our management team, including Stewart Seini, Nicole Anthony and Micheal Beyers, worked very hard to ensure the success of their highly trained rescue swimming teams. The project received widespread acclaim when it was closed on 1 January 2020.

Expanding lifesaving / rescue swimming programme

Lifeguard coordinator, Stewart Seini, has designed a surf rescue swimmer course, which is similar to Lifesaving South Africa's (LSA) lifeguard award, and we have printed our first 100 manuals. The major difference between our surf rescue swimmer and LSA's lifeguard award is that we put more emphasis on the use of craft, such as Jet Skis and all-terrain vehicles.

In 2019, we consolidated our lifeguarding operations, which include the Jeffrey's Bay and Melkbosstrand units. We also have qualified surf rescue swimmers on station at Strandfontein and lifeguards at East London. In the coming year we will work closely with LSA to improve beach safety and expand the network of beaches that are covered by lifeguards and rescue swimmers. A few smaller municipalities have taken note of our achievements on the West Coast and enquired if we can set up professional rescue swimming units on their beaches as well. This is our challenge for 2020 – effective lifeguarding on more beaches and swimming areas through partnerships and exceptional training.

CASE STUDY



Amos Dlezi, a car guard in Port Edward, Kwa-Zulu Natal, was presented with a Sea Rescue letter of thanks for saving the life of a young man he did not know. He tells the story: "I was sitting and watching cars when guys ran up to me and said two people are caught in the current and in trouble." He saw the two heads in the water and ran for the Pink Rescue Buoy hanging next to the Sea Rescue base. Using the current, it only took him a few minutes to reach the first man. He said the man was vertical in the water with his head tilted back and water was washing over his face. Amos knew that the man was in danger of drowning and threw the buoy at him. Luckily it landed close to his head and he grabbed it. It took all Amos' strength to swim the man out of the

current and back to shore.

Even though he was exhausted at this stage, Amos turned back to help the other man. Fortunately, someone had called the NSRI emergency number in the meantime and Amos looked on as the second man was saved as well. Amos taught himself to swim and surf and this combination of skills taught him to understand the ocean, and more importantly, how rip currents work. This made the difference between life and death for the young man he saved.

We are delighted to report that Amos has subsequently decided to join the Port Edward Rescue base as a volunteer.





Secondary prevention – rescue

Even with the best preventative measures, there are circumstances when people find themselves in trouble and out of their depth. This is where Sea Rescue comes in – we provide an essential rescue service to South African citizens and foreign nationals, whether they are bathers, sailors, surfers, paddlers, fishers, pilots or SCUBA divers.

The NSRI has always had a core focus on rescuing people when they were out of options to save themselves, and this remains so to this day. The time required to train, prepare, assess, maintain and be on standby for a possible call, 24/7, is substantial, and entirely reliant on dedicated and passionate volunteers around the country. Without them, many people would not have the chance to be rescued, sometimes long after they had given up hope of being saved. Beyond the emotional loss, the economic and social community cost of a life lost, the knock-on

impact is massive. In this light, NSRI rescued 949 people over the past year who, if it had not been for the volunteer dedication, would probably not be here today.

NSRI has instituted an Emergency Operations Centre (EOC) which receives emergency calls from a range of emergency numbers. The responsibilities of the EOC are to:

- » deal with the emergency call flow from public in emergencies
- » improve emergency dispatch systems
- » enable volunteers to better focus on the rescue tasks at hand
- » coordinate communications with stations during emergency calls
- » monitor tracking software and systems, ensuring volunteer safety.

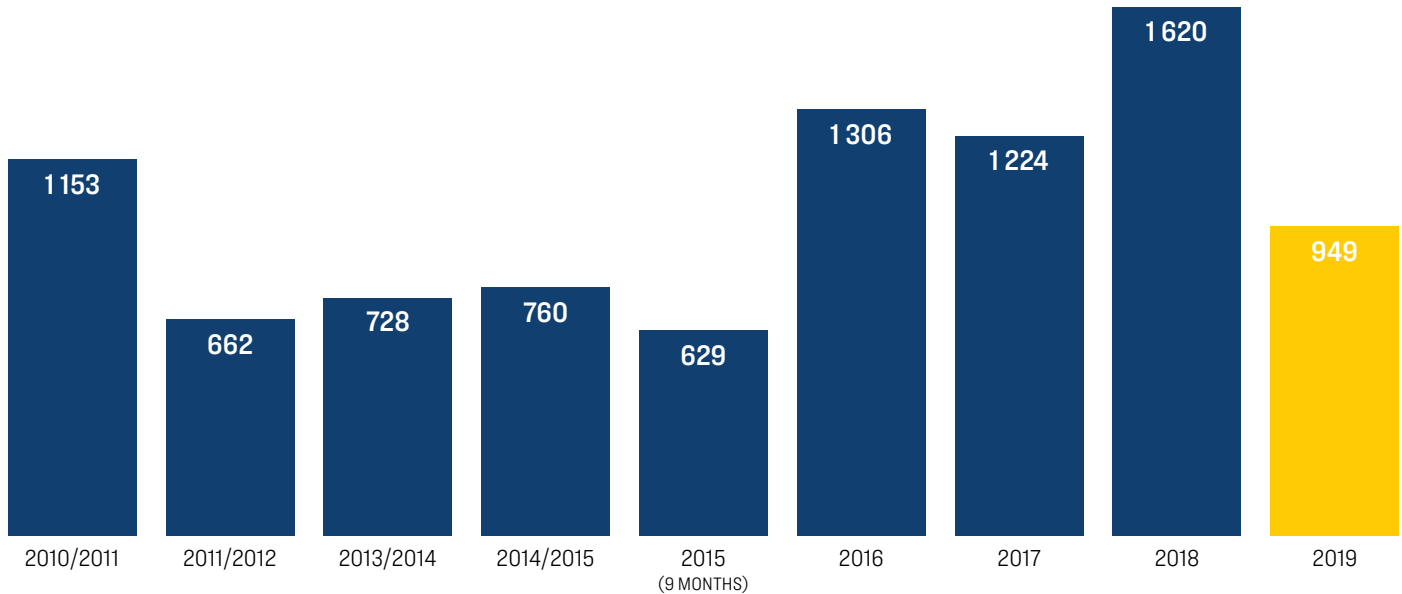
The information coming from this unit has resulted in improved rescue efficiencies and a reduction in distracting reporting and administrative processes from front-line operational personnel during rescues.

NSRI is always looking at ways to increase its service offering and be present in more places (coastal and inland). Doing so requires capacitating more volunteers from all walks of life to be part of the effort, and this is a major strategic focus going forward into 2020 and beyond.



More information about our rescues can be found in the Our Beneficiaries section on page 43.

NUMBER OF PEOPLE RESCUED



CASE STUDY

NSRI ASSIST THE EMERGENCY SERVICES DURING FLOODS IN KWA-ZULU NATAL

On Monday 22 April 2019, NSRI Durban and NSRI Ballito assisted the emergency services with flood related incidents in the greater Durban area. The incidents included rescuing trapped residents, evacuating flooded structures, vehicle entrapments and persons, animals and vehicles being swept away by floods or trapped by swollen rivers.

A number of emergency services were deployed in the area, such as the Police, Police Search and Rescue, IPSS medical and rescue, eThekweni lifeguards, eThekweni Fire and Rescue Services, KZN Government Health EMS, Disaster Risk Management, Netcare 911 ambulance services, ER24 ambulance services, and additional local private ambulance services and security companies.

On Tuesday 23 April, NSRI Shelly Beach, NSRI Port Edward and NSRI Rocky Bay were called out to assist the emergency services with flood related incidents on the South Coast.

While multiple incidents were attended to by the emergency services, the NSRI attended to 31 incidents with Police Search and Rescue and affiliated services. These incidents ranged from



structural collapses, drowning incidents, mudslides, entrapments, evacuations and animal rescues.

NSRI commends all the services that came

together in this trying time for community services and the communities of Kwa-Zulu Natal during these floods.

The context we operate in

"Corporate donors have less available funds to disperse to charities, the SOE implosion has resulted in major reductions in grants, and individual donors are feeling the economic pinch. It has become more difficult to convince people to become donors, and for current donors to increase their donations. Rates of cancellations are at 20%, much higher than previous years. 50% of new debit order subscriptions are cancelled – we really need donors to stay with us to save lives."

Economic environment

In 2019, the South African economy limped along in the absence of a clear political policy shift that would favour investment. Growth is currently projected to be no more than 1% per annum, up to 2021. The social and economic impact of the Covid-19 virus continues to unfold and will undoubtedly change how we think, act and manage our activities going forward.

Technology comes at a cost, driven largely by imported content and, together with fuel prices, are major cost drivers. Sea Rescue has taken the decision to build all its boats in South Africa, which will reduce labour costs and, at the same time, contribute to the South African boat building industry.

Inflation has fortunately declined towards 4%, which reduces the wage bill and cost on local content of services and goods.

Geopolitical context

Politics remains South Africa's biggest handbrake and, without substantial policy shift, the economy is unlikely to recover. The persistence of initiatives to corrupt, and state capture, remain a massive threat to the economy and social cohesion. Any recovery through strengthening of institutions will be painfully slow. Globally, Brexit may bring opportunity for the economic revival, but the conflict in the Middle East and the ongoing tensions between the US, China and Russia are cause for economic concern. We remain in interesting, yet unpredictable times.

Environmental considerations

We are investing substantially in our capital infrastructure and rescue bases, with a keen eye on resilience to the impacts of climate change. We will build infrastructure to withstand the wrath of the weather and the ocean and continuously think






of ways to overcome the movement of sand on beaches, which impairs our launch capability.

We remain committed to the anti-pollution and conservation lobbies and continue to rescue turtles, whales and dolphins. The huge aggregations of humpback whales along our coast is noted with some excitement as their populations recover.

We are conscious of the health-related aspects of marine sewage outfalls and the ecological impact on the marine environment and continue to heighten awareness by voicing our concern at local government level.

Sea Rescue is committed to decreasing our carbon footprint and we track our energy consumption as a first step to monitor progress.

NSRI ANNUAL CONSUMPTION

CONSUMPTION	2016	2017	2018	2019
 Electricity (kwh)	195 519	198 899	149 672	216 675*
 Water (kl)	11 152	6 910	6 862	4 204
 Fuel – Petrol (litres)	81 716	77 290	76 050	80 374
 Fuel – Diesel (litres)	80 089	89 374	86 027	116 538**
 No of Flights	339	292	326	481***

* Increase due to the fundraising call centre

** Increase due to the purchase of bigger vessels – more diesel driven vehicles as opposed to petrol, also due to the coastal trip from Cape Town to Durban to deliver the new ORC rescue vessel.

*** Increase due to the Station Commander training and conferences which is being reviewed with the possibility of using Microsoft Teams for electronic meetings.



Technological development

Technology is central to our rescue operations and the implementation of our new operational suite in SeaWeb, an off the shelf, incident management system used by other disaster management organisations (and customised for Sea rescue needs), augments our dispatch of resources, the quality of information and our ability to analyse data to inform deployment. Our Emergency Operations Centre now captures 112 calls from the Public Service Telephone Network (PSTN) and Telkom Mobile and we funnel emergency communication towards the Centre, through our website and social media platforms to improve efficiency. Technologically, the communications environment remains dynamic and challenging, as multiple emergency cell phone applications evolve

and the public use various mechanisms to alert services in emergencies.

While keeping an eye on trends in autonomous vehicle/vessel operations, we do not believe the time nor the cost for these is right yet and will continue to monitor developments. We are however preparing by registering, for example, to operate drones in South Africa. Autonomous marine drones are however very expensive, and we do not believe that it can replace manned vessels in the current context, but our futures group is keeping an eye on developments.

Social environment

Only 20% of the South African population are employed. If one excludes children and the elderly, the number improves to 30%, implying the real

unemployment rate is 70%. This has a massive consequence for social development and recruiting volunteers in this environment is a challenge.

Safety and security and ineffectiveness of policing agencies create a delinquent lawlessness and further hinders development. Threats to our crew safety in the informal abalone industry, for example, are a visible illustration.

They say, 'culture eats strategy for breakfast and technology for lunch', and the NSRI, through its volunteers, is an example of a positive culture and the impact it brings. We seek to be a microcosm of an ideal South African society and positively influence social development.

Message from our Chairman



"Every year I get a call from one of our call centre agents asking me, once again, to contribute to Sea Rescue and I'm always left with an impression of professionalism and a sense of satisfaction in the essential contribution they make to raise the funds so necessary to running our operations."

It has once again been my pleasure and privilege as Chairman of Sea Rescue to lead a team of volunteer non-executives and the executive team in providing the governance and oversight necessary to assuring our stakeholders and ensuring their continued commitment and engagement.

The exceptional volunteer purpose and passion and performance within this organisation is truly inspiring and humbling. What these volunteers achieve annually along 3 000 kilometres of coastline and inland is nothing less than amazing and I can only express my sincere thanks and commendation for a job well done!

2019 was a watershed year as we took management control of our call centre operations and the V&A retail store and I am well satisfied with the performance of both entities, as essential revenue streams into the organisation. I am happy to report that, because of a smooth change process, the revenue through the call centre has been sustained, despite the volatile nature of the economy. I am humbly grateful for the sacrifices our donors make to sustain us!

Continuity is always important, and our Board has been stable this year, except for the resignation of Meriel Bartlett after fifteen years of service. She carries with her our thanks. The equity and skill on the Board ensure that the organisation has the appropriate oversight and I am grateful for the volunteer support of my Board colleagues.

The economy within which we operate is a challenging one, so raising operating capital remains a concern. Climate change and environmental volatility are no less a challenge to a maritime rescue service and the social context of drowning prevention continues to require and inspire innovation. We are responding to all these issues with creativity and energy and I have absolute confidence in our leadership, staff and volunteers in sustaining and advancing our service to the South African society.

It is always humbling to both the Board and I to be part of this wonderful organisation and we can only express our sincere gratitude to donors, stakeholders, volunteers, staff and the public in general for the work accomplished in this year.

Ronnie Stein

Chairman, National Sea Rescue Institute

Report from our CEO



"We went cashless in pursuit of an unqualified audit, but quantifying the impact will depend on whether an unqualified audit recovers the commitment of the state to fund us. "

In 2018, the three key short-term strategic issues I identified were volunteer sustainability, operational management and organisational structure and I am happy to report that we have made progress in all three.

The volunteer numbers are growing, supported by an extraordinary training effort and the innovation of what my trainers call the 'zero to hero' course. This is a full-time crew training course to bring volunteers to minimum operational readiness within two weeks! We have very professional volunteer crews, sustained by their own commitment and passion for growth and development. Their thirst for learning and attaining skills seems unequalled!



More information about our volunteers can be found in the Our People section on page 39.

The strength of our operational model is the agility, flexibility and independence of our Station Commanders and coxswains, who have absolute discretion over decisions of response and safety. Station Commander elections in 2019 resulted in significant movement, a function of a democratic management model at stations which ensures accountability to members at a local level. Our operational model is working for the NSRI, where very bureaucratic centralised models in other organisations often don't.

The consolidation of the organisation in 2019 required a relook at the organisational structure and there will be significant changes and appointments in the future to address human resource management, fundraising, drowning prevention and operations. Operations will be split into two divisions: rescue operations (including lifeguarding) and infrastructure development and maintenance.

A major change in operations will be the appointment of managers to assist Station Commanders with the day-to-day administrative and logistical issues which their own work commitments as volunteers cannot accommodate. Drowning prevention, including water safety education, advocacy and survival swimming, will be managed as a department on its own.

In 2019, the sluggish economy and financial constraints within government have started to pinch and we are responding to fill the gap that a lack of national state-sponsored funding has created. Unfortunately, we fell short of revenue targets.

Local government and corporate funding have improved significantly, and our call centre effort is being sustained through our ever-popular car and debit order competitions, which remain registered as society lotteries with the NLC. The budget for 2020 is informed by concerns around support from government and the National Lottery. Unfortunately, in 2019 we were again unsuccessful with getting Lottery funding.



More information about our funding can be found in the Financial review section on page 51.

Three innovations in 2019 bear mention:

- » the Pink Rescue Buoy (PRB) programme, the new Offshore Rescue Craft (ORC) and the JetRIB. The PRB campaign has now contributed to the saving of 57 lives, an incredibly simple technological intervention and very effective and low-cost instrument to save lives, recognised by the International Maritime Rescue Federation (IMRF).
- » The first ORC was delivered to Durban and ORCs two and three are in production for Simon's Town and Hermanus.



