



## THE ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC

Officially recognized by the Italian Ministry of Economic Development – Incorporated in terms of Schedule 1 of the Companies Act No. 71 of 2008 as a non-profit company with members  
Reg. No. 1984/007816/08 VAT Reg. No. 4070207198–  
Corner Regent Street & Kirkby Road - Suite 3 B - Bedford Manor Office Suites- Bedford Gardens - 2047 – Johannesburg – South Africa  
P.O. Box 753011 Gardenview 2047 - Tel: +27 11 615 3906 – Fax: +27 11 615 0682 - info@italcham.co.za  
pec: ccie-sudafrica@legalmail.it

## THE ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC

Annual General Meeting

22 April 2020

# Notice of Annual General Meeting

Honorary Chairperson: P.CUCULI (Ambassador of Italy) - President: S. GALLI (Italtile)  
Vice Presidents: M. PATERNOSTRO (Paternostro-Fienberg Attorneys) G. GHISELLI (A.Hartrodt South Africa (Pty) Ltd)  
Treasurer: L. VIDULICH (Ceramic Industries)  
Board of Directors: V. DA MOLO (Impact Strategy Consulting); B. GIUGLIANO (PWC - Desk Italia SA); P. GUIDI (Alitalia)

IN COLLABORATION WITH THE ITALIAN TRADE & INVESTMENT AGENCY (M. PINTUS)



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### **INVITATION TO ALL CHAMBER MEMBERS**

#### ***THE ITALIAN – SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC***

### **NOTICE OF ANNUAL GENERAL MEETING 2020**

Notice is hereby given that the Annual General Meeting of all PAID-UP Chamber Members of the Company will be held at **via videoconference (a link will be provided to all attendees that register for the event)**, on **Wednesday the 22nd of April at 15h30 for 16h00** to transact the following business, to consider the following resolutions and to approve them with or without changes:

To receive the Chairman's Report for the year ended 31 December 2019.

#### **Ordinary Resolution 1:**

To receive and adopt the Directors' report and the Annual Financial Statements for the year ended 31 December 2019 together with the Auditors' report.

#### **Composition of the Board:**

To note the composition of the Board:

The following Directors are retiring from the Board and do not offer themselves for re-election:

- Sergio Galli
- Virgilio da Molo
- Benedetta Giugliano

#### **Ordinary Resolutions 2.1 -2.5:**

Persons who are recommended by the directors for election:

- 2.1. Enrico Baldassarri
- 2.2. Giovanni Carnelli
- 2.3. Antonio Cianfanelli

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2.4. Luca Gallarelli

2.5. Davide Tacchino

Please note that these 5 resolutions will be voted upon separately, following sound governance principles.

It is noted that the following Directors remain on the Board:

- M A Paternostro
- G Ghiselli
- L Vidulich
- P Guidi

### Ordinary Resolution 3:

To authorize the Board of Directors to fix the remuneration of the Auditors, M Predieri & Company for the year ending 31 December 2019.

### Ordinary Resolution 4:

To confirm the appointment of the Auditors, M Predieri & Company for the year ending 31 December 2020.

### Ordinary Resolution 5:

**TO RESOLVE AS AN ORDINARY RESOLUTION THAT** any Director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such actions as he or she considers necessary to give effect to the ordinary Resolutions above mentioned.

To transact such other business as may be transacted at an Annual General Meeting.

Honorary Chairperson: P.CUCULI (Ambassador of Italy) - President: S. GALLI (Italtile)  
Vice Presidents: M. PATERNOSTRO (Paternostro-Fienberg Attorneys) G. GHISELLI (A.Hartrod South Africa (Pty) Ltd)  
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**A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and speak and to vote on his / her stead. The proxy need not to be a Member of the Company. An appropriate proxy form is attached hereto.**

**By order of the Board**

Johannesburg

Date: 23<sup>rd</sup> March 2020

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PAMINA BOHRER  
SECRETARY GENERAL  
THE ITALIAN CHAMBER OF TRADE AND INDUSTRIES NPC

On conclusion of the Annual General Meeting, please confirm your presence at the AGM by **Friday the 17<sup>th</sup> April 2020**.