Our achievements operationally in rescue and water safety are exceptional. We rescued 949 people, disentangled 25 whales, completed 50 medivacs and initiated 153 lifeguarding operations. We trained 574 099 children in water safety and 156 children in survival swimming and produced a quality survival swimming manual in the process.

» The JetRIB, a standard Yamaha wave rider, bonded into a RIB hull, is taking the surf rescue environment by storm – testing exceeded all expectations and this small craft will be rolled out immediately to replace our aging rescue runners and 4.2m inflatables, taking propellers out of the water in the surf zone.



More information about our vessels can be found in the Our infrastructure section on page 45.

Change has become a daily reality for staff and volunteers, as we grow the organisation to prevent fatal and non-fatal drowning. It is encouraging and inspiring to see how our people roll with the 'swell' and adapt to change by just getting on with the job. I am proud to work with such committed and passionate people.

In turning 60 this year, I am casting half an eye on the horizon, along with three other executive colleagues. Succession planning is something we are engaged in to ensure that there is consistency and continuity in leadership, with a focus on transformation. The new organisational structure will encompass six executives, including the CEO, which will ensure that at least three of the executives remain when the CEO, Fundraising Director and Director Capital Projects retire. The executive transformation target for 2024 is for 50% executives from previously disadvantaged groups.

The Sea Rescue community now makes a significant contribution to drowning prevention in South Africa and, together with partners, will gradually chip away at the 3 per 100 000 people fatal drowning rate.



More information about our drowning prevention can be found in the Our purpose section on page 14.

Strategically, we need to remain relevant to our entire community of 60 million South Africans and ensure their awareness of our programmes and their impact, so that we leverage off a broader donor base. Operationally we must move inland, particularly with water safety and survival swimming skill education and training. At the coast, we must increase our footprint to ensure that services are immediately accessible. To achieve this, we need to partner, collaborate and dovetail with every relevant organisation and the community of South Africa. It takes a village to save a life!

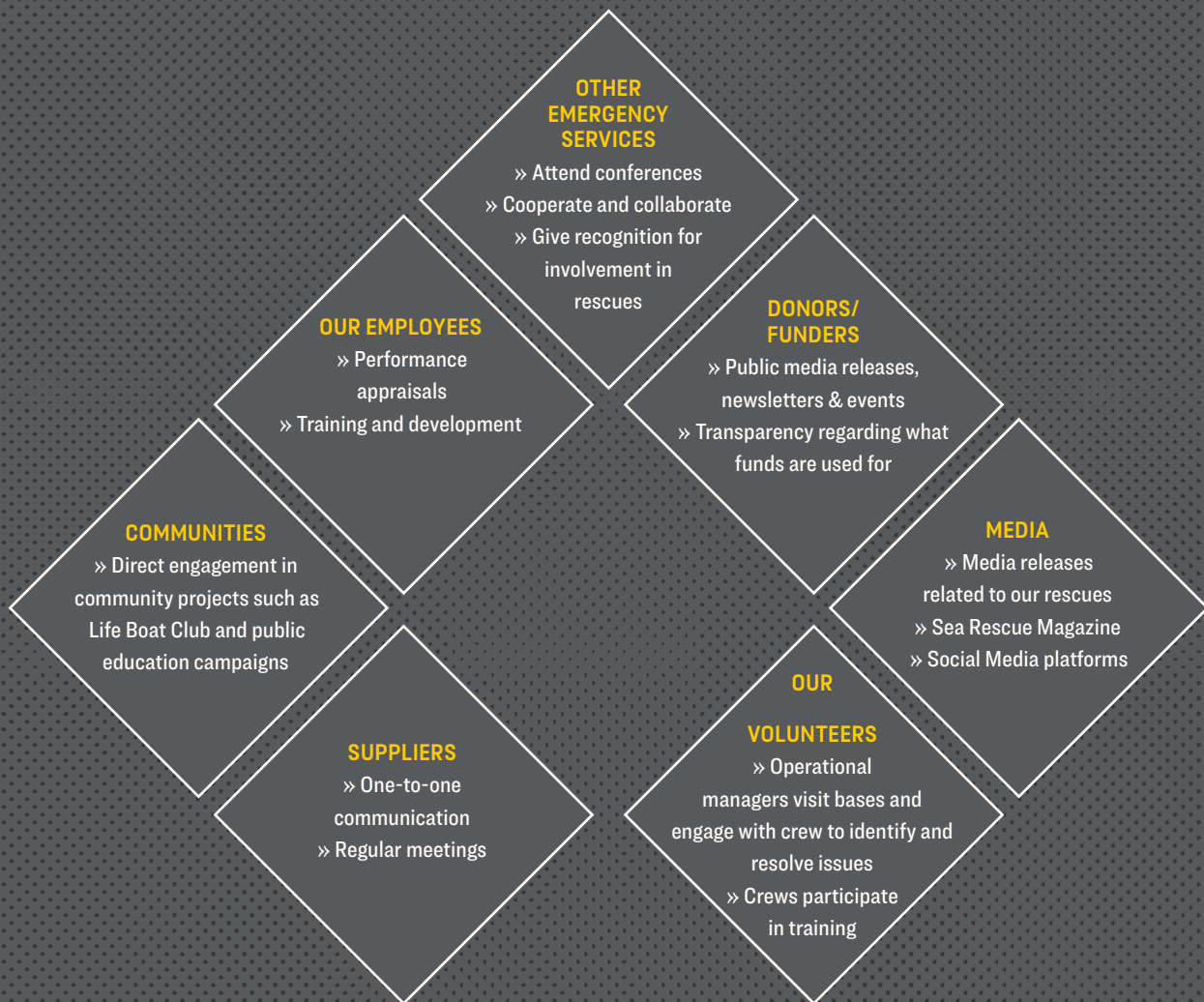
We stand on the shoulders of the men and women who have gone before us, selfless volunteers who over 52 years have saved in excess of 50 000 lives, we serve our country with humility and respect.

Dr Cleve Robertson
CEO, National Sea Rescue Institute

Engaging our stakeholders

Who our stakeholders are

Our stakeholder groups and methods of engagement



"While our 1 369 unpaid volunteers launch to rescue anyone in danger around water-related incidents, we have a team at Sea Rescue who have the challenge and commitment to raise an annual revenue of R150 million. Our fundraising, marketing and communication effort is substantial to ensure that our rescue crews, lifeguards and educators have the very best training, equipment and support. Our stakeholders play a key role in helping us achieve this."



Volunteer crew from NSRI Station 16 Strandfontein

PROCESS OF IDENTIFICATION OF STAKEHOLDERS

In 2019, we continued to engage and manage our funders and supporters through our Customer Relationship Management (CRM) system. Since the successful implementation, we have been using the Dynamics CRM platform for the following:

- » Account management with service providers and internal stakeholders
- » Integration with Dynamics NAV for purchase orders against cost centres
- » Integration with SeaWeb for rescue incidents
- » Management of volunteer data at Stations
- » Portal being developed for each volunteer to maintain their personal data integrity
- » Migration of volunteer data to Dynamics 365 CRM
- » Management of donations from our corporate and individual donors
- » Production and storage of non-profit documentation relating to donations
- » Data management and clean-up to provide a 360° view of our donors
- » Tracking of rescue buoys and status reason (stolen, deployed, etc.)
- » IT asset tracking and assignment
- » IT cases for support, cell phones and projects
- » Tracking and authorisation of purchase orders through the procurement system queue
- » Management of IT activities against each user

This system has proved to be an important step in centralising our stakeholder records and streamlining our communication.

MEASUREMENT OF QUALITY OF RELATIONSHIPS

Internally, a news bulletin which includes important information, surveys, news and updates, is sent out monthly to all active volunteers and staff. This process assists with streamlining the frequency of emails sent. We also make use of our Microsoft SharePoint News platform, as well as WhatsApp groups for updates. Once a month, the management team has conference calls with Station Commanders to engage and maintain relationships. The CEO's open-door policy continues to be a positive method of communication and he invites anyone to contact or visit him, should they wish to. Ongoing support from our donors indicate their satisfaction that our service provides tangible benefits. The CEO personally contacts any dissatisfied donors to resolve issues raised. Invitations by government and industry bodies to consult and collaborate provide evidence of the regard for the value added by the NSRI. Our future focus is to continue to engage, but be mindful of donor and volunteer fatigue.



EFFECTIVENESS OF STAKEHOLDER MANAGEMENT

Substantial revenue is required to sustain and expand the organisation and its services. This amount is currently R150 million per annum and is raised through a diverse range of fundraising activities, supported by marketing and communication in a range of media. The future focus for 2020 is to leverage effective and efficient fundraising and marketing through digital platforms. We are working with an industry partner to assist us with our digital fundraising and marketing strategy.

The objectives of an optimal digital strategy are the following:

- » Effective and efficient fundraising
- » Name gathering
- » Stakeholder convenience in communication and transactional process
- » Integration, consistency and continuity across platforms
- » Data assurance, security and fraud prevention
- » Access through a range of devices
- » Data collection and analysis towards optimisation
- » Stakeholder attraction and engagement



Dean Wegerle (NSRI Events and Volunteer Fundraising) presents a certificate to SAMSAs, with the Acting CEO Mr Sobantu Tilayi for their Platinum partnership of 2019.

How we engage

Our brand team develops compelling fundraising campaigns, nurtures relationships with our supporters, campaigns for drowning prevention initiatives and seeks meaningful partnerships with government bodies, state owned enterprises, corporate social investors, private individuals, philanthropists, trusts and foundations.

Our communication method is to grab every opportunity to tell people about the NSRI and the impact we have on society. Every rescue report received is published through our media spokesman who writes up media releases, follows up with the media promptly and gives interviews on request. Our goal is to report promptly, accurately and honestly and include all emergency services in our rescue reports. Discretion and the privacy of the people we rescue is very important to us.

REAL TIME REPORTING

Storytelling remains our number one strategy to recruit new supporters and volunteers. Our need for transparency and accountability to our 90 000 donors continues to meet our high corporate governance standard. Our partnerships with media relations remain strong, both locally and internationally, through open and honest reporting, while being mindful of the privacy required when families face trauma.

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 (Last updated: 2019/08/10 22:03)

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PICS: Romanian crewman evacuated off crude oil tanker near Durban
 2019-08-10 22:03
 Correspondent
news24

A crewman on a Romanian ship was on Friday admitted to hospital after being evacuated off a crude oil tanker about six nautical miles off-shore of the Port of Durban, the National Sea Rescue Institute (NSRI) said.

Durban station commander André Fletcher said the 46-year-old patient had suffered a medical emergency.

READ: Rescuing foreign sailors and mysterious trawlers

He had been airlifted to hospital in a serious but stable condition for further medical treatment.

NSRI Durban rescue swimmers, Netcare 911 paramedics and an SA Air Force flight team in a SA Air Force 15 Squadron Oryx helicopter carried out the operation.

The Airborne Sea Rescue team following the patient evacuation operation on Friday morning in Durban (Supplied)

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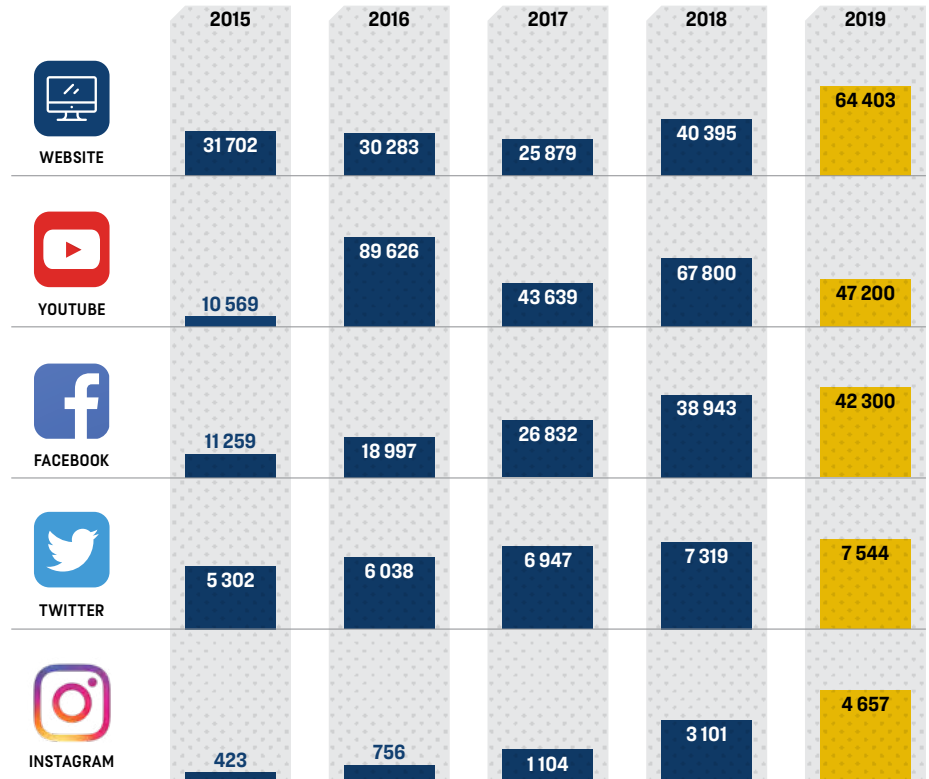
SEA RESCUE MAGAZINE

The Publishing Partnership produces our Sea Rescue magazine three times a year, at no cost to us. The magazine covers general interest stories, rescues, technology, crew features and our kids club. Our various advocacy programmes are published, as well as recognition of our donors, events, announcements and reporting on fundraising projects. We also have a letters page in the magazine which gives our readers the opportunity to engage with us and share their experiences. The magazine is posted to our 90 000 funders and a free, downloadable and digital version is available online.



SOCIAL MEDIA

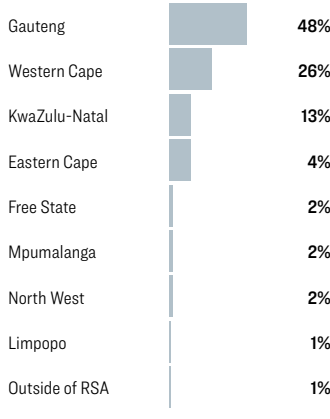
Social media and digital communication continue to provide an excellent opportunity for engagement, to share information quickly and cost effectively. We embrace diverse opinion, but we do not tolerate racism, bullying or hate speech. We have strong filters and monitoring to remove any offensive comments.