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IN COLLABORATION WITH THE ITALIAN TRADE & INVESTMENT AGENCY (M. PINTUS)

**CAMERA DI COMMERCIO ITALO-SUDAFRICANA  
ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**

MINUTES OF THE 2019 ANNUAL GENERAL MEETING OF  
THE ITALIAN - SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC  
HELD ON THE 19 MARCH AT-15H30 FOR 16H00  
AT ITALTILE WATERFALL, WATERVAL 5-Ir, MIDRAND, 2066, SOUTH AFRICA

**DIRECTORS PRESENT:**

Italtile:	Sergio Galli (President)
Paternostro-Fienberg Attorneys:	Maria Paternostro- Fienberg (Vice President)
Ceramic Industries:	Lisa Vidulich (Treasurer)
A. Hartrodt	Guido Ghiselli
Impact Strategy Consulting:	Virgilio Da Molo
Italian SA Chamber:	Mariagrazia Biancospino (Secretary General)
Italian SA Chamber:	Patricia Miliakidis
Italian SA Chamber:	Marion Garassino

**MEMBERS PRESENT:**

Italian Embassy:	Alberto Rini
Ceramic Industries:	Lisa Vidulich
Impact Strategy Consulting:	Virgilio Da Molo
Italtile:	Sergio Galli
Paternostro Fienberg Attorneys:	Maria Paternostro
A. Hartrodt	Guido Ghiselli
RGC Engineering:	Aurelio Grech Cumbo
M & F Giuricich	Simonetta Giuricich
Vincent Amoretti:	Vincent Amoretti
Alitalia	Paolo Guidi
Gastronomia	Craig Turchetti & Reece Turchetti
Heat Tech Geysers	Neil Stander
PWC (Desk Italia)	Benedetta Giuliani
The European House-Ambrosetti	Nico de Kock

**PRESENT BY PROXY:**

Marco Cassol (Aco Systems) proxy to Sergio Galli (Italtile)  
 Francesco Mainini (Smeg) proxy to Sergio Galli (Italtile)  
 Craig Adam (Diva Cucine) proxy to Sergio Galli (Italtile)  
 Carmelo Impelluso (Iveco) proxy to Sergio Galli (Italtile)  
 Darryl Fordham (Nolands) proxy to Sergio Galli (Italtile)  
 Giovanni Ravazzotti (Italtile) proxy to Sergio Galli (Italtile)  
 Antonio Valente (SABI SRL) proxy to Sergio Galli (Italtile)  
 Claudia Colussi Campari) proxy to Sergio Galli (Italtile)  
 Donatella Scarpa (Ecolibri) proxy to Sergio Galli (Italtile)  
 Vivian Hammond (Vavitron T/A Willow Way Superspar) proxy to Sergio Galli (Italtile)  
 Vincent Lemaire (MA Automotive) proxy to Sergio Galli (Italtile)

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Lance Andrew Foxcroft (Ceramic Industries) proxy to Sergio Galli (Italtile)  
Marc Nicholas De St Peru (Maserati) proxy to Sergio Galli (Italtile)  
Luca Altini (Edilcon) proxy to Sergio Galli (Italtile)  
Leonanda Lensly (Ismalux) proxy to Sergio Galli (Italtile)  
Roberto Attuati (Tokai) proxy to Sergio Galli (Italtile)  
Alessandro Morandini (Forgiatura Morandini Srl) proxy to Sergio Galli (Italtile)  
Spyros Papaspyros (Mollebalestra) proxy to Sergio Galli (Italtile)  
Carlo Messina (Messina Inc) proxy to Sergio Galli (Italtile)  
Marco Loreggian (Micro Motor Engineering) proxy to Sergio Galli (Italtile)  
Michael Simoes (International Tap Distributors) proxy to Sergio Galli (Italtile)  
Harry Pieroni (Aranda Textiles) proxy to Sergio Galli (Italtile)  
John Turco (Alpine Electrical) proxy to Sergio Galli (Italtile)  
Antonio Cremona (Cremona Cheese Factory) proxy to Sergio Galli (Italtile)  
Giovanni Mariano (Mastrantonio Holdings) proxy to Sergio Galli (Italtile)  
W. Nel (Lucchini SA) proxy to Sergio Galli (Italtile)

**The Meeting was opened at 16H35 by Sergio Galli**

Each member present received a copy of the Agenda

All Members and Executive Directors present signed the Attendance Register, and the Proxy documents were duly recorded.

Sergio Galli welcomed everyone to the 2019 AGM and thanked all present for attending.

**1. Approval of the minutes from the 2018 Annual General Meeting:**

The minutes of the 2018 AGM were approved.

**2. Chairman's Report:**

Sergio Galli provided the Chairman's Report 2019/2020, reviewing the main activities undertaken in the past year.

**3. Ordinary Resolution 1:**

To receive and adopt the Directors' report and the Annual Financial Statements for the year ended 31 December 2018 together with the Auditors' report.

The Annual Financial Statements were presented to the Members by Lisa Vidulich.

No questions were put forward in relation to the annual financial statements by any members.

**CAMERA DI COMMERCIO ITALO-SUDAFRICANA  
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Proposed by Aurelio Grech-Cumbo. Voted in favour by all present except one member who abstained from voting

Composition of the Board:

To note the composition of the Board:

The following Directors are retiring from the Board and do not offer themselves for re-election:

- Simonetta Giuricich
- Luca Altini
- Marco Cassol

It is noted that the following Directors remain on the Board:

- S Galli
- M A Paternostro
- G Ghiselli
- L Vidulich
- Virgilio da Molo

**4. Ordinary Resolution 2:**

To authorize the Board of Directors to fix the remuneration of the Auditors, M Predieri & Company for the year ending 31 December 2018.

Proposed by Aurelio Grech-Cumbo. Voted in favour by all present except one member who abstained from voting

**5. Ordinary Resolution 3:**

To confirm the appointment of the Auditors, M Predieri & Company for the year ending 31 December 2019.

Proposed by Aurelio Grech-Cumbo. Voted in favour by all present except one member who abstained from voting



**CAMERA DI COMMERCIO ITALO-SUDAFRICANA  
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**6. Special Resolution 1:**

**TO RESOLVE AS A SPECIAL RESOLUTION** to amend clause 12.15 of the Memorandum of Incorporation ("MOI") of the Company in terms of section 16(1)(c) read with section 16(5)(a) of the Companies Act, 2008, by the deletion of:

"35% (thirty five percent)"

in the second line of clause 12.15 of the MOI and the substitution therefor of the following:

"10% (ten percent)"

so that the amended clause 12.15 shall read as follows:

*"The quorum shall be sufficient Persons present in person or by proxy at the Members' Meeting to exercise, in aggregate, at least 10% (ten percent) of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Members' Meeting, but if the Company –"*

**The reason for the passing of the special resolution and the effect thereof:**

The reason for the passing of the special resolution is to facilitate the achievement of a quorum at a Members' Meeting, and the effect thereof is that a reduction of the quorum from 35% to 10% of all the voting rights that are entitled to be exercised at a Members' Meeting in terms of clause 12.15 can more easily be achieved.

Proposed by Maria Paternostro-Fienberg. Voted in favour by all present except one member who abstained from voting

**7. Special Resolution 2:**

**TO RESOLVE AS A SPECIAL RESOLUTION** to amend clause 12.16 of the MOI of the Company in terms of section 16(1)(c) read with section 16(5)(a) of the Companies Act, 2008, by the deletion of:

"35% (thirty five percent)"

in the third line of clause 12.16 of the MOI and the substitution therefor of the following:

"10% (ten percent)"

so that the amended clause 12.16 shall read as follows:

*"A matter to be decided at the Members' Meeting may not begin to be considered unless sufficient Persons are present at the Members' Meeting in person or by proxy to exercise,*

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*in aggregate, at least 10% (ten percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda for the Members'*

*Meeting but if the Company has more than 2 (two) Persons entitled to vote, a matter may not begin to be debated, unless in addition, at least 3 (three) Persons entitled to vote are Present.-"*

**The reason for the passing of the special resolution and the effect thereof:**

The reason for the passing of the special resolution is to reduce the percentage of the Persons present at the Members' Meeting in person or by proxy for a matter that is called on the agenda for the Members' Meeting to begin. The effect of the Resolution is to facilitate a Members' Meeting to begin.