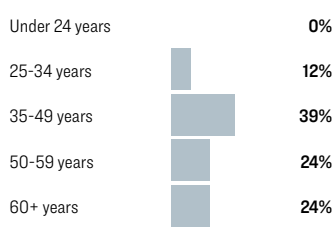
MARKET SURVEY

In April 2019, Bateleur Brand Planning, a market research provider, did a survey on behalf of Sea Rescue to establish how well the public know and understand Sea Rescue and the services we offer. The survey was in the form of online interviews, consisting of 10 questions and 1 019 interviews were conducted. The demographics of the respondents are shown on the below:

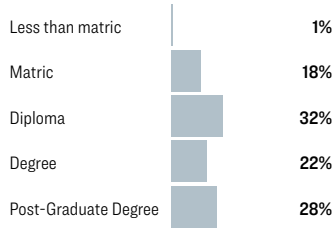
PROVINCE



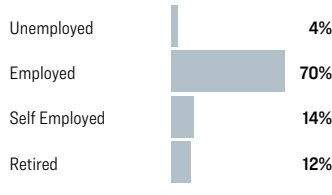
AGE



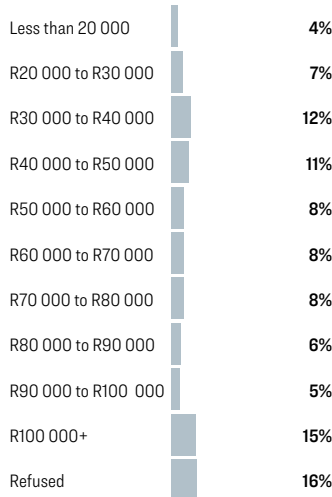
EDUCATION LEVEL



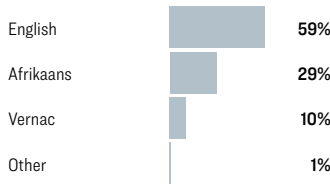
EMPLOYMENT STATUS



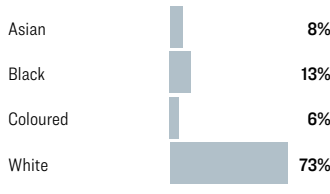
MONTHLY HOUSEHOLD INCOME



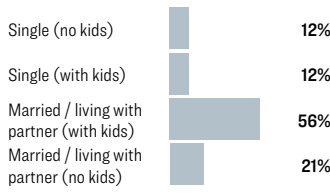
HOME LANGUAGE



RACE



LIFE STATUS

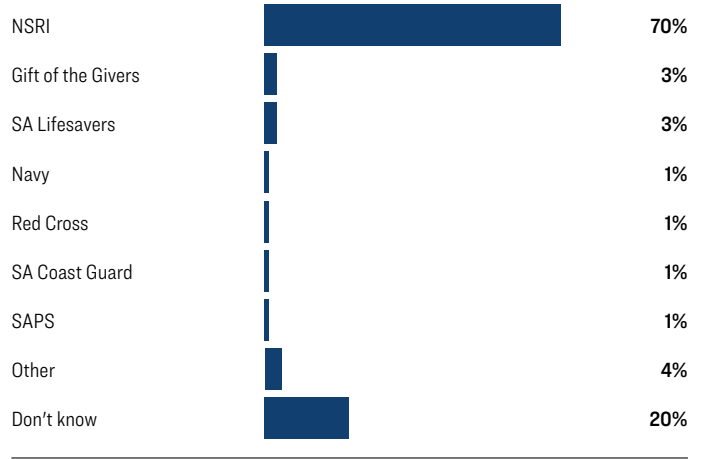


GENDER

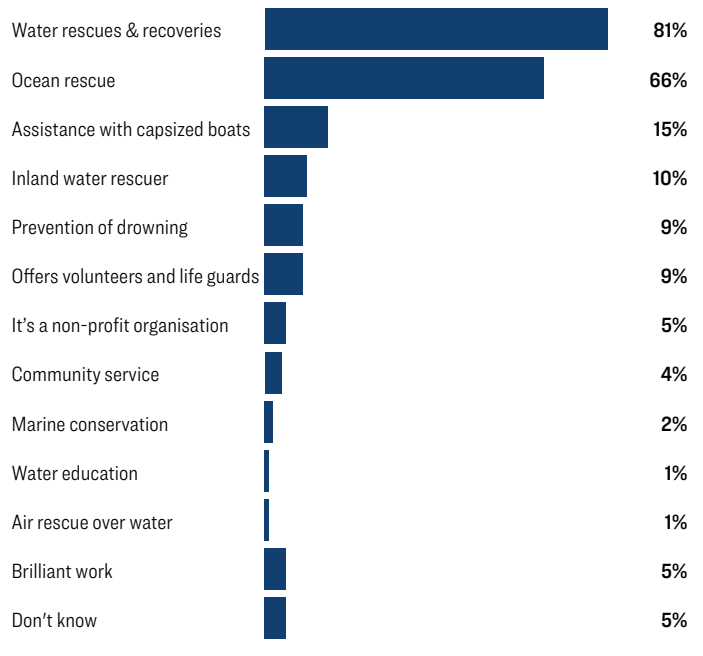


The results of the survey were as follows:

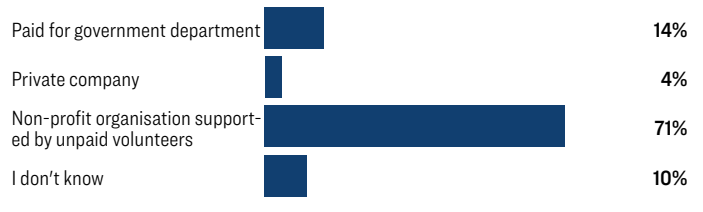
Q1 What South African organisation specialises in rescuing people who are in trouble in water situations, what organisation comes to mind?



Q2 What does the National Sea Rescue Institute do?



Q3 Is the organisation a private company, paid for by government or a non-profit organisation supported by unpaid volunteers?



Q4 How do you believe the NSRI is funded?



Q5 Does the NSRI perform rescues?



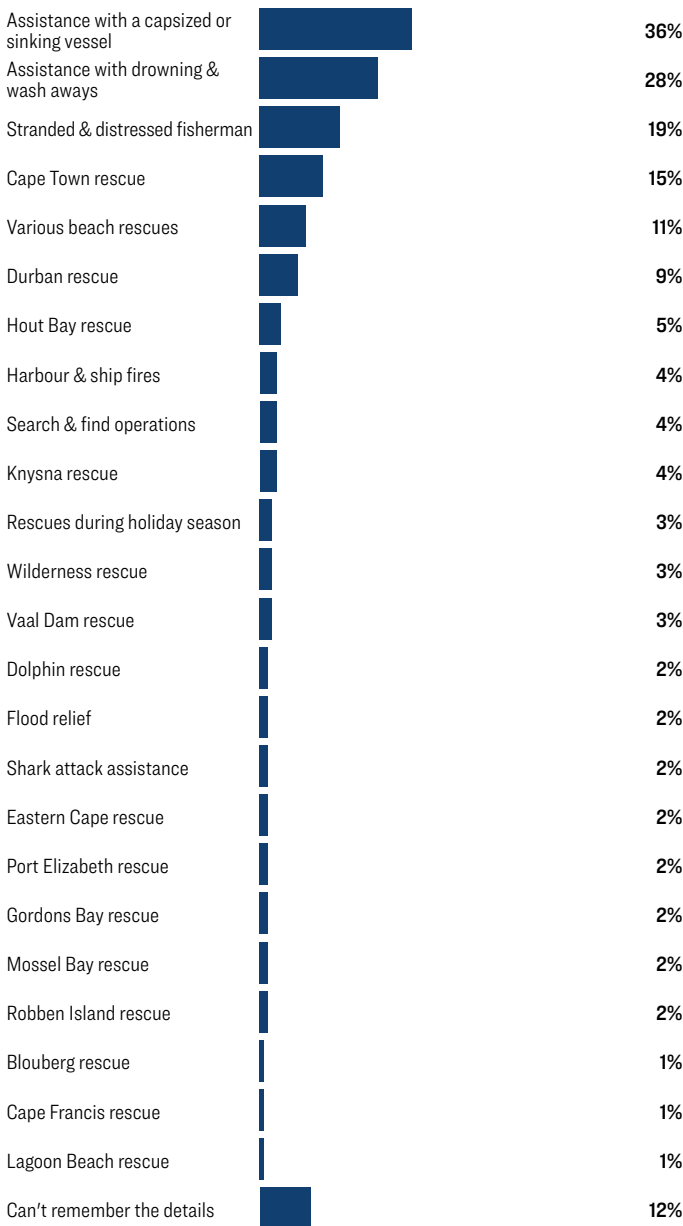
Q6 Does the NSRI assist anybody who is at risk of drowning or only wealth yacht owners?

99% responded with anybody

Q7 Imagine you were in a situation where you needed to call the NSRI, which option would you select?



Q8 Can you think of any well publicised rescued performed by the NSRI in recent times? Which do you recall?



Q9 Do you believe the NSRI and lifesaving South Africa are separate organisations or the same?

85% responded separate

Q10 Have you heard of the NSRI Pink Rescue Buoy campaign?

73% responded that they haven't

Our interactions

DONORS/FUNDERS

ISSUES RAISED

- » Donor confidence
 - » Donor fatigue
 - » Sustainability
- Refer to page 38 for more on **Our funders**

OUR STRATEGIC RESPONSE

Tangible appreciation of our donors.
 Good stewardship and good corporate governance are cornerstones of the NSRI.
 Transparency and accountability ensure donor confidence.

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Loss of donors

OPPORTUNITY

Identifying opportunities to add value for donors.
 Emphasize activities and results over pleas for contributions.
 Provide engaging content with pictures and video so donors can become part of the action and feel ownership of the NSRI's success.

SUPPORTERS

ISSUES RAISED

- » Knowing our supporters
- » Growing our support base

OUR STRATEGIC RESPONSE

Seek out opportunities to engage with diverse groups, active media and social media presence/campaigns, actively manage reputation.
 Our online shop is effective, with increasing our supporter base and we will continue to build on that.

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Decreasing supporter base

OPPORTUNITY

Supporter recruitment campaigns.
 Stakeholder surveys to get to know our supporters and improve on the communication or interest via our magazine.

MEDIA

ISSUES RAISED

- » Communication overload
- » Comprehensive coverage
- » Information accuracy
- » Information currency

OUR STRATEGIC RESPONSE

Media engagement through a dedicated spokesman. Prompt, accurate and honest reporting after each rescue.
 Actively building relationships.
 Welcoming media contact and visits.

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Negative media reporting might impact on the NSRI's reputation.

OPPORTUNITY

Positive media reporting will strengthen our ability to raise donor funds.

VOLUNTEERS

ISSUES RAISED

- » Safety
 - » Time commitment
 - » Volunteer fatigue
 - » Diversity
- Refer to page 36 for more information on **Our volunteers**

OUR STRATEGIC RESPONSE

Provide safe rescue boats, quality protective gear and ongoing training.
 Volunteer appreciation.
 Engagement and consultation.
 Open channels of communication – even directly to the CEO

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Insufficient action is taken to combat volunteer fatigue and crew injuries

OPPORTUNITY

Strong engagement and feedback loops lead to well-motivated and enthusiastic volunteer corps.
 Training and more training.

BENEFICIARIES

ISSUES RAISED

- » Emergency activation
 - » Water safety consciousness
 - » Bystander response
- Refer to page 20 for more on **Our rescues**

OUR STRATEGIC RESPONSE

An ongoing publicity campaign to promote the emergency contact number.
 Ongoing school programme to teach water safety.
 Ongoing media and social media campaigns regarding education and emergency signage.
 Promoting Bravo Bravo, our public platform for free skippers training.
 Promoting SafeTRX, our free mobile application used to take the search out of sea rescue.
 Implementation of the survival swimming programme.

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Insufficient engagement may lead to lost opportunities in terms of education and life-saving tips

OPPORTUNITY

- » Positive feedback from beneficiaries is used in communication to strengthen the case for donations.
- » Real-life rescues provide powerful and compelling training material to educate about water risks.

EMPLOYEES

ISSUES RAISED

- » Recruitment and retention of staff
- » Manage attrition
- » Diversity
- » Health
- » Social security

OUR STRATEGIC RESPONSE

Market-related compensation.
 Training and personal development.
 Career path planning.
 Engagement.
 Employee benefits.
 Empathetic open-door communication.

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Negativity in employees may lead to disruption of operations and unproductive behaviour.

OPPORTUNITY

Well-motivated and trained personnel improve the organisation's performance.

OTHER EMERGENCY SERVICES WITHIN SOUTH AFRICA AND AROUND THE WORLD

ISSUES RAISED

- » Partnership collaboration
- » Healthy competition
- » Networking

OUR STRATEGIC RESPONSE

Having a mindset and culture of cooperation and collaboration, credit all partners who are involved in rescue, part of International Maritime Rescue Federation, attend conferences and sit on maritime committees, affiliated to Lifesaving SA.

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Insufficient engagement may lead to lost opportunities to collaborate.

OPPORTUNITY

Strong partnerships lead to new insights and collaboration opportunities.

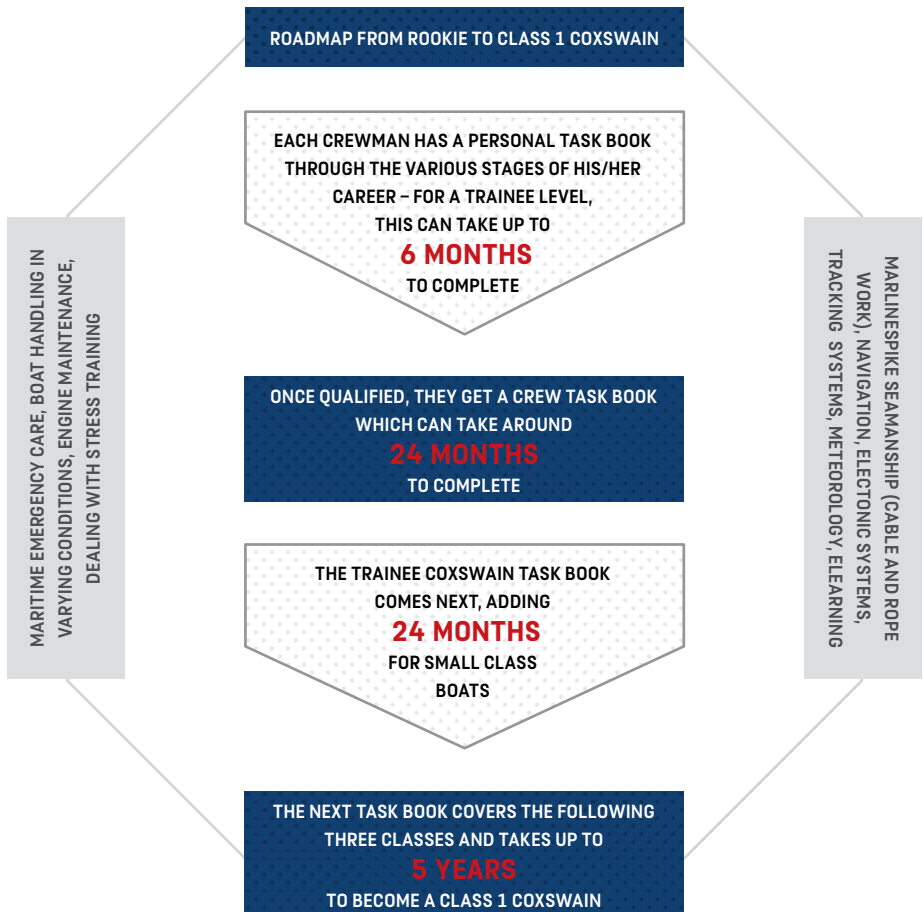


From a volunteer point of view

What it takes to be a volunteer

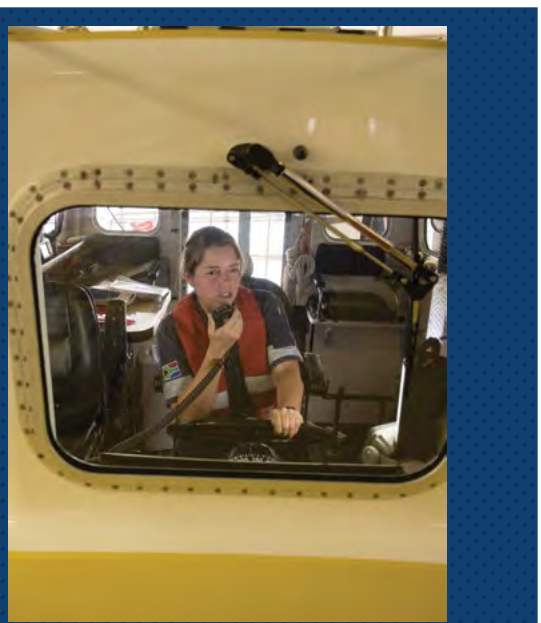
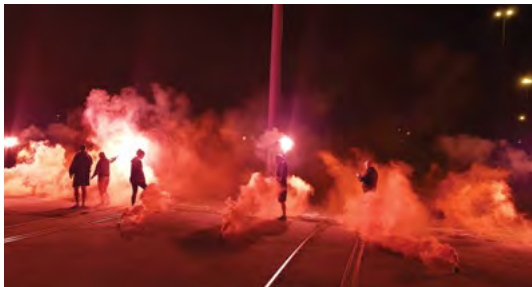
In this modern era, the commitment required from our volunteers is exceptionally high, both in terms of the time required and the level of theoretical and practical training involved. Furthermore, the need to attend assessment weekends and be willing to drop everything, without notice, to venture out into, often rather daunting conditions, to save lives. This volunteerism can become very consuming; therefore, our volunteers are trained to make sure that they also pay attention to their personal and family needs. The stringent requirements of the South African Maritime Safety Authority require even more training to ensure that all our crew stay within the legal framework of what we do. In our experience, these volunteers dedicate more than a third of their lives to this noble cause.

To assist our volunteers, all theory training is now available on our eLearning platform, anywhere, any time. Our volunteers are required to go through various courses before becoming crew, and as they progress along their NSRI careers, the training takes up a fair amount of a volunteer's time. While benefiting from training available online, volunteers still must finance their own data and device cost to enable them to do the training.





FROM A VOLUNTEER POINT OF VIEW // **ENGAGING OUR STAKEHOLDERS**



What it feels like to be a volunteer
 (by Carmen Long, the first female to qualify as a class 1 coxswain at Sea Rescue)

"I decided to join Sea Rescue in 2011, after I heard that a friend of mine was a member. I asked him to take me to a base meeting one evening and that evening I was in/sold. I joined Sea Rescue while not being quite sure what to expect or if I was going to be good enough. I have never spent much time around boats and a new world opened for me. I had to learn a lot of new things and the nautical language was very foreign to me. But as daunting as it sounds, it wasn't, it was fun! Yes, there was (and still is) a lot of studying, practicing and, most of all, the commitment to be there whenever I was needed. I have been very fortunate to have an amazing Station Commander and coxswains that supported me since I joined, not to mention the patience to answer every single question and requests for help.

Now looking back through these eight years, it absolutely amazes me how much I have learnt and grown. Lots of studying and big commitment, but every time I see the faces of the people we rescue or help, it makes every day, late night, long call, studies, exams, missed dinners or kids plays at school, worth it. I know every trainee, crew member, coxswain in every base does the same to help and make a difference to all those women and men, Respect."

Our funders

Over 1 000 companies actively support Sea Rescue through their corporate social investment funds, their marketing budget or their Chairman's Fund. We rely on these companies to sponsor boats and vehicles and, in so doing, fund our asset replacement programme. We are one of a few charities with 18A status and, since more than 98% of our beneficiaries are black, we offer B-BBEE certificates as well. The income from these companies totalled R7.4 million in 2019.

Our Platinum Partners contributed R1 042 990 in 2019. Platinum partnership is an exclusive opportunity for a maximum of ten partners at any one time. These are a group of companies who understand our business needs and enter into a long-term partnership and brand investment with us.

Oceana Group, South Africa's largest fishing company, is playing a key role in ensuring that maritime safety for seafarers, coastal communities and harbour areas is prioritised by committing more than R1 million to Sea Rescue over the next five years.

We have two Strategic Partners, Mitsubishi Motors who assist us in ensuring we have the very best vehicle fleet for rescues, and DHL who are key in moving our essential lifesaving equipment around the country and internationally and sponsoring the cost of the printing for our Integrated Annual Report. These two partners save us millions of Rands every year.

Our big events for the year included the first Rotary Wine Auction in Hermanus, as well as the Cape Town Wine Auction contributing R399 105, and our golf days contributing R883 641.



The Government and State-Owned Enterprises are important role players and contributed R4.2 million.

Bequests remain a very important source of income and we have several retired crew and supporters who pledge to leave us a legacy in their will. Income from bequests in 2019 amounted to R3 million, which translates to 2% of our annual income.

Individuals have contributed close to R4 million in 2019.

In 2020, Sea Rescue will continue to receive all donations electronically (i.e. cashless funding) to ensure a fully auditable and transparent donor process. We will continue to investigate and source new income streams and generate new leads through various targeted, digital marketing campaigns. We value donor security, donor safety and donor privacy.

In 2019, we rolled out the following facilities as appropriate to each Rescue Station or event:

- » Yoco Devices
- » SnapScan and Zapper Codes
- » GivenGain Application
- » Donation Applications (App)

"Sea Rescue relies on donations, sponsorships and bequests to fund our annual running costs. Our charity is funded through a broad support base, where most of our donors are private individuals who donate an average of R100 a month through our monthly debit order competition or purchasing a car competition ticket of R750 for the chance to win two Mitsubishi vehicles."

Our platinum partners:





Our people

"The community of Sea Rescue grows every day as we rescue more people, train more children, call more donors, engage more stakeholders and recruit more staff, and every one of them identifies with our purpose is motivated by the enthusiasm and passion of our volunteers!"

The volunteer group has grown as we have established new stations, not only in number but also in diversity of race and gender. We have become more inclusive, and encourage participation around the country. We continued our Social Literacy Conversation during the year, with a vision of creating a microcosm of what South African Society should look like, sincere diversity and inclusion that makes moral and business sense. Our communication with NSRI leaders has intensified with monthly online conversations and formal Station Commander training courses. These initiatives have been well received and appreciated, ensuring an open channel between the administrative centre and operational periphery. Support for Station Commanders will be further improved in 2020 with the appointment of managers to assist with logistical and administrative tasks.

The professionalisation of rescue crew has continued apace with a massive training effort, both centrally and at stations. Every week, crews train to achieve and maintain mastery of a vast

range of skills that the service demands. What makes this interesting is that crew are accountants, plumbers, electricians, doctors – a huge diversity of occupations, education and skill, all focusing and realigning in a rescue context.

Our donor group grows every day and we get constant feedback, always balanced and allowing us an opportunity to reflect and adjust. The loyalty of our donors is incredible, an indication of how close to the cause they feel. Donors are spread throughout the country, with Gauteng and the Western Cape having the highest numbers of donors, in line with economic activity in the country.

Sea Rescue now has almost 150 employed staff, including the call centre operations, who should raise about R129 million in 2020, and water safety educators who train more than 500 000 children every year, in water safety awareness, CPR and survival swimming. Lifeguarding services are provided through seasonal contracts with local authorities and lifeguards are paid to ensure an immediate

OUR PEOPLE

presence on beaches in order to prevent drowning. The growth in the organisation requires appropriate administrative and management capacity, and in 2020, a new organisational structure is being created with the future in mind and to balance efficiency with effective delivery.

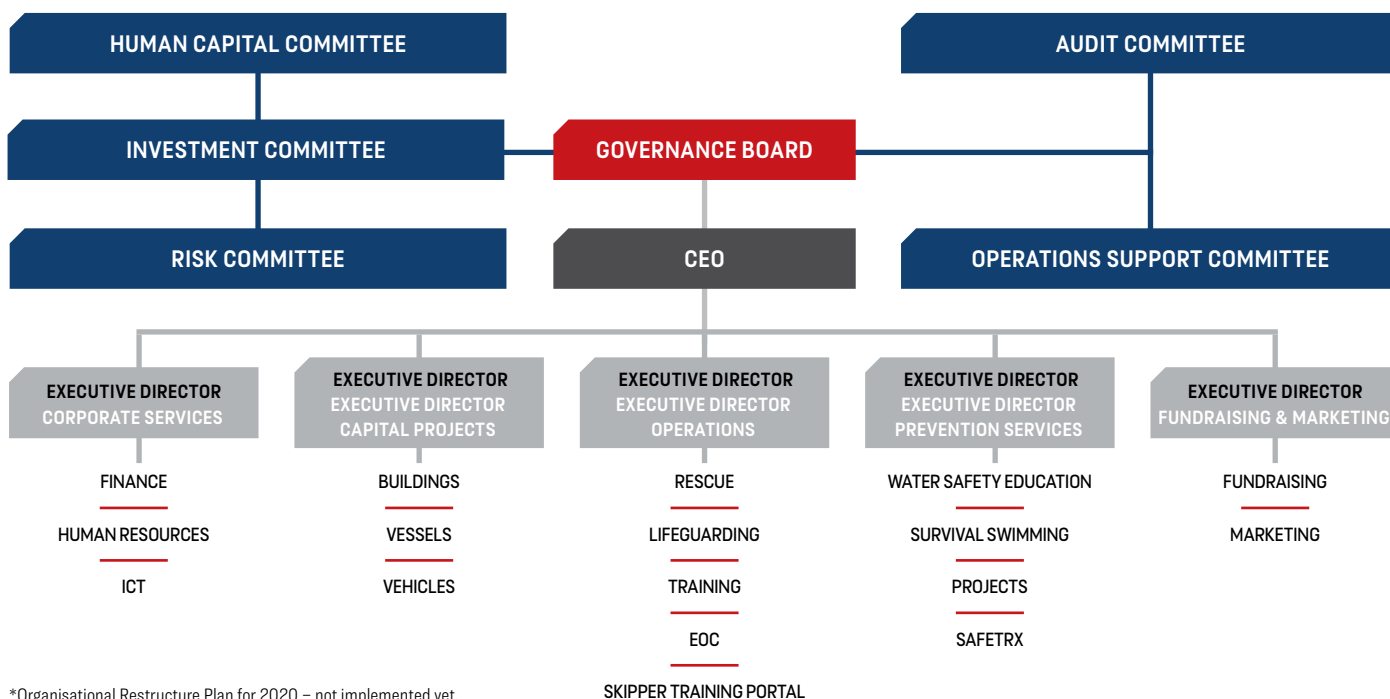
Our human capital is a principal material issue, a foundation of the service and a cornerstone of saving lives, changing lives and creating futures!

NUMBER OF VOLUNTEERS	2019				
	BLACK	WHITE	MALE	FEMALE	TOTAL
Volunteers	212	1147	1012	347	1359
- Station Commanders	1	40	40	1	41
- Deputy Commanders	1	40	37	6	43
- Coxswain	7	181	177	11	188
- Trainee Coxswain	5	85	81	9	90
- Crew	198	801	677	320	997

MANAGEMENT TEAM

ROLE	NAME	NQF	AGE	SERVICE	GENDER	RACE
CEO	Dr Cleeve Robertson	10	60	30	Male	White
Director: Operations	Mark Hughes	6	60	42	Male	White
Director: Fundraising and Marketing	Janine van Stolk	7	58	—	Female	White
Director: Finance	Mark Koning	7	63	18	Male	White
Drowning Prevention Manager	Andrew Ingram	6	55	38	Male	White
Education Programme Manager	Eoudia Erasmus	4	56	14	Female	White
Operations Manager	Brett Ayres	9	38	19	Male	White
Training Manager	Graeme Harding	4	56	31	Male	White
Finance Manager	Althea Nutt	6	45	6	Female	Black
IT Manager	Ben McCune	6	40	3	Male	White
Fundraising Manager	Alison Smith	6	55	9	Female	White
Call Centre Manager	Sue van Ryneveld	4	58	8	Female	White
Call Centre: Office Manager	Bev Schofield	4	62	10	Female	White
Call Centre: HR Manager	Rachel O'Rourke	8	48	5	Female	White
Call Centre: Senior Project Manager	Jackie Von Molendorf	4	43	11	Female	White
Call Centre: Debit Order Project Manager	Lianne Daniels-Lategan	4	38	9	Female	White
Call Centre: Face2Face Project Manager	Annie Britz	4	41	1	Female	White
Call Centre: Car Project Manager	Dina Fernandes	4	45	9	Female	White

FUNCTIONAL ORGANOGRAM*



*Organisational Restructure Plan for 2020 – not implemented yet.

SKIPPER TRAINING PORTAL

Transformation

Sea Rescue has been engaged with the Social Literacy Conversation since 2017 to walk a path of creating the societal microcosm we see as fundamental to the South African human environment. We have a diverse population, clearly different in many aspects, each person with unique knowledge, skill and experience, with value to add to the organisation and society.

We have been engaging with staff, volunteers and stakeholders and are gradually building the social compact that is a foundation to individual and organisational wellbeing. There are often converging, as well as conflicting views and the approach is to maintain an open conversation, give guidance and build on positive experience.

Progress with the implementation of the toolbox continues, and we initiated a working group of volunteers to focus dialogue as a group and facilitate discussion within the station operations.

We make mistakes too – one such mistake was with the operational responsibilities and decisions, previously made at Station Commander level. In 2019, we centralised this function, but we failed to create the right balance between the station leadership and organisational leadership. In 2020 we will fix this.

The elements currently within the toolbox and our progress include:

TOOLS IN THE BOX	PHASE
POLICIES	
Transformation policy	Complete
Anti-sexual harassment policy	Complete
Anti-racism policy	Complete
ENGAGEMENT	
Social Literacy curriculum	Complete
Social Literacy workshops	Complete
WELCOMING STATION/CORPORATE ENVIRONMENT	
Mutual respect	Continuous
Remove exclusionary practice	Continuous
Planned socialisation	Idea Phase
Family days	Implemented
Open days	Implemented
Community engagement	Continuous
Youth days	Continuous
Structured introspection	Continuous
Board diversity	Complete
Executive diversity	In Progress
Employment equity	Implemented
LEADERSHIP DEVELOPMENT	
Social Literacy included in leadership/management training	Complete
TRANSFORMATION HOTLINE	
Create a focus point to report abusive behaviour	Complete
MARKETING AND COMMUNICATION	
Communicating our purpose to attract millennials	Continuous
Introspective communication campaign	Continuous
Communicating in diverse communities and languages	Implemented
Sharing positive experience	Implemented

Training

TRAINING PROGRAMMES

Training team

On average, the training team visits each base at least once a year to do on-station training. That entails 41 visits through the year, training an average of 25 crew per base, for at least 16 hours per weekend.

On-station training

Each base around the country trains on their own, perfecting skills and theory, at least once a week, for roughly two hours. Most bases also do weekend training sessions, at least once a month.

Official week-end training courses

Sea Rescue offers a structured training course in Cape Town every second weekend, throughout the year. Every course is being attended by an average of 6 candidates and normally starts on a Thursday afternoon and ends on a Saturday evening.

16 400 man hours
base training by the
training team

134 400 man hours
on-station training

33 600 man hours
training sessions at sea

8 424 man hours
on weekend training
courses



TRAINING STATISTICS FOR 2019

A total of 1 295 people was trained – 650 attended scheduled courses such as development courses, coxswain courses, radio courses, CRM training, etc. 645 candidates attended unscheduled courses such as JetRIB training and capsized training to mention a couple.

WHAT THE TRAINING TEAM PUT IN

A team of four dedicated training officers work tirelessly to get as much knowledge and experience into our volunteers as possible. This process includes working every second weekend, sometimes away from home for five days at a time, and often working 18-hour days to ensure they transfer as much knowledge as possible in the short time available. Their responsibilities also include reporting, upgrading of current study material, future course development, planning for upcoming courses and managing special requests for assistance from stations. It also occasionally entails assisting with the actual rescues if they happen to be in the area. Whilst all this is happening, the training officers are also attending personal growth training courses to ensure that they stay current with what they teach.

Note from the CEO:

“Although I value every staff member and volunteer, I think the dedication, commitment and professionalism of our training team is an example to all of us. Well done on an outstanding job!”



Students from Lawhill Maritime Centre

EXTERNAL TRAINING – GIVING BACK

Sea Rescue run two training camps a year on team building and crew and skipper training. We also have formalised training programmes through the year for subjects such as navigation, pre-sea and coxswain courses.

- » Lawhill Maritime and Gordons Bay Old Boys Club (ex-master mariners) are running a development scheme for youngsters from grade 10 to 12. They are trained in all things maritime to equip them for possible employment in the maritime industry. Sea Rescue has played an integral part in this training in 2019. Below are a two ‘thank you’ letters from students who attended the training:

Lawhill Maritime Centre
1 Jan Smuts Drive
Simon's Town, 7975

7 October 2019
S.A.T.S General Botha Old Boys Association
National Sea Rescue Institute

Dear Sir/ Madam

Letter of appreciation

My name is Nerissa Sucram, aged 16 and currently doing Grade 11 at Simon's Town School's Lawhill Maritime Centre. I was fortunate to be one of the 10 students who were afforded the opportunity to attend the NSRI introductory camp in Kommetjie during the September school holidays.

No one can fathom the impact this camp has had on me and I am writing this letter to extend my gratitude to the SATS GBOBA bursary fund for giving me this opportunity and to the NSRI and its instructors for teaching us about the maritime industry that we all aspire to be part of.

Every lesson came with new, fresh and energy-filled knowledge that expanded our knowledge and gave us a broader picture of the maritime industry and of the NSRI as an organisation. However, about all of this, the camp has instilled in us a nature of self-trust and trust for our team members. I can now go into the water knowing that, although I have been taught self-rescue techniques, my team is also looking out for me.

I would like to extend a special gratitude to the two instructors/facilitators who were with us throughout the camp and to the General Botha Association for affording us this opportunity and also accommodating us. Thank you to everyone who has invested anything into this programme. I can feel my dream of bettering my community coming closer.

Yours faithfully
Nerissa Sucram

Lawhill Maritime Centre
1 Jan Smuts Drive
Simon's Town, 7975

7 October 2019
S.A.T.S General Botha Old Boys Association
National Sea Rescue Institute

Dear Sir/ Madam

Letter of appreciation

My name is Ngabelwa Nikwe, aged 17 and currently doing grade 11 at Lawhill Maritime Centre. I am originally from a small town called Harding in Kwa-Zulu Natal. I was fortunate to be one of the 10 students who attended the NSRI camp during the September school holidays.