Proposed by Aurelio Grech-Cumbo. Voted in favour by all present except one member who abstained from voting

**8. Special Resolution 3:**

**TO RESOLVE AS A SPECIAL RESOLUTION** to amend clause 12.21 the MOI of the Company in terms of section 16(1)(c) read with section 16(5)(a) of the Companies Act, 2008, by the deletion of:

"35% (thirty five percent)"

in the third line of clause 12.21 of the MOI and the substitution therefor of the following:

"10% (ten percent)"

so that the amended clause 12.21 shall read as follows:

*"After a quorum has been established for a Members' Meeting, or for a matter to be considered at a Members' Meeting, the Members' Meeting may continue, or the matter may be considered, so long as sufficient Persons who exercise, in aggregate, at least 10% (ten percent) of the voting rights entitled to be exercised at the Members' Meeting, or on that matter, are Present at the Members' Meeting."*

**The reason for the passing of the special resolution and the effect thereof:**

The reason for the passing of the special resolution is to facilitate the proceedings at a Members' Meeting, as set out in clause 12.21; and the effect thereof is to facilitate the consideration and continuance of the matters at a Members' Meeting.

CAMERA DI COMMERCIO ITALO-SUDAFRICANA  
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Proposed by Guido Ghiselli. Voted in favour by all present except one member who abstained from voting

9. Ordinary Resolution 4:

**TO RESOLVE AS AN ORDINARY RESOLUTION THAT** any Director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such actions as he or she considers necessary to give effect to Special Resolutions 1,2 and 3 above.

To transact such other business as may be transacted at an Annual General Meeting.

**A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and speak and to vote on his / her stead. The proxy need not to be a Member of the Company. An appropriate proxy form is attached hereto.**

Proposed by Virgilio Da Molo. Voted in favour by all present except one member who abstained from voting

The meeting was concluded at 16h55.

The floor was then opened to any input from members. No members came forward.

These minutes were read and were confirmed to be accurate records of proceedings by the Board of directors.

Thus certified by



SERGIO GALLI  
Chairman

Signed on .....

## **PRESIDENT'S REPORT**

### **Annual General Meeting 2020/2021 held on the 22 April 2020.**

Welcome to the Embassy of Italy, the Consul General, Trade Commission, and members of the Chamber, members of the Board, Secretary General, Deputy Secretary General and Chamber staff. Good afternoon and welcome to the Annual General Meeting of the Italian South African Chamber of Trade and Industries, and thank you for making the effort to attend.

Firstly, I would like to thank the Board and all the members that have contributed to our activities in 2019.

As many of you know, 2019 was a year of significant change at the Chamber. A new Secretary General and a new Deputy Secretary General were appointed. Whilst such changes require a 'settling in' period, they have brought their own impetus. We welcome Pamina Bohrer and Silvia De Toni and wish them well in the new directions they have embarked upon to improve the Chamber's service to its members.

Both our Secretary General and Deputy Secretary General travelled to Rome in December to acquaint themselves with the best practices of running a chamber of commerce, and promising results are already apparent. Over the last six months the Chamber was able to stabilise and then increase membership numbers, and restore the confidence of other stakeholders.

We successfully hosted the 20<sup>th</sup> edition of the Business Excellence Awards, sponsored by Nedbank; this event remains a significant item on our calendar. We also collaborated with our Embassy, Consulate and Trade Commission on the *Vini in Piazza* event, a wine and fine dining festival, held at Montecasino, which aims to bring new Italian wines to the South African. Other events in 2019 were the Aperilink held at the Maserati showroom; the Young Entrepreneurs' event in collaboration with Giovani Italiani; a collaboration with other EU bilateral chambers to introduce the YES programme to our

membership; and our very first inter-European Golf Cup, which will become an annual event in our calendar.

The Chamber again promoted and participated in the prestigious Southern Africa-Europe CEO Dialogue organised by the European House - Ambrosetti, and in May last year we took a South African delegation of buyers to the MacFrut convention in Cesena, Italy.

Looking ahead, several aspects of the Chamber's activities will remain the same. The Chamber will again be involved in several exhibitions, including the Power and Electricity exhibition which starts on the 31<sup>st</sup> of March. We will also be hosting a dinner on the 1<sup>st</sup> of April with key players in the energy and related sectors which I urge you to attend, as we have a fantastic line-up of industry experts. Furthermore, the Chamber will continue to welcome Italian interns who are recruited through some of Italy's best universities, and will also continue to collaborate closely with official Italian institutions such as the Embassy, the Consul, ICE and other key role players in the local Italian community.

Some changes to expect include a significant change in the composition of Board Members during the next two years. This year alone, mostly owing to end of tenure, there will be three resignations from the Board, including myself. Next year a further three of our current board members will be resigning as they reach the end of their respective terms on the Board. That being said, the Chamber's nomination committee has identified a formidable crop of new Board members to be voted in today, and I have full confidence in their skills and leadership.

As it stands, we leave the new board with a clear strategic plan. The Chamber's focus will be on maintaining the financial sustainability of the Chamber; becoming a bridge for bilateral trade and investment between Italy and South Africa; and adding more value for our members.

To achieve these objectives, one of the major focus areas for the Chamber is strengthening its communications and increasing its visibility. The Chamber is embracing new technology and taking strides towards better efficiency and awareness of our members' needs, in an endeavour to assist them where possible.

What's more, the Chamber aims to concentrate on projects that will contribute to the growth and promotion of business between Italy and South Africa, with focus on the Agriculture, Tourism and Renewable Energy sectors.

I'm confident that 2020 will be an exciting year for the Chamber, with increased activity and visibility being achieved.

I'd like to personally thank you all for the support you have given the Chamber in the past year. My hope is that this will continue as we embrace this phase of renewal. Thank you to Pamina, Silvia, Patricia, Dylan and the interns and the Board of Directors, who have all contributed to the past last year's achievements.

As the outgoing President, I'm proud to have been the leader of the Chamber and I wish my successors all the best.

**Sergio Galli**

Chairman

April 2020

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
(Incorporated under Schedule 1 of the Companies Act, 2008)

**ANNUAL FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**  
**Registration no. 1984/007816/08**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**

**Opinion**

I have audited the financial statements of Italian-South African Chamber of Trade and Industries NPC, which comprise the statement of financial position at 31 December 2019, the statement of comprehensive income, the statement of change in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 16.

As stated in note 1 to the financial statements, and contrary to the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME), the Chamber did not capitalised purchased equipment. Accounting standards require that equipment is classified as non current assets.

Except for the departure from IFRS for SME referred to in the preceding paragraph, in my opinion, these financial statements present fairly, in all material respects, the financial position of the Chamber at 31 December 2019 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Companies Act of South Africa, as amended.

**Basis for Opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Boards for Accountants Code of Ethics for Professional Accountants (Part A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide the basis for my opinion.

**Other information**

The directors are responsible for the other information. The other information comprises the Directors' report as required by the Companies Act of South Africa. The other information does not include the financial statements and my auditor's report thereon.

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

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

**Directors' Responsibility for the Financial Statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, as amended and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC  
(continued)**

In preparing the 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 cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

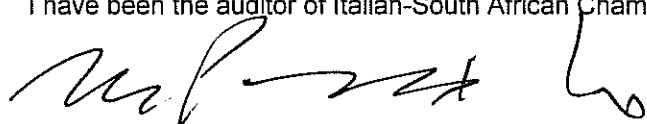
As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the 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 my 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 controls 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

**Report on other legal and regulatory requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, I report that I have been the auditor of Italian-South African Chamber of Trade and Industries NPC for the last twelve years.



**M PREDIERI & COMPANY**  
**Chartered Accountant (SA)**  
**Registered Accountant and Auditor**

Johannesburg, 12 February 2020

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

The directors are required by the Companies Act of South Africa, 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as of the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME), with the exception of the accounting policy related to property, plant and equipment that aligns with the practice exercised by the Italian Government in term of recognition of assets.

The financial statements are prepared in accordance with IFRS for SME and based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 adequate controls 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, including proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk within the context of a small number of employees. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate controls and ethical behaviour are applied and managed within the constraints of a small work force.

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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company.

The Board of Directors is responsible for the financial affairs of the company.

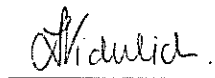
The external auditor is responsible for expressing an independent audit opinion on whether the financial statements are fairly presented in accordance with the applicable accounting framework. M Predieri & Co are the external auditors of the company.

The financial statements have been examined by the company's external auditor and his report is presented on pages 2 and 3.