I am scripting this letter to convey my honest and genuine gratefulness and appreciation to GBOBA and NSRI for giving me this opportunity. The knowledge I have acquired from this camp is priceless and will definitely help me in the future. I was more than excited to hear about my selection for this camp and I am profoundly thankful for your help.

I am planning to pursue a career in the maritime industry, and I am looking forward to it. This camp has broadened my knowledge about the industry and has motivated me to work harder towards my dream.

The training I have received is a once in a lifetime opportunity and will be valuable in my life. I intend to use this training to become the best that I can be.

Thank you once again for your assistance. I guarantee that I will make use of the knowledge and skills I have acquired. Your kind favour also motivates me to help others in need and will definitely do so in the future.

Yours faithfully
Ngabelwa Nikwe

Our beneficiaries

"This foundation has benefits for the recipients of our service – the people whom we rescue and whose futures we have given back when they thought it had gone, as well as for the rescue crew themselves, learning life lessons and experiencing things that few others do."

IN 2019 WE TAUGHT

574 099 

children through our Water Safety in schools programme and

156 

children were taught Survival Swimming

WE RESCUED

 949

People

 43

Animals

We responded to

757 

rescues

	Total	Black	White	Foreign	Unknown	Animals
Lives saved with rescue operations	949	488	292	93	76	43
Lives saved with Pink Rescue Buoy	22	1	8	3	10	
Children taught Water Safety	574 099	571 616	2483			
Children taught Survival Swimming	156	155	1			
Total	575 266	572 260	2 784	96	86	43

NUMBER OF OPERATIONS

691*



*691 primary rescues and 66 rescues assisting other stations = 757 rescues

CASE STUDY STATION 5 (DURBAN) RESPONDED TO A YACHT IN DISTRESS

In the early hours of Thursday, 4 April 2019, station 5 was alerted by Durban Port Control to a yacht in distress just off the south-break water of the harbour. Together with the NSRI, the South African Police Service, Transnet National Ports Authority (TNPA) and Netcare 911 also responded to the mayday. Lorenzo Taverna-Turisan, class 1 coxswain who responded to the call with Roy Wienand and crew David Hoffman and Julian Singh, explains that this part of the harbour is sometimes referred to as “the graveyard” as sand carried from further down the coast gets trapped here and causes swells of between 3m and 3.5m. On arrival, they discovered that the yacht had run aground against the dolosse and one person was stuck between the broken mast and the dolosse.

The TNPA’s tug and pilot boat were located in the harbour channel, so Megan II, the NSRI boat, was manoeuvred alongside the tug in order to transfer David and Julian to shore. They had to descend the dolosse from the harbour wall to



bring the very frightened woman off the yacht to safety. Julian recalls that it was dark and the woman kept screaming for help. They climbed over dolosse that are double the length of the average person and it was very risky as, once they reached her, they had to time their efforts between the swell that were causing the mast to flick back and forth. Their calm approach, under very trying circumstances, prevailed and the woman was brought safely to shore. They later

learned that there were five crew on board and they were hit by a set of waves that washed the skipper overboard. The yacht motored itself past the south brakewater, but the skipper swam after it and managed to get back on board. He tried to use the swells to motor the yacht off the sand, but it was no use. The yacht was taken by the swell and ran aground. Lorenzo says it was an intense rescue, executed within about 45 minutes and all crew members were safe and sound.



NSRI Station 17 Hermanus

Our infrastructure

"A game changer for the NSRI in 2019 was the start of our Emergency Operations Centre. This is a 24/7 operations centre, staffed full time to support stations and to receive incoming public emergency calls, which are passed on to the relevant rescue stations around the country. This centre has reduced our volunteers' administrative burden and streamlined reporting processes."

Our crews are relied upon to keep their bases in 100% running order, to be ready to respond to any call at any time. They are responsible for the maintenance and cleaning of bases, boats and all other rescue equipment they use – this takes up their time, over and above the huge demand for the training they are required to do. Furthermore, they are also carrying an enormous financial responsibility, as the buildings, boats and equipment they are responsible for are worth close to R50 million.

BUILDINGS

Sea Rescue's footprint is expanding by necessity. Rebuild projects were started in 2019 at two bases. Station 10 in Simon's Town and station 17 in Hermanus had to be prepared to receive the new ORC lifeboats. Since both structures had to be significantly modified and consisted of a considerable amount of environmentally unfriendly materials, the decision was made to rather demolish and rebuild. The harmful cladding materials were professionally disposed of.

Station 24 in Lambert's Bay is being modified with a new boathouse, the environmentally



unfriendly roof is being replaced and energy efficient windows, as well as insulation are being installed. Station 40 in St Lucia has a new building and boathouse.

New buildings must conform to the latest legislation regarding energy use, and this allows us the opportunity to install rainwater harvesting systems with proper wastewater management. Although energy consumption at our rescue bases is particularly low, we still aim to make the buildings as environmentally friendly and water wise as possible.



OUR INFRASTRUCTURE



NSRI Station 19 Richards Bay

Volunteer crew from Richards Bay view the plans to the upgrade of their rescue vessel



The following capital projects were also scheduled for 2019:

PROJECT	STATUS	COMPLETION DATE
Base buildings		
» Station 10 Simon's Town	Construction started in June 2019	April 2020
» Station 17 Hermanus	Construction started in April 2019	March 2020
» Station 40 St Lucia	Construction started in November 2019	July 2020
» Station 24 Lamberts Bay	Construction started in November 2019	July 2020
» Station 27 Gauteng	Container rescue base – started November 2019	April 2020
ORC projects		
» Moulds built for hull 3-9	Completed in November 2019	
» Hull 3	Layup of the cabin started in December 2019	
» ORC Alick Rennie, built in France, was delivered to Cape Town	Launched in April 2019. Delivered to Durban by sea	
» Station 17 Hermanus, ORC launching cradle design	Completed in December 2019 – 10 more to be built in 2020	



EMERGENCY OPERATIONS CENTRE

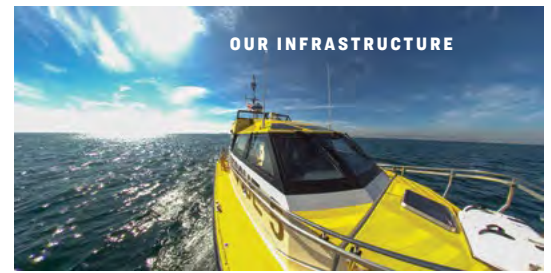
The NSRI Emergency Operations Centre (EOC) was implemented in July 2019 and has six full time staff manning the centre 24/7.

The EOC provides a single point of contact for all incoming emergency calls, including 112 and is the first point of call for Port Control, MRCC and other emergency call centres. They monitor SafeTRX and are responsible for tracking NSRI vessels when at sea. They can communicate with all class vessels via trunking radio and are present on every NSRI station's callout WhatsApp group, making them part of the rescue operations.

They also maintain the operational incident database and support the volunteer effort in many administrative, reporting and operational functions, thereby reducing the administrative burden on volunteers, enabling them to get on with the job of rescue. The command and control of rescue resides with the Station Commander of each rescue base and the EOC provides a vital support function to the stations.

Our call centre operators all have emergency call centre and operational backgrounds and have undergone extensive and ongoing NSRI operational training including:

- » **Radio procedures**
- » **Navigation**
- » **Geographic knowledge**
- » **Operational procedures**
- » **In-depth training on the various technological systems in use**



VEHICLES

The rotational vehicle fleet plan ratified in 2015 has finally been fully implemented, where virtually every rescue vehicle in the institute is less than four years old. This plan was based on the premise that, with the discount on a purchase of a 4x4 rescue vehicle from Mitsubishi, the market resale value after four years contributes substantially towards the purchase of the next vehicle, keeping the overall fleet cost lower. The vehicles generally have very low mileage as they are used mainly in the immediate neighbourhood of stations and are well taken care of. The vehicles remain in the warranty and maintenance plan, resulting in their maintenance costs being very low and our volunteers having modern, safe and reliable vehicles to do the job of rescue. In the long run, this model has proven to be cheaper than maintaining an ageing fleet of vehicles, which were generally more unreliable and costly in terms of unplanned maintenance.

Equipment such as aluminum canopies, lights, sirens, winches, radios, etc. are recycled from one vehicle to the next (where serviceable), and further contribute to keeping costs down.

TRACKING SYSTEMS

NSRI uses various types of tracking systems. Automatic identification system (AIS) is installed on every one of our 5.5m and larger vessels, which enables other AIS enabled vessels to have visibility of our vessels. It also enables shore controllers to track the location of these vessels when out on training and operations.

In addition to AIS, we also use Spotrack satellite trackers as a backup on the vessels, if AIS

is not working.

Each crewperson going to sea on the larger craft, is also issued with an AIS MOB device, in case they are lost overboard or get separated from the vessel. If this does happen, they can activate the device, which sounds an alarm and enables a rescue vessel (or any vessel enabled with AIS) to locate them.

Our NSRI Rescue vehicles have Netstar trackers installed, which can be monitored from our Emergency Operations Centre.

Lastly, NSRI uses SafeTRX, a Smart phone application, which is freely available to the public, so that people can track themselves, raise an emergency and then enable rescue resources to easily locate them.

VESSELS

SAR ORC

The NSRI is currently the only maritime rescue service operating in South African territorial waters and, although most rescues are coastal and inshore, an increasing number of these operations require search and rescue vessels with advanced capability in technology as well as the ability to safely increase the endurance of the crew further out to sea.

Our fleet of 10m and 12m rescue vessels (known as class 1 rescue vessels) are ready for retirement. Sea Rescue's commitment to our volunteer crew is to provide top class rescue boats that are suited to the severe conditions in which we operate. The safety of our rescue crew and the people who we rescue is our priority. We therefore needed to replace the current class 1 rescue boats

with craft that are well suited to search and rescue missions, such as deep-sea operations, medical evacuations and mass rescue incidents. The vessel that we chose to fulfil this role is the 14m Search and Rescue (SAR) Offshore Rescue Craft (ORC).

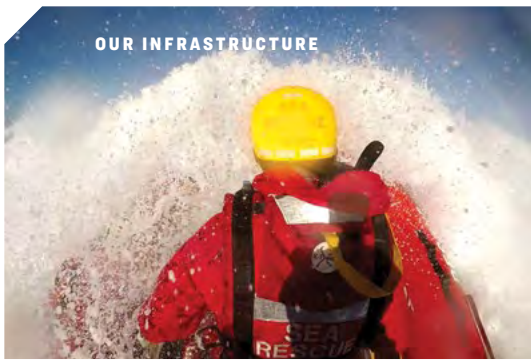
After extensive research and development, the decision was made to have the first vessel, a 14m SAR ORC, Alick Rennie, built to completion in France and our second vessel, the Donna Nicholas, built as a hull, deck and bulkhead in France and then completed in South Africa. Both vessels were designed by naval architects Pantocarene and manufactured by Bernard Shipyard in France.

After a 2-year long building project, the vessels were successfully delivered in Cape Town on 28 March 2019 by our local partner Safmarine.

The SAR ORC Alick Rennie has the latest electronic navigation and communication equipment and is self-righting, which will give increased safety for crew and those who we rescue. This new fleet of 14m vessels will enable Sea Rescue to extend our range and survivor carrying capacity, but will also mean that we need to modify our boatsheds to accommodate them. The Alick Rennie was launched at Sea Rescue's Station 5 in Durban in June 2019.

NEW JETTRIB INNOVATION

Designed specifically for surf rescue, in collaboration with Droomers Yamaha and Admiral Powercats, a new breed of vessel has been developed and tested around the country and has now been welcomed as a new addition to the Sea Rescue fleet.



The all-new Yamaha VX 1050 JetRIB is powered by an environmentally friendly four-stroke engine. The added hull with Hypalon pontoon has created a much more stable platform and increased flotation capability and is divided into four separate compartments for safety purposes.

The JetRIB allows for a helmsman and two extra crew members, who can be dropped off to attend to a casualty in the water. With the vessel's impressive stability and padded seating (crew sit behind the helmsman), navigating through even the most challenging surf conditions has become a lot less impactful and stressful than with our present craft.

In July 2019, the training department embarked on a roadshow to introduce the new JetRIB and get important feedback from our stations and current serving surf-rescue coxswains on its safety and suitability. It also helped determine whether any changes were required from an operational point of view. The reaction was very positive, with most coxswains indicating this is without a doubt one of the safest boats they have used in the surf zone, and there is much excitement surrounding the roll-out of the JetRIB to our stations operating in surf zones around the country.

Below follows some feedback from our volunteers on this vessel:

DURBAN

'The craft appears to be a very suitable replacement for the current small fleet. I see a very good platform to train new people in surf work thanks to its forgiving nature, its ability to carry a load and good response to the helm and throttle.'

Paul Bevis (coxswain)

EAST LONDON

'This new vessel is phenomenal. It tops any white-water vessel/craft I have worked with in both Sea Rescue and Surf Lifesaving. It will definitely reduce response time and improve our capabilities in the surf as well as on open water.'

Well done on a phenomenal vessel. I'm still smiling about it!

Cathryn Prentis (coxswain)

WILDERNESS

'Brilliant design and concept... The way forward.'

Johan Scholtz (coxswain)

HOUT BAY

'I think it will revolutionise surf rescue. The ride was comfortable, and the craft is agile, responsive and easy to manoeuvre in tricky situations. Having additional crew on the craft did not hinder its performance in the surf. It is easy to use, with simple but effective controls.'

Geoff Stephens (StatCom)

OUR RESCUE VESSELS

In 2019, the following vessels were supplied to the stations: stations 5 (Durban) and 32 (Port Edward) both received new 8,8m RIB crafts, stations 17 (Hermanus) and 37 (Jeffreys Bay) received new 6,5m RIB crafts and a refurbished 7,3m RIB craft was delivered to station 38 (Theewaterskloof Dam) in November 2019. In addition, a prototype JetRIB was delivered to head office and stations 7 (Hermanus), 32 (Port Edward) and 16 (Strandfontein) all received JetRIBs.



Please refer to our website, www.nsri.org.za for a list of our vessels.



Our technology

The NSRI makes extensive use of technology and is always looking at ways to further incorporate this where practicable and operationally effective. Recently, we have migrated our operational and incident database onto Microsoft CRM, as well as a software solution called Uniti (SeaWeb). This process enables real time, location-based incident capture and management.

During 2019, Sea Rescue also undertook a major IT project to replace the existing call-out system (MIS), which was an out-dated asset-based call-out system, rather than an incident-based call-out system. MIS was replaced by a dual solution to manage incidents in SeaWeb (an off the shelf, incident management system used by other disaster management organisations customised for Sea rescue needs) and volunteer data in Microsoft

Dynamics CRM, with an integration run between the two systems twice a day.

Microsoft Dynamics CRM has been in use at Sea Rescue by the fundraising department since 2016 for transactions and generation of non-profit documents. The strategy has always been to create a 360° view of our donors, volunteers, committee members and staff members, as an individual can have many different roles at Sea Rescue. Since the adoption of Microsoft Dynamics CRM, we have expanded the footprint to IT services, drowning prevention, operations and procurement.

Microsoft Dynamics 365 integrates with Microsoft Dynamics Business Central, our ERP financial system. The project to integrate the two databases for procurement requests and the approval process to be handled in CRM was





"The adoption of new technology and systems also highlights the need for training at station level. To achieve this aim, we have visited most stations and offered training remotely where required. The strategy for 2020 is to ensure all volunteers are well trained in the new IT systems and to create a customer portal for all volunteers to access and edit their personal data."



completed in 2019. Once approved, the purchase order number is issued from Dynamics Business Central.

During the MIS replacement project, we also created a Dynamics 365 CRM Operational Personnel application which streamlines CRM functionality to the role of the volunteer. This technology will be vital going forward when expanded to the call centre and face-to-face teams for capturing the information of new donors as leads.

Station connectivity project to ensure all stations across the country have a stable internet connection to access cloud-based solutions implemented at head office was completed in 2019. This development also ensures greater collaboration between head office and stations as documents and training material can easily be shared via Microsoft SharePoint. There is an asset replacement plan in place to refresh station assets, up for renewal in 2020.