The financial statements set out on pages 5 to 16, which have been prepared on the going concern basis, were approved by the Board of Directors on 12 February 2020 and were signed on its behalf by:



S Galli



L Vidulich

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
(Incorporated under Schedule 1 of the Companies Act, 2008)

**GENERAL INFORMATION**

**HONORARY CHAIRPERSON**

His Excellency the Ambassador of Italy, P Cuculi

**BOARD OF DIRECTORS**

S Galli (Italtile) - Chairperson  
M Paternostro (Paternostro-Fienberg Attorneys) - Deputy Chairperson  
G Ghiselli (A. Hartrodt) - Deputy Chairperson  
L Vidulich (Ceramic Industries), - Treasurer  
B Giugliano (PWC)  
V Da Molo (Impact Strategy Consulting)  
P Guidi (Alitalia)

**PATRONS**

Ansaldo Energia	Auto Industrial Group	Alitalia
Aquazurra Foundation	Campari	Courierit - Cape Town
Business Doctors	Diva Cucine	Euler Hermes
Finstone SA	Fiat Group Automobiles South Africa	Franchini Acciai Spa
Forgiatura Morandini Spa	Investec Bank Limited	Van Der Merwe Doring and Associates
Italtile Retail	Italtile Ceramics	Mapei South Africa
Marble Classic Group/Hi-tek	Nedbank	Nolands
Pentasytems	PWC	Rodigas Srl - Lizard SA agent
Rodi & Partner Africa	Saic-Olivetti	Saxon Hotel
Savino del Bene	Smeg - SBS Household Appliance	Steyn City Properties
Vodacom		

**FUNDERS**

African Mining & Trust Co	BBM Attorneys	Budget Sheet Metal
CNH Industrial SA - New Holland Agricu	Edilcon Construction	Efficient Engineering
Giuricich Brothers	Globemark Autospares CC	BDO Tax Services
Heat Tek Geysers-Ariston Thermo	Ignazio Messina & Co	Isopan Spa
LEM Industries	Ian Burgess Simpson Pianos	Lucchini SA
Pan Mixers South Africa	MPW Steel&Construction	National Ceramic Industries SA
RGC Engineering	Mollebalestra	Talmac
Unione di Banche Italiane SCPA	Sela Brokers	System Ceramics Spa
Mining Pressure Systems	Pabar	

**NATURE OF BUSINESS**

The promotion of trade and commercial activities between Italy and the Republic of South Africa.

**BUSINESS ADDRESS**

Suite 3B, Bedford Manor Office Suites  
Cnr Regent Street & Kirkby Road  
Bedford Gardens, Johannesburg

**POSTAL ADDRESS**

P.O. Box 753011  
Gardenview  
2047

**BANKERS**

Nedbank, a division of Nedcor Group  
UniCredit Banca di Roma  
Investec Bank Limited

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
(Incorporated under Schedule 1 of the Companies Act, 2008)

**REPORT OF THE BOARD OF DIRECTORS**

The Board of Directors has pleasure in submitting their report and the financial statements of the Italian-South African Chamber of Trade and Industries for the year ended 31 December 2019.

**REVIEW OF ACTIVITIES**

The Chamber promotes trade and commercial activities between Italy and South Africa. The Chamber does not operate for financial gain although it will record, from time to time, an excess of income over expenditure. The Chamber relies on members' subscriptions, sales of services, subsidies from the Italian Government, proceeds of cultural activities and surplus funds invested from operating activities.

Total revenue excluding forex gains generated during the 2019 financial year reflected a 3% increase from 2018.

This increase is mainly attributed to a subsidy from the Italian Government and services provided to Italian companies and regions to assist with exhibitions, scouting and market research. We continued to host a number of events during the year, including our annual Business Excellence Awards event.

Expenditure increased mostly as a result of the costs from increased promotional activities from Italy and employees' costs incurred to enable us to support the scope of our services as described above.

Following the resignation of the Secretary General in the early part of the 2019 year, a new Secretary General and Deputy Secretary General were appointed.

Overall the Chamber managed to recognize a surplus for the year of R 43 341.

**EVENTS AFTER THE END OF THE REPORTING PERIOD**

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of this report.

**DIRECTORS**

S Galli	
M Paternostro	
G Ghiselli	
L Vidulich	
M Cassol	resigned 2 April 2019
V Da Molo	
L Altini	resigned 2 April 2019
S Giuricich	resigned 2 April 2019
P Guidi	appointed 1 April 2019
B Giugliano	appointed 1 April 2019

**AUDITORS**

M Predieri & Company will continue in office.

**SECRETARY**

Corporate and Merchant Administrators is the company secretary.

**FINANCIAL RESULTS**

The chamber's financial results are adequately disclosed in the attached financial statements.

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019**

	Note	2019 R	2018 R
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	807 037	880 404
<b>Current assets</b>			
Trade and other receivables	3	8 184 410	7 972 520
Cash and cash equivalents	4	62 153	9 325
		8 122 257	7 963 195
Total assets		<u>8 991 447</u>	<u>8 852 924</u>
 <b><u>EQUITY AND LIABILITIES</u></b>			
<b>Reserves</b>			
Accumulated funds		8 629 641	8 586 300
<b>Current liabilities</b>			
Trade and other payables	5	361 806	266 624
Total equity and liabilities		<u>8 991 447</u>	<u>8 852 924</u>

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 R	2018 R
Gross Revenue	6	3 714 556	4 432 382
Operating expenses		(3 863 831)	(3 143 444)
Operating deficit	7	<u>(149 275)</u>	<u>1 288 938</u>
Investment income	8	192 616	86 052
Surplus for the year		<u><u>43 341</u></u>	<u><u>1 374 990</u></u>

ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC  
(Incorporated under Schedule 1 of the Companies Act, 2008)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 R	2018 R
<b>Accumulated funds</b>		
At beginning of year	8 586 300	7 211 310
Surplus for the year	43 341	1 374 990
At end of year	<u>8 629 641</u>	<u>8 586 300</u>



**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 R	2018 R
<b>Cash flow from operating activities</b>			
Cash generated from operations	10	27 549	629 882
Interest received		192 616	86 052
<b>Net cash inflow from operating activities</b>		<u>220 165</u>	<u>715 934</u>
<b>Net increase in cash and cash equivalents</b>		220 165	715 934
<b>Cash and cash equivalents at beginning of year</b>		7 963 195	6 425 728
<b>Effects of exchange rate changes</b>		(61 103)	821 533
<b>Cash and cash equivalents at end of year</b>		<u>8 122 257</u>	<u>7 963 195</u>

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
(Incorporated under Schedule 1 of the Companies Act, 2008)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice for Small and Medium-sized Entities.

The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value and for the adoption of section 17 - Property, plant and equipment of IFRS for SME. The section deals with the recognition of assets, their capitalisation and their measurement.

The Chamber has applied the accounting policy described in note 1.1 of the financial statements to be in line with the practice exercised by the Italian Government in term of recognition of assets.

These accounting policies are consistent with the previous year.

1.1 Property, plant and equipment

Except for land and buildings, the cost of an item of property, plant and equipment is not capitalised and it is charged against profit or loss.

Land and buildings are measured at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight line method to write off the cost of buildings, over its estimated useful life to its estimated residual value. The estimated useful life is 20 years. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.2 Trade and other receivables

Trade receivables are carried at the original invoice amount less provision for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off during the year in which they are identified.

1.3 Cash and cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk in change in value. Cash and cash equivalents are measured at fair value.

1.4 Trade and other payables

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

1.5 Provisions

Provisions are recognised when an entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
(Incorporated under Schedule 1 of the Companies Act, 2008)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**  
(continued)

1.6 Revenue

Revenue comprises of members' subscriptions, subsidies from the Italian Government, income from services rendered and income from functions and expositions.

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

1.7 Foreign exchange differences

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Balances of monetary assets and liabilities are translated at year-end exchange rates.

1.8 Employee benefits

Short term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.9 Tax

No current and deferred tax assets and liabilities are recognized as the Chamber is excluded from taxation in terms of Section 10(1)(d) iii of the Income tax Act, no 58 of 1962.

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
(Incorporated under Schedule 1 of the Companies Act, 2008)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**  
(continued)

	2019 R	2018 R
<b>2. <u>PROPERTY, PLANT AND EQUIPMENT</u></b>		
<u>Land and buildings</u>		
Opening net carrying amount	880 404	953 771
Depreciation charge	(73 367)	(73 367)
Closing net carrying amount	<u>807 037</u>	<u>880 404</u>
Cost	1 467 340	1 467 340
Accumulated depreciation	(660 303)	(586 936)
Net carrying value	<u>807 037</u>	<u>880 404</u>
Buildings consist of Unit 3, Bedford Manor Office Suite, Bedford Gardens, acquired at cost in January 2011.		
The property was not valued at this reporting date.		
<b>3. <u>TRADE AND OTHER RECEIVABLES</u></b>		
Trade receivables	<u>62 153</u>	<u>9 325</u>
<b>4. <u>CASH AND CASH EQUIVALENTS</u></b>		
Cash and cash equivalents consist of :		
- Investments in money market accounts	458 738	666 181
- Investment in fixed deposit	1 834 481	2 246 381
- Bank balances	5 827 889	5 044 375
- Cash on hand	1 149	6 258
	<u>8 122 257</u>	<u>7 963 195</u>
<b>5. <u>TRADE AND OTHER PAYABLES</u></b>		
Trade payables	13 571	1 760
VAT payable	79 582	45 040
Payroll liabilities	-	94 824
Accruals	268 653	125 000
	<u>361 806</u>	<u>266 624</u>