A crucial project for Sea Rescue in 2020 is the replacement of the outdated IT environment at the call centre. This task requires a full hardware refresh and a strategy to align the call centre with the IT policies adopted at head office. In 2019, we began a thorough analysis of the call centre business procedures in order to document the functional requirements for the migration to Microsoft Dynamics 365.

We will also be moving the head office to new premises and require a solution for networking and connectivity.

The Sea Rescue crew uses technology to maximise the time available for practical training by making use of our online learning platform, eLearning.

Technology is furthermore assisting us in saving lives on various fronts – from AIS tracking on our vessels, to SafeTRX and What3Words for public use, to an online drift calculator for searching people and craft in the water, satellite tracking, Wi-Fi hotspots on class 1 vessels, and instant shore-linked engine and vessels systems monitoring. What3Words is an algorithm that divides the world into 3m x 3m squares that are each given a unique three-word address. The location description simplification implications for search and rescue at sea, and on land, are incredible with this tool.

Sea Rescue's Operations Support Committee has a technology subcommittee, which investigates future technologies and has done extensive analysis and operationalisation of drone technology. It is currently investigating surface craft drones for unmanned or manned personal watercraft.

The next exciting technology frontier is probably the use of Artificial Intelligence (AI) technology, combined with high resolution webcams to automatically spot people in difficulty, alerting operational personnel to potential incidents far quicker and more thoroughly than current manned rescue systems.



Financial review

SUSTAINABLE FUNDING

In 2019 we were able to sustain good revenue levels despite not receiving several Grants from SOEs and again not being able to leverage Lottery support. Our corporate funding has improved and efforts at obtaining small grants from local authorities has delivered good results. The transition of the call centre business has sustained growth despite the change process and the annuity model provides continuous consistent funding.

COVID -19 will have significant impacts on funding for 2020 and the future as Bank rejections and Debit Order cancellations increase due to the economic downturn. We estimate the impact in 2020 to be about 20% of revenue.

INCOME AND EXPENSES

Grant revenue decreased by 36% in 2019, donations and bequests increased by 5%, call centre income increased by 7% so that total revenue was up by 4% just matching inflation. Raising funds is an activity requiring exceptional effort, charity doesn't happen passively. It is unfortunate that National Government and SOE support has declined given the exceptional strategic national service we provide but I think we all understand the impact of corruption and state capture on each of these entities. It's real and it is directly affecting our ability to raise funds from the state. Our gratitude to business and private individuals who continue to support us is expressed with sincerity, we can assure donors that funds are deployed to both guarantee, sustain and expand the service. Even during COVID-19 our operations have continued unabated.

The significant changes in expenditure relate to the call centre and capital projects. We have halved the call centre expenditure by taking over the business and still sustained revenues from

that business. An independent valuation of the call centre business, by Dr John W Hendrikse (B.Com, MBA (Cum Laude), Ph.D), put the value of the business at R70 million in 2019. The NSRI Endowment Trust funded the purchase of the call centre business and in a single year we have recovered more than 50% of the cost. The business should be paid for in two years.

Our Capital Projects have finally taken off and we have been able to deliver the first 14m ORC Vessel and start the construction on two more. Major capital projects at Hermanus and Simons Town are complete. Several minor projects are also in process allowing for an expanded footprint of services along the coast and inland.

It is also significant that the NSRI External Audit for 2019 is a Clean Audit with no Qualification for the first time in over 50 years.

COVID 19 has already impacted on our cash flow but with careful planning and programming we can maintain capital expenditure on essential projects and ensure that operations remain fully capacitated.

Being accountable

BOARD COMPOSITION



GENDER COMPOSITION



RACIAL COMPOSITION



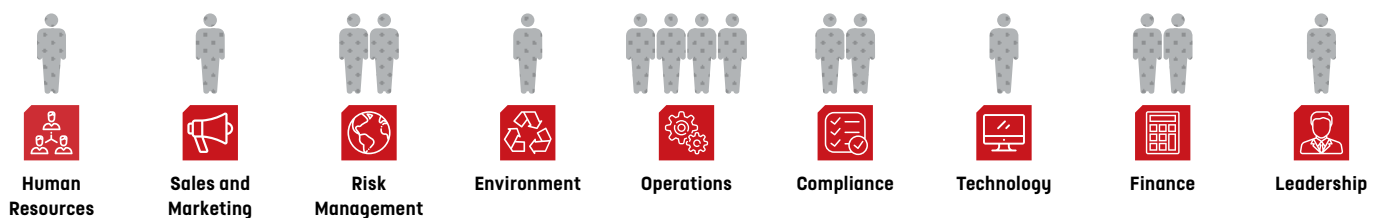
TENURE



AVERAGE AGE



DIVERSITY OF EXPERTISE



Members of the board

RONNIE STEIN (70)
Chairman of the Board

APPOINTED: 2013**QUALIFICATIONS AND EXPERIENCE:**

Ronnie holds a BCom CA (SA) degree and served as the Chief Financial Officer for the Foschini Group Ltd until he retired in June 2015, although he has remained on the board in a non-executive capacity. Prior to joining the group, he was an accountant and auditor in public practice.

He was also a partner in Kessel Feinstein for 15 years.



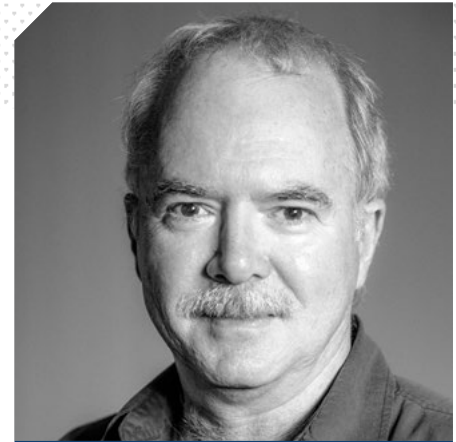
DR CLEEVE ROBERTSON (60)
Chief Executive Officer

APPOINTED: 2013**QUALIFICATIONS AND EXPERIENCE:**

Cleeve is an Emergency Physician with 30 years of experience in Emergency and Maritime Medicine.

He was Head of the Western Cape Medical Emergency Transport and Rescue Organisation (METRO EMS) from 2001 to 2013 and Honorary Medical Advisor to the NSRI from the mid 1990's until 2013.

He has led the NSRI from 2013 in his role as CEO. He currently serves on the SASAR (South African Search and Rescue Organisation) Executive Committee. Hobbies include hiking, climbing, cycling, sailing, small boating, underwater photography and SCUBA Diving. He is married with three children and lives in Hout Bay, Cape Town with his wife Shameem.



MARK HUGHES (60)
Executive director: Operations

APPOINTED: 2011**QUALIFICATIONS AND EXPERIENCE:**

Mark has been an active member of the NSRI since joining Station 19 (Richards Bay) in 1978.

Mark has held various positions while on station such as Training Officer, Maintenance Officer, Class 1 and 3 Coxswain, Deputy Station Commander and Station Commander for a number of years. He was awarded the Paul Harris Fellowship award from Richards Bay Rotary Club in 2010 in recognition of this service to the community. He holds a National Technical Diploma in Industrial Automation and Electronics. Mark was appointed to the Board of directors in November 2011. Prior to joining the NSRI Head Office, he worked for Tongaat Hulett Sugar in KwaZulu Natal.

Members of the board



JANINE VAN STOLK (58)

Executive director: Fundraising and Marketing

APPOINTED: 2020

QUALIFICATIONS AND EXPERIENCE:

Janine joined the NSRI in January 2020. Prior to that, she was the Executive Head Employee Marketing at Standard Bank, a position she held since 2013. From 2011 to 2013, she was a Director at Ikamva Labantu where she implemented a comprehensive change strategy for the company. She was head of corporate communications at South African Breweries between 2007 and 2009 and Director of CRM at Standard Bank prior to that.

Janine holds a Bachelor of Business Science (Hons) and has wide experience in CRM, advertising and marketing, both in South Africa and abroad in companies like Ogilvy and Mather and Readers Digest.



MARK KONING (63)

Executive director: Finance

APPOINTED: 2003

QUALIFICATIONS AND EXPERIENCE:

Mark joined the NSRI in 2000 and was appointed as a director in 2003.

He holds a BCompt from Unisa with majors in accounting and economics. Prior to joining the NSRI, he was the financial manager of the Cape Town Philharmonic Orchestra and has previous experience in retail and banking.



MARK MACLEAN (47)

Independent non-executive director

APPOINTED: 2018

QUALIFICATIONS AND EXPERIENCE:

Mark is currently the Assistant General Manager (AGM) of Cape

Town International Airport, a position he has held since 2012.

He is responsible for the overall operations at the airport.

He was the previous Engineering Manager of the airport from 2007 until 2012 and was responsible for the engineering and maintenance of the airport during the last major construction at the airport.

He also worked for Eskom and De Beers Consolidated Mines and has engineering experience in diamond mining, and in electricity distribution and transmission.

Mark holds a BSc degree in Electrical Engineering from UCT.

He also completed an Executive Development Programme at Henley Business School.



VIOLA MANUEL (48)
Independent non-executive director

APPOINTED: 2013

QUALIFICATIONS AND EXPERIENCE:

Viola holds an MBA (Herriot Watt University, Scotland), HDipEd (UCT) and BA (UCT) and is looking forward to completing her DBA. An accomplished senior executive in both strategy and implementation, Viola Manuel has sat on numerous boards and been nominated for multiple awards.

She has also been instrumental in several initiatives, including The ICT Census of the Western Cape, Women in IT, Youth in IT, VIP Graduates Club and several SMME Enterprise Development Projects.

Viola was CEO of the Cape Chamber of Commerce & Industry, Executive Director of The Cape IT Initiative and Member of the Western Cape Premier's Council of Skills, to mention a few.



BRAD GEYSER (65)
Independent non-executive director

APPOINTED: 2018

QUALIFICATIONS AND EXPERIENCE:

Brad was born in Cape Town, lived in Welkom for his school years and worked as an underground surveyor in the Gold Mines until 1974.

To fulfil a bet, he rode his bicycle to Cape Town and never went back, training at IBM in 1975 to become a software programmer. He continues to act as an adviser and contractor for special projects for Bidvest.

Brad joined NSRI at Bakoven as a Trainee Crew member in 1975, currently having served for 44 years and has held positions of Coxswain and Station Commander at Bakoven and Hout Bay Station. He wrote and presented the NSRI Station Commanders Training manual, participated and presented Leadership Training to new incoming Coxswains. He has written and accepted the NSRI JOC SOPS for NSRI SAR operations, approved by the DOT Marine Rescue Co-ordination Centre. Brad was elected as the Chairman of the Operations Support Committee in June 2018 and appointed to the Board as a Director of NSRI.



RANDALL TITUS (53)
Independent non-executive director

APPOINTED: 2015

QUALIFICATIONS AND EXPERIENCE:

Randall is a senior attorney who was admitted to practice in 1993. He obtained his BA LLB and LL.M degrees from UCT. Randall is a member of the High Court committee and the Library Committee of the Cape Law Society. He is also the past Chairman of the Cape Town Attorneys' Association.

Since 2009, Randall has attended a number of judicial skills training courses, the most recent of which was in 2015. Randall is a Trustee, and the Chairman of the Children's Hospital Trust (the fundraising arm of the Red Cross War Memorial Children's Hospital).

Randall also sits as a Commissioner for Small Claims at Goodwood Court. He further chairs the disciplinary tribunal of the Western Province Rugby Football Union (WPRFU) and is a member of its Strategic Monitoring and Advisory Committee.



KARL OTTO (65)
Independent non-executive director

APPOINTED FROM SAMSA

APPOINTED: 2016

QUALIFICATIONS AND EXPERIENCE:

Karl has 43 years' experience in the maritime environment. He has been with the South African Maritime Safety Authority (SAMSA) as the Executive Head for the Centre for Sea Watch and Response where he oversees the Maritime Rescue Coordination Centre, Maritime Security, Pollution Response, Maritime Domain Awareness, Maritime Assistance Service as well as Aids to Navigation for the past eight years. He spent 12 years with the Transnet National Ports Authority (TNPA), based in the Port of Cape Town, as Deputy Harbour Master and National VTS Manager.

Karl was involved in Maritime Training for 12 years at the Training Centre for Seamen in Cape Town as a lecturer and as the Head of the division that specialises in Electronic Navigation Systems and Simulator training. He spent 10 years with Unicorn Shipping Lines in Durban, where he started as Navigation Cadet and advanced to Chief Navigating Officer on a number of cargo vessels.

Karl's primary qualifications are as a Master Mariner and he holds an NHD in Post School Education.



DAVE ROBINS (65)
Independent non-executive director

APPOINTED: 2008

QUALIFICATIONS AND EXPERIENCE:

Dave was born in Ndola, Zambia, and studied Business Science at the University of Cape Town (UCT). He spent years in business, both in large multinationals and in small business ventures.

David has spent many years as an active crewman at Station 3 (Table Bay). He serves on the boards of Pick n Pay and JML, as well as other community organisations.



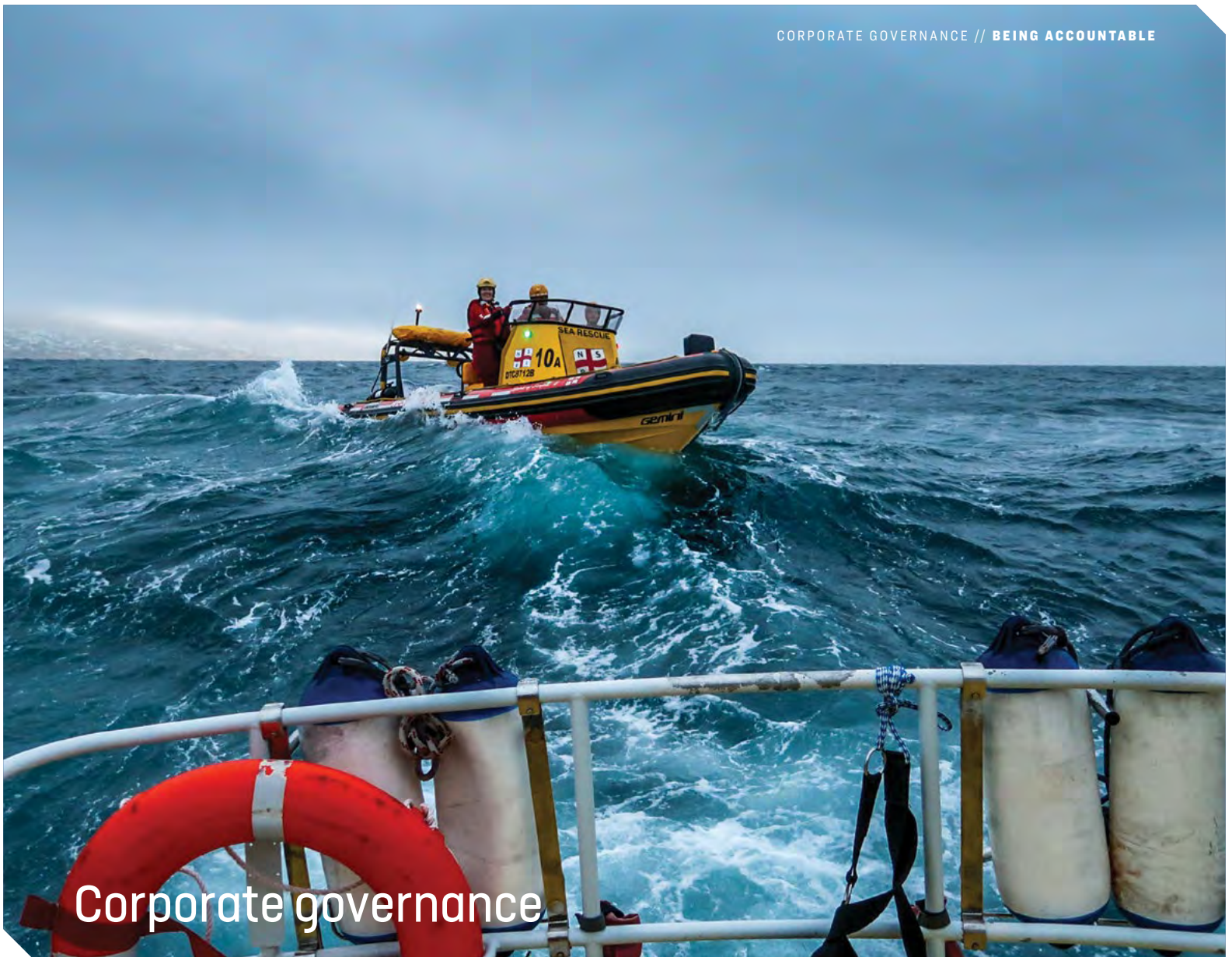
CHRIS WILSON (45)
Company Secretary

APPOINTED: 2013

QUALIFICATIONS & EXPERIENCE:

Chris is the Managing Director of Kilgetty Statutory Services (Pty) Ltd and is a Fellow and Director of the Institute of Chartered Secretaries and Administrators of Southern African. Chris is the Chairman of the Western Cape branch of the Institute and is a Non-executive Director of a number of client entities in South Africa.