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**  
**(continued)**

	2019 R	2018 R
<b>6. <u>GROSS REVENUE</u></b>		
An analysis of the Chamber's revenue is as follows:		
Subscriptions from members	711 679	749 725
Receipts from functions and expositions	963 095	1 053 644
Receipts from advertisements	81 044	96 201
Gains on foreign exchange	-	821 533
Services rendered	1 024 845	968 988
Rent received	89 015	-
Subsidies from Italian Government	844 878	742 291
	<u>3 714 556</u>	<u>4 432 382</u>

It is recorded that "Receipts from functions and expositions" include the proceeds from sale of raffle tickets of R 121 307 (2018 - R 167 954).

**7. OPERATING DEFICIT**

The following items have been recognized as expenses/(income) in determining the operating deficit:

Auditor's remuneration	23 200	21 300
- Audit fee - previous year	16 000	15 000
- Other services	7 200	6 300
Depreciation	73 367	73 367
Equipment written off	31 900	17 560
Employee benefits expense	1 930 466	1 532 329
Loss/(Gains) on foreign exchange translations	61 103	(821 533)

**8. INVESTMENT INCOME**

Interest income		
- Bank accounts	<u>192 616</u>	<u>86 052</u>

**9. TAXATION**

The Chamber is excluded from taxation in terms of Section 10(1) (d) iii of the Income Tax Act, no 58 of 1962.

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**  
**(continued)**

	2019 R	2018 R
<b>10. <u>CASH GENERATED FROM OPERATIONS</u></b>		
Reconciliation of surplus to cash generated from operations:		
Surplus of the year	43 341	1 374 990
Adjustments for:		
- Depreciation	73 367	73 367
- Interest received	(192 616)	(86 052)
- Foreign exchange loss/(gain)	61 103	(821 533)
Operating surplus before working capital changes	<u>(14 805)</u>	<u>540 772</u>
Working capital changes	42 354	89 110
Increase in trade receivables	<u>(52 828)</u>	<u>675</u>
Increase in trade payables	<u>95 182</u>	<u>88 435</u>
	<u><u>27 549</u></u>	<u><u>629 882</u></u>

**ITALIAN-SOUTH AFRICAN CHAMBER OF TRADE AND INDUSTRIES NPC**  
**(Incorporated under Schedule 1 of the Companies Act, 2008)**

**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 R	2018 R
<b>INCOME</b>	<b>3 907 172</b>	<b>4 518 434</b>
Subscriptions from members	711 679	749 725
Receipts from functions	963 095	1 053 644
Receipts from advertisements	81 044	96 201
Interest income	192 616	86 052
Gains on foreign exchange	-	821 533
Rent received	89 015	-
Services rendered	1 024 845	968 988
Subsidies from Italian Government	844 878	742 291
<b>EXPENDITURE</b>	<b>3 863 831</b>	<b>3 143 444</b>
Audit fees	23 200	21 300
Advertising	79 064	80 050
Bank charges	14 193	13 119
Consulting fees	188 092	67 723
Depreciation	73 367	73 367
Donations	131 500	125 000
Entertainment and functions	392 372	452 804
Equipment written off	31 900	17 560
Insurance	17 134	16 612
Losses on foreign exchange	61 103	-
Postage and telephone	57 712	59 152
Printing and stationery	6 793	9 309
Promotional activities	596 823	480 356
Rent, electricity and levies paid	126 639	131 520
Repairs, maintenance and cleaning	18 367	1 491
Salaries	1 930 466	1 532 329
Secretarial costs	8 326	17 003
Subscriptions	105 953	44 749
Transport and courier costs	827	-
<b>SURPLUS FOR THE YEAR</b>	<b>43 341</b>	<b>1 374 990</b>