Note: Robert Stirrat and David Robins have been providing a valuable contribution to the NSRI for a period in excess of nine years and are receiving no financial compensation for their service. Their reappointment was ratified by the Annual General Meeting (AGM).



Corporate governance

GOVERNANCE STRUCTURE

Governance is provided through a Board consisting of eight independent non-executive directors, four executive directors, two appointed non-executive directors and a pro bono company secretary.

The Annual General Meeting (AGM) of members is responsible for electing Board members and approving formal resolutions that guide the company.

The Board elects the Chairman annually with the current Chairman being Ronnie Stein. The Board also voted unanimously for Ronnie Stein to continue as a Director, despite him reaching the prescribed age limit.

The Board maintains close oversight over the activities of the company through scheduled

meetings of the Board and its committees.

Formal Board committees are maintained for the following functions: Risk, Human Capital, Investment, Operations and Audit. These committees meet quarterly and formal minutes are recorded for each meeting and reported at each full Board meeting. The Board meets quarterly to consider issues of governance and receive Committee reports, and once annually to discuss the strategy of the NSRI.

The current executive management team consists of a CEO and three executive managers, responsible for Operations, Fundraising and Marketing and Financial Management respectively. The executive managers are responsible for employing and managing the staff required to competently execute the business of

each department.

The Board approves the annual budget presented by management and provides the necessary authority for expenditure. Expenditure outside of the approved budget must be approved by the Board at a full Board meeting.

The roles of Chairman of the Board and Chief Executive Officer are separate to ensure that management and governance functions are independent, and that control of the company is vested primarily through the members in the AGM, the Board and the executives.

This structure ensures that no single individual exercises unfettered powers of decision-making but that the executive has very clear mandates and exercises management within the guidance of a framework and clear plans.

The directors participate in Board committees and all meetings are recorded and actioned against minutes monitored. The Committees hold the executive to account and ensure that management complies with all legislation, regulation and policies. The governance structures strive to achieve transparency, accountability, integrity and ethical leadership but also provide practical guidance to the executive regarding sustainable development of the activities of the company.

The NSRI rotates directors in a three-year cycle and retiring directors are re-elected or replaced by resolution at an AGM of the members of the NSRI.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter.

BOARD EVALUATION

The company secretary performs a board effectiveness evaluation (King IV Principle 9) biannually. An evaluation was again done in 2019 and the scope of the Board effectiveness evaluation included an effectiveness evaluation of the NSRI Board of directors collectively, and a peer to peer review of each individual Board member. The Board effectiveness valuation had a participation rate of 90,9%. The results of the assessment concluded that there was an effective Chairman in place and that members were satisfied with the agenda and Board documentation. Members highlighted the level of diversity at Board level. A comprehensive report was developed on the outcomes of the evaluation, detailing recommendations for consideration and it is gratifying to note that scores improved year on year in respect of the performance of the Board, its members and structures. The written suggestions from each participant were useful in harnessing a summary of the key strategic issues that members believed were facing the Institute, as indicated below:

- » Community focused public benefit and linked to social/cultural activities
- » Future income from the call centre
- » Escalating costs of staff
- » Costs relating to new computer systems
- » Financial sustainability
- » Solid recapitalisation program
- » Reorganisation of the structure and related change management

- » Transformation of the organisation
- » Renewal of the fleet
- » Succession of management
- » ORC programme
- » Call centre integration
- » Growth of the NSRI
- » Maintaining income level trajectory of the call centre operation and closing long term leases with the Department of Public Works for affected bases
- » More representation of diversity as the public face of the NSRI and continued penetration and increased relevance in historically disadvantaged communities
- » Access to a greater variety of sources of funding
- » Management of brand and reputation
- » Volunteer sustainability



More information about our governance practices can be found on our website, www.nscri.org.za

BOARD COMPOSITION

The NSRI is constituted through a Memorandum of Incorporation (MOI) which details the structure of the company and its governance mechanisms. The Board of Directors continue to take guidance from the principles advocated in the King Report on Corporate Governance (King IV) and, having completed a gap analysis in 2018, are satisfied that the NSRI is substantially compliant with King IV™. The fact that the NSRI were awarded for the best Integrated Report for 2017 and 2018 in the NPO Category by the Institute of Chartered Secretaries further illustrates the NSRI's commitment to Corporate Governance.

The Board composition reflects the appropriate mix of knowledge, skills, experience and independence and has achieved greater representivity in terms of race and gender.

The Board recruited an additional member in 2019 to begin service in 2020.

COMPLIANCE

The Company has a register against which compliance with laws, regulations and codes are recorded. Assurances are provided through compliance with audit and oversight from several regulatory organisations.



Please refer to our website, www.nscri.org.za for a list of assurance providers.

IT GOVERNANCE

The NSRI has an Information Communication & Technologies (ICT) policy which outlines the governance oversight and operation of ICT within the company. The ICT Steering Committee meets quarterly to review ICT Strategy and implementation against operational plans, and management is responsible for implementation through the in-house and service provider capacity.

The most sensitive data within the ICT stable is the donor database and the NSRI assures personal data security and compliance with the Protection of Personal Information Act (POPI) through the implementation of Microsoft CRM and NAV programmes, up to date threat protection software and diligent attention to security access, through limited system users and passwords.

The key strategic issue in 2020 is to write the complete donor database into MS Dynamix CRM.



Refer to page 49 for information about Our technology.

DIRECTOR INDUCTION

The CEO, with the assistance of company secretarial services, assumes responsibility for an informal induction programme which provides new Board appointees with a comprehensive briefing on company strategy, financial budgets and accounts, as well as operational activity. Induction documents distributed to the directors include the Integrated Annual Report, Memorandum of Incorporation, Board Charter, Board Committee Terms of Reference, declaration of interest forms, the rights and duties of directors, the risk report and the strategic plan.

SUCCESSION

The CEO is appointed full time with a contractual notice period of one calendar month. He is currently registered as an Emergency Physician with the Health Professions Council of South Africa and is therefore bound by the ethical codes and prescripts of the medical profession, in addition to those of his role of CEO and the Companies Act. The CEO is due to retire in 2024 and the Board will, apart from the development of internal candidates, identify possible candidates in the market well before his retirement date.

REMUNERATION OF DIRECTORS AND MEMBERS OF COMMITTEES

The independent non-executive directors and Board Committee members receive no remuneration. Executive directors are entitled to such remuneration as is agreed to from time to time by the Human Capital Committee within the remuneration structure created through job evaluation by external analysts (Averile Ryder and Associates, who also compile the annual South African NPO Remuneration Survey and the PWC Remuneration Survey).

CONFLICTS OF INTEREST

All directors are obligated to disclose any conflict or potential conflict of interest at each Board and Board Committee meeting and sign disclosures at each meeting. All NSRI employees disclose financial interests annually by 31 January each year and must have CEO approval to perform remunerative work outside of the NSRI.

COMPANY SECRETARY

The company does not deem it necessary to appoint a full-time company secretary. The Chief Executive Officer, with the guidance of Chris Wilson from Kilgetty Statutory Services (Pty) Ltd, is responsible for ensuring compliance with relevant legislation and regulations. He is further responsible for continually updating the Board on legislative and/or regulatory developments. The Board also has some independent non-executive directors that serve/have served on Boards of listed public companies and have strong awareness of corporate governance practices and requirements as a result.

NOMINATIONS AND APPOINTMENTS

The members in AGM are responsible for election of non-executive directors to the Board and the Board in turn is responsible for the appointment of executive directors. The ultimate accountability lies with the members in the AGM. Nomination as a director is in writing and is signed by the nominee and any voting member of the company and accepted in writing by the signature of the candidate in question.

The AGM ensures that directors are appointed in a formal and transparent process.

RISK MANAGEMENT

The Board, management, as well as internal and external audit provide combined assurance that risks are managed appropriately.



Refer to page 63 for information about Our risks.

INTERNAL AUDIT

In 2019, the NSRI continued with the services of Moore Stephens Risk Management for a second term to perform an internal audit of NSRI systems within a three-year programme. The audit is closely aligned with the NSRI risk register and findings identified are immediately incorporated and managed as part of the risk management process. The three-year programme from 2018 to 2020 focuses on the following areas:

- a. Operational stations
- b. Drowning prevention
- c. Brand reputation
- d. Income
- e. Information Communication & Technologies
- f. Compliance (King IV and Legal)

Findings are identified with each audit, management are consulted for their response and remediation is implemented to address the risk, if appropriate. Inputs from internal audit have augmented the risk register, which now lists 107 risks in three risk levels across five risk areas (Operations, Finance, Human Resources, Compliance and Information & Communication Technologies). Mitigation of risk is a management responsibility and the risk register provide a tool through which to monitor progress.

Internal Audit costs are balanced by risk benefit.

KING IV MANAGEMENT REVIEW














The Board is committed to the governance outcomes as set out in King IV and is satisfied that the company is aligned with the principles.



The application of the King IV principles and the adoption of the recommendations set out in King IV is available on our website at www.nsri.org.za

The Board

Chairman
Ronnie Stein 





Members
Dr Cleeve Robertson 
Viola Manuel 
Mark Koning 
Mark Hughes 
Randall Titus 
David Robins 
Chris Wilson 
Ivor Sindler 
Karl Otto 
Mark MaClean 
Brad Geysler 
Janine van Stolk* 
Donfrey Meyer** 

* Appointed to start January 2020

** Attended on behalf of Chris Wilson

Human Capital Committee

Chairperson
Viola Manuel 

Members
Dr Cleeve Robertson 
David Robins 
Mark Koning 
Karl Otto 

Key Responsibilities

Considers matters relevant to the recruitment, remuneration and retention of paid personnel within the NSRI, as well as induction of new Board members.

Initiatives undertaken in 2019

- » Review of personal injury incidents, cost, insurance and loss of income cover
- » Continuation of transformation workshops and curriculum development oversight
- » Review of remuneration against the NPO and private sectors
- » Review and approval of the organisational structure
- » Consideration of the human capital budget and approval of the 2020 budget
- » Recruitment of new Board members with the object of continued transformation
- » Personnel financial disclosure oversight
- » Employment equity monitored
- » Orientation of new Board members
- » Oversight of the on-boarding of call centre personnel after the insourcing of the function
- » Recruitment of a new executive for fundraising
- » Oversight of disciplinary process
- » Approval of cost of living remuneration for 2020
- » Oversight of planning for executive succession
- » Oversight of benefits related to company vehicles

Future focus

- » Volunteer wellbeing
- » Variable pay and incentives
- » Executive succession
- » Long-term human capital financial liability

Investment Committee

Chairman
Bernard Osrin 

Members
Dr Cleeve Robertson 
Mark Koning 
David Robins 
Ronnie Stein 
Ivor Sindler 

Key Responsibilities

The Investment Committee is chaired by an independent investment consultant and advises management and the Board on the extent and timing of investments related to cash flow. It also advises on forward cover for capital payments in foreign currencies.

Initiatives undertaken in 2019




- » Investment funding decisions, both internally, where cash is generally deposited in money market or fixed income accounts and externally, where the NSRI transfers funds to the NSRI Endowment Trust which independently invests funds on the NSRI's behalf (the NSRI is the sole beneficiary)
- » Property was acquired for bases and head office for consolidation of facilities
- » Investment income from equities has averaged 4.7% since inception of the Trust
- » Review of investment mandates

Future focus

- » Fixed property as long term investment
- » Passive vs active investment
- » Investing internally

Risk Committee

Chairman
Mark MaClean 

Members
Dr Cleeve Robertson 
Mark Koning 
Mark Hughes 

Key Responsibilities

Review the risk environment and works very closely with the Audit Committee and Internal Audit.

Initiatives undertaken in 2019

- » Monitored the risk register and incorporated matters identified by the internal auditor (Moore Stephens Risk) into the register
- » Monitored the risk related to the delivery of two Offshore Recue Craft (ORCs), which included the approval of contract surveyors to ensure the safe loading, offloading and transport of the vessels
- » Monitored the risk related to mass casualty incidents (aircraft and vessels)
- » Monitored the risks related to building projects in Hermanus and Simon's Town
- » Input into aspects related to avoiding negative audit outcomes by addressing the fixed asset register and cash collections
- » Oversight of the risks related to the security and integrity of the donor database
- » Oversight of risks related to emergency call taking and dispatch via 112 and other avenues
- » Evaluation of risks related to load shedding and business continuity
- » Evaluation of surveys related to reputation
- » Oversight and integrated discussion with regards to the internal audit and their program
- » Evaluation of risks related to crew injuries and the insurance, cost and cover for injury, death and disability

Future focus

- » Consolidated risk register
- » Risk metrics
- » Eliminating ICT and data risk
- » Crew safety and injuries

Operational Support Committee

Chairman

Brad Geysler

Meetings



Members

Dr Cleeve Robertson
Clifford Ireland
Mark Hughes
Deon Langenhoven
Justin Erasmus
Hennie Niehaus
Rhine Barnes
Rod Pitter
Ian Gray
Rieghard
Janse van Rensburg
Brett Ayres
Andrew Ingram



Key Responsibilities

Review the last quarter of operations and discuss crew safety issues, operational budgets, planning of present equipment needs for the institute in the current financial year and future equipment needs. The Operations Support Committee also investigates areas where there is a need for new rescue stations and lifeguard stations around the coast.

Training of volunteers is a high priority and key element of the Operational Support Committee's responsibilities.

Future focus

- » Survival swimming
- » Technology and IoT
- » UAV's

Awards Committee

Chairman

Brad Geysler

Meetings



Members

Rob Stirrat
Mark Hughes
Clifford Ireland
Rhine Barnes
Dave Roberts
Howard Godfrey
Andrew Ingram
Rieghard
Janse van Rensburg
Darren Zimmerman



Key Responsibilities

Considers, on an ad hoc basis, any nominations for awards within the NSRI. The committee meets as necessary in response to exceptional incidents to ensure that awards are current and appropriate to the acknowledgement of rescue activities.

Initiatives undertaken in 2019

At our 52nd annual general meeting, awards were issued for long service and gallantry

Future focus

- » Awards for diversity and inclusion
- » Awards for external parties
- » Volunteer performance
- » 53rd Annual Awards, including the Oceanos mass rescue operation

Audit Committee

Chairman

Ivor Sindler

Meetings



Members

Dr Cleeve Robertson
Mark Koning
David Robins
Randall Titus



Key Responsibilities

Provides oversight on:

- » The effectiveness of NSRI's assurance functions and services
- » The integrity of the annual financial statements and other external reports issued by the organisation

Initiatives undertaken in 2019

- » Monitoring of the plan to eliminate a qualified audit with regards to cash collections and fixed assets
- » Oversight of the call centre transfer process and integration of financial functions
- » Approval of the 2020 budget and 2019 annual financial statements
- » Oversight of internal and external audits and approval of audit plans and timetables
- » Monitoring of base audits and inspections and oversight of remedial measures
- » Monitoring tax compliance and the completion of tax-related documents/forms/returns
- » Initiation and oversight of internal audit on the call centre function
- » Oversight of separation of governance and management functions
- » Monitoring and oversight of income and expenditure
- » Consideration of the accounting treatment of donation-in-kind

Future focus

- » Audit efficiency
- » Sustain a clean audit
- » POPI

The Board is satisfied that all the Committees are meeting mandates and overseeing the activities of the company.

AUDIT COMMITTEE

The Audit Committee meets quarterly before each Board meeting to provide independent oversight on, amongst other matters:

- » The effectiveness of the NSRI’s assurance functions and services, with focus on combined assurance arrangements, including external assurance providers, internal audit and the finance function; and
- » The integrity of the annual financial statements and, to the extent delegated by the governing body, other external reports issued by the organisation.

The Committee performs an oversight role in respect of both internal and external audit, engaging management on audit findings and ensuring that audit matters are addressed comprehensively. The two issues which previously

qualified the NSRI audit, namely the valuation of assets and the completeness and accuracy of certain donations have been addressed.

External auditors are appointed at the AGM by resolution of the members, therefore maintaining their independence. The external auditors do not deliver non-audit services for the NSRI. Internal auditors are appointed by resolution of the Board and are independent of the NSRI and the external auditors. There has been no change in the executive management of the audit firm during the reporting period. However, independence is monitored by both the Audit Committee and Board, ensuring that oversight keeps management on their toes and responds to audit matters as required.

The Audit Committee is satisfied with the performance of the external audit team. In addition, the Audit Committee is satisfied with the performance of the chief audit executive and has commented favourably on the depth and quality of internal audits. The Audit Committee is satisfied with the performance of the Chief Financial

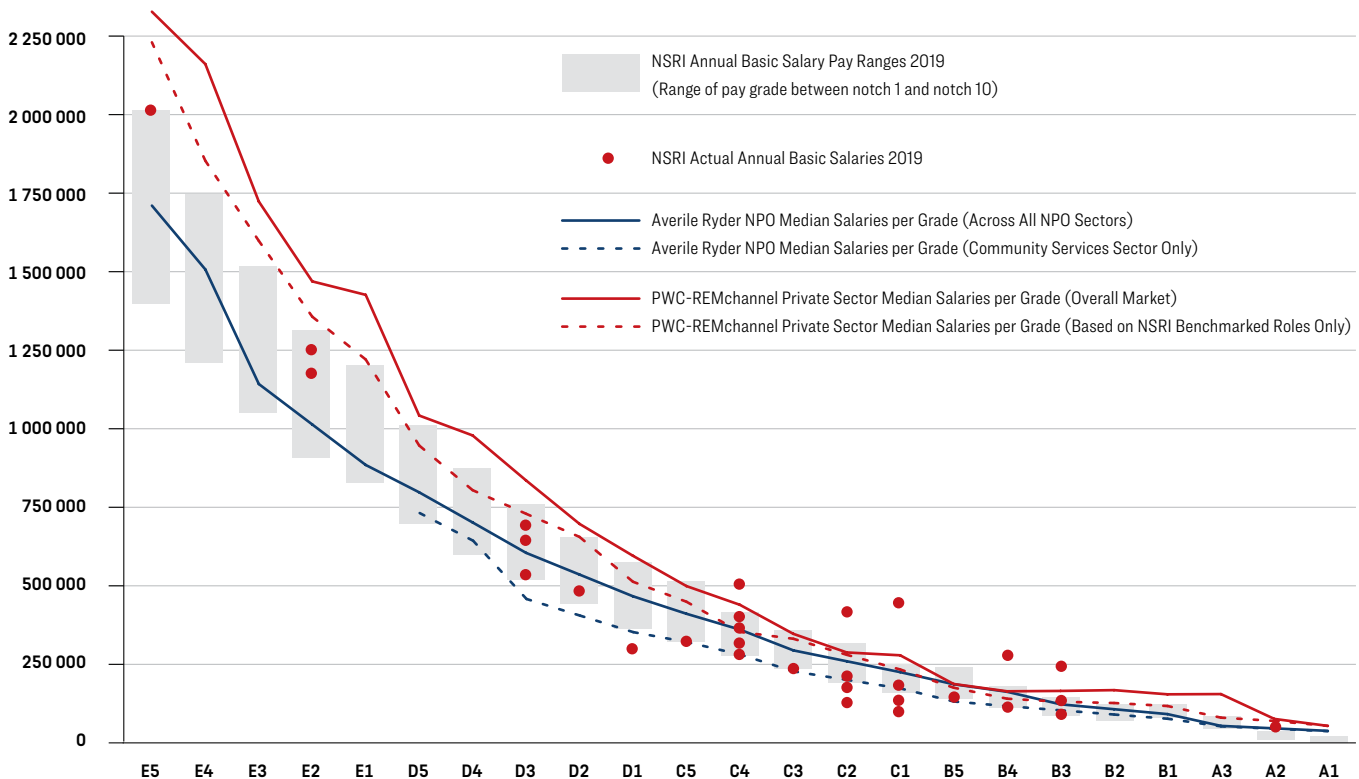
Officer and has sight of his annual performance plan as monitored by the CEO. It is satisfied that internal controls show continuous improvement and sophistication and that these prevent any financial losses, fraud or theft from the company. Nothing has come to the attention of the Audit Committee which would indicate a material breakdown in internal financial controls. There has been no material financial loss, fraud, corruption or error.

The Audit Committee also ensures that the NSRI is SARS compliant.

The Audit Committee is confident that the broad range of structures involved in combined assurance creates the foundation for ensuring that donor funds are correctly and appropriately dispersed according to strategy and plan.

The Board is satisfied that the Audit Committee is maintaining adequate oversight over the accounts of the institute and providing the necessary assurance with respect to financial matters.

NSRI 2019 SALARIES VS PAY RANGES AND MARKET



REMUNERATION

The NSRI rescue crew are all unpaid volunteers. The non-executive directors, as well as the company secretary provide their services free of charge.

The NSRI has a remuneration policy that describes the principles that inform the NSRI remuneration structure, including internal and external equity and the job evaluation system. In 2014, the NSRI implemented remuneration scales based on job evaluation and Paterson grading, and this was reviewed in 2017 by external remuneration consultants, Averile Ryder and Associates.

The NSRI again reviewed remuneration against the NPO and private sectors in 2019 and found that NSRI remuneration was below that of the private sector. This graph on the left illustrates the 2019 pay patterns:

RISK

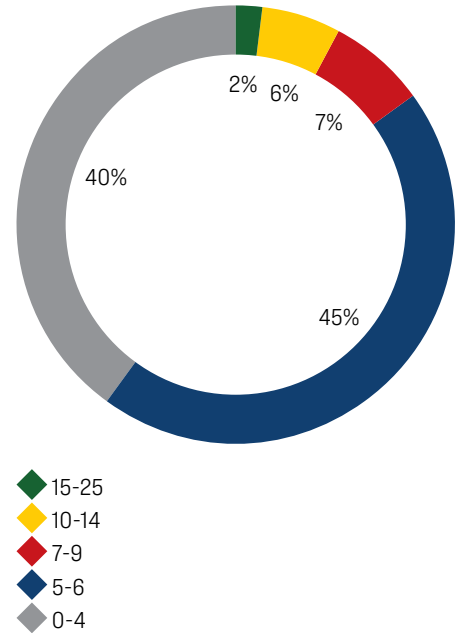
Risk within the NSRI is managed by the executive with oversight by the Risk Committee. Risk and audit processes are closely aligned so that a

comprehensive risk register is maintained. A heat map of key risks is continuously updated through an internal audit process, which involves active identification of matters and resolution by the executive, within set time frames. The Risk Committee reports quarterly to the Board and the updated risk register is shared electronically with all Board members. All meetings are formally minuted and minutes are shared with the Board.

The NSRI's detailed risk register comprises 104 risks, at three levels, that are individually scored. The more likely and the bigger the consequence, the higher the risk score. Risks that score more than nine are categorised as key risks and are discussed at a governance and management level. Management is responsible for mitigation measures to reduce likelihood and consequence. In 2015, 13 key risks existed, 11 in 2016, 8 in 2017, 8 in 2018 and 9 in 2019.

The graph below on the right reflects the 2019 risk scores:

The risk classification is indicated below:



IMPACT					LIKELIHOOD	
VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH		
						CERTAIN
		6	2	1		LIKELY
			3 4 5			POSSIBLE
				7 8 9		UNLIKELY
					RARE	

Number	Priority	First level risks	Responsible person	Action Plan/Mitigating measure	Impact	Likelihood
1	20	Knowing which donation scheme is the most profitable We do not have direct and complete access to the donor database	CEO	<ul style="list-style-type: none"> » Put service level agreement with WinDirect in place » Monthly and annual budgeting » Monitoring and reporting against budgets » Contract manager to manage the WinDirect relationship » WinDirect income is commission-based resulting in an incentive to maximise income » Monthly copies of donor database » No direct access and only certain information extracted 	5.0	4.0
2	16	Knowing which donor communication mechanism is the most effective We do not prevent drowning through educating our target audience, i.e. not teaching enough children to make a difference	Drowning Prevention Manager	<ul style="list-style-type: none"> » Initial drowning prevention target market based on "unintentional drowning in urban South Africa (2001 to 2005) stats" » Current target market identified and adjusted through research by drowning prevention manager » Over 300 000 children reached per year through water safety schools programme » Planning for future number of children based on previous year's number and availability of instructors » Numbers to be monitored throughout the year » Advocacy (national safety alerts, brochures at hotels and guest houses, media releases including weather warnings etc.) 	4.0	4.0
3	12	Not receiving funds from corporate donations according to budget We do not receive all corporate donations budgeted for in a timely manner	CEO	<ul style="list-style-type: none"> » Dedicated fundraising team » An income budget is set, and monthly performance is assessed against the budget » Monthly fundraising and marketing team meetings to be held » Progress of projects (actual vs budgeted) are reviewed and discussed and an action list is compiled for each member of the team – meetings are minuted 	4.0	3.0
4	12	Not receiving sufficient corporate donations Corporate donation income decreases year on year	Fundraising Director	<ul style="list-style-type: none"> » Dedicated fundraising team » An income budget is set, and monthly performance is assessed against the budget » Monthly fundraising and marketing team meetings to be held » Progress of projects (actual vs budgeted) are reviewed and discussed and an action list is compiled for each member of the team – meetings are minuted » Events list to be used as guideline to plan for future events » Appeal letters to be sent to donors on a regular basis 	4.0	3.0
5	12	Movable and immovable assets are not optimally utilised throughout their lifecycle Assets are lost, stolen or damaged	Operations Director / Station Commanders	<ul style="list-style-type: none"> » Access security to be put in place (security keys, alarm, cameras and tracking device) to vehicles and boats to be controlled » Insurance to be put in place » Continued audit to be done » Restriction of authority to operate certain assets 	4.0	3.0

Number	Priority	First level risks	Responsible person	Action Plan/Mitigating measure	Impact	Likelihood
6	12	Fraud or brand damage causing financial loss Unauthorised access to key data	Information Officer	<ul style="list-style-type: none"> » MIS, Sage 300 ERP and other systems are hosted at Vodacom » Very limited network and user access are granted to Vodacom environment » Internet access is firewalled » Anti-virus and patch management enabled for head office computers » Extensive role-based access control is established over MIS. » Access to Sage 300 ERP is restricted through passwords » Contracts are in place with MIS and Sage 300 ERP developers » There is a five-year contract with Vodacom in place 	3.0	4.0
7	10	Public unable to reach NSRI by telephone in emergencies	Operations Director	<ul style="list-style-type: none"> » Agreement with 112 providers to route the number 112 calls to the MRCC » 4000 SafeTRX subscribers » VOIP with transfer at head office » 112 is now on the public switched telephone network (PSTN) as well 	5.0	2.0
8	10	Process inefficiencies in the call centre We do not receive all applicable funds in a sustainable and timely manner Diminishing take-up on debit orders	CEO	<ul style="list-style-type: none"> » Service level agreement with WinDirect is in place » Monthly and annual budgeting » Monitoring and reporting against budgets » Contract manager to manage the WinDirect relationship » WinDirect income is commission-based resulting in an incentive to maximise income 	5.0	2.0
9	10	Reduced income Diminishing take-up on competitions	CEO	<ul style="list-style-type: none"> » Service level agreement with WinDirect is in place » Monthly and annual budgeting » Monitoring and reporting against budgets » Contract manager to manage the WinDirect relationship » WinDirect income is commission-based resulting in an incentive to maximise income 	5.0	2.0

The company has a register against which compliance with laws, regulations and codes are recorded. The institute has not recorded any penalties or sanction for non-compliance.

The Board is satisfied with the work of the Risk Committee and appreciative of the quality and responsiveness of the risk process.



Refer to the Engaging our stakeholders' section, page 27 for more information on risks and opportunities per stakeholder



For a full risk register, please refer to our website, www.nsri.org.za

Annual financial statements

Independent Auditor's Report

To the members of National Sea Rescue Institute of South Africa NPC

Opinion

We have audited the annual financial statements of National Sea Rescue Institute of South Africa NPC (the company) set out on pages 8 to 24, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of National Sea Rescue Institute of South Africa NPC as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence

requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 20 to the annual financial statements which deals with subsequent events and specifically the possible effects of the future implications of COVID-19 on the National Sea Rescue Institute of South Africa NPC's future prospects, performance and cashflows. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "National Sea Rescue Institute of South Africa NPC annual financial statements for the year ended 31 December 2019", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report, and the supplementary information as set out on pages 25 to 27. The other information does not include the annual financial statements

and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the 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 misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Annual Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- » Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- » Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- » Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cecil Kilpin & Co.

Chartered Accountants (SA)
Registered Auditors
Per Partner: Nils Nyback
Century City

Directors' Responsibilities and Approval

The directors are required by 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 board of 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 December 2020 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 66 to 67.

The annual financial statements set out on pages 69 to 72, which have been prepared on the going concern basis, were approved by the board of directors and were signed on its behalf by:

By Order of the Board

R Stein

Sea Point

C Robertson

Statement of Financial Position

as at 31 December 2019

R	2019	2018
Assets		
Non-Current Assets	160 460 322	90 373 714
Property, Plant & Equipment	125 260 322	90 373 714
Goodwill	35 200 000	—
Current Assets	58 025 157	104 491 512
Inventories	777 765	—
Trade and Other Receivables	40 517 801	81 285 719
Cash and Cash Equivalents	16 729 591	23 205 793
Total Assets	218 485 479	194 865 226
Equity and Liabilities		
Equity	215 039 865	146 189 330
Accumulated Funds	215 039 865	146 189 330
Current Liabilities	3 445 614	48 675 896
Other Financial Liabilities	—	45 000 000
Trade and Other Payables	3 445 614	3 675 896
Total Equity and Liabilities	218 485 479	194 865 226

Statement of Comprehensive Income

for the year ended 31 December 2019

R	2019	2018
Revenue	192 405 074	141 003 943
Other income	—	601 202
Operating expenses	(124 760 671)	(120 506 027)
Operating surplus	67 644 403	21 099 118
Investment revenue	1 206 132	1 279 131
Surplus before taxation	68 850 535	22 378 249
Taxation	—	—
Surplus for the year	68 850 535	22 378 249
Other comprehensive income	—	—
Total comprehensive income for the year	68 850 535	22 378 249

Detailed Income Statement

for the year ended 31 December 2019

R	2019	2018
Income		
Grants	4 241 825	6 610 577
ACSA Contract Fees	—	3 157 264
National Department of Transport	2 589 000	2 451 000
Western Cape Department of Local Government	400 000	400 000
Fuel Companies	—	60 000
Public Bodies	1 252 825	542 313
Donations and bequests	17 111 446	16 258 100
Companies	7 431 593	4 097 187
Individuals	3 977 447	4 420 379
Legacies and bequests	3 070 487	4 948 639
Shipping levies	832 810	913 046
Trusts	1 799 110	1 878 849
Call centre	119 246 686	111 588 910
Sale of goods	2 391 906	—
Members Contributions	1 706 569	2 059 456
Sundry income (insurance claims, manuals, cards, cash discounts, etc.)	683 267	2 152 432
Events	2 023 375	2 334 468
Surplus on sale of assets	—	601 202
Investment revenue	1 206 132	1 279 131
Income	148 611 206	142 884 276
Distributions received	45 000 000	—
Total income	193 611 206	142 884 276
Expenditure (refer to page 72)	(124 760 671)	(120 506 027)
Surplus for the period	68 850 535	22 378 249

Detailed Income Statement

for the year ended 31 December 2019

R	2019	2018
Expenditure		
Employee costs	28 526 538	23 980 575
Office expenditure	2 233 165	1 588 994
Information communication technology	2 531 723	1 318 064
Insurance	1 545 451	1 179 376
Property expenses	5 902 156	3 513 091
Depreciation and amortisation	25 270 756	8 347 507
Travel and accommodation	5 739 556	3 234 406
Marketing expenditure	7 526 860	6 736 174
Professional fees	3 935 715	2 821 057
Banking costs	2 297 388	2 020 927
Call centre	25 618 694	51 639 639
Station expenditure	6 064 267	5 583 756
Boat running	7 548 407	9 000 035
Fair value changes in derivatives	—	(457 576)
Deficit on sale of assets	19 994	
Total Expenditure	124 760 671	120 506 027

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