



2017
INTEGRATED
ANNUAL REPORT





ABOUT THIS REPORT

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 2017 to 31 December 2017. There has been no change in the scope and boundary of this report, nor in the size, structure or ownership of the NSRI during the current reporting period.

This report is a sincere attempt to detail and communicate activities for the year to our members and stakeholders. The report aims to provide a balanced, accurate and accessible assessment of our strategy and operations. Materiality is core to how we choose the information for this report and it is as much informed by inputs from our donors and volunteers, as by our Board and management. 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, and above all, our vision to save lives and the values we live by. Stakeholders who would like to know more are also 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 Report on 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. Our financial information has been audited by our independent auditors, Cecil Kilpin & Co. The NSRI Board and its subcommittees have reviewed this report and have satisfied themselves of the materiality, accuracy and balance of the disclosures.

USABILITY FEATURES



This icon signifies that related information is available elsewhere in the report.



This icon signifies that related information is available online at: www.nsri.org.za

Assurances of our business practices, governance and financial information are provided through compliance with audit and oversight from a number of regulatory organisations, including:

- The South African Maritime Safety Authority
- The Department of Labour
- The Department of Health
- The Health Professions Council of South Africa
- Lifesaving South Africa, the Direct Marketing Association
- The National Lotteries Commission
- Moore Stephens Risk
- The International Maritime Rescue Federation
- The Independent Communications Authority of South Africa
- The Civil Aviation Authority
- The National Regulator for Compliance Standards
- The Health and Welfare SETA
- The Building Council, the Department of Environmental Affairs
- The Southern African Foundation for the Conservation of Coastal Birds

*Integrated Reporting Awards:
Shameela Ebrahim from JSE Ltd
presents the award to
Natasha Lindeboom and
Liza Rossouw from Sea Rescue*



- The South African Whale Disentanglement Network
- The South African Revenue Services
- The Department of Social Development
- The Department of Transport
- The South African Search and Rescue Organisation
- The Companies and Intellectual Properties Commission
- The South African Institute of Chartered Secretaries.

Regular communication, engagement and feedback is a cornerstone of building relationships with our stakeholders. We are therefore very proud to be recognised for the quality of our communication and reporting efforts. We received the following awards in recent years:

- Winner 2007: PICA awards for excellence in Magazine publishing and journalism
- Winner 2009: PICA awards for excellence in Magazine publishing and journalism
- Winner 2013: PICA awards for excellence in Magazine publishing and journalism
- Winner 2014: Integrated Reporting Awards – Category NPO
- Merit 2015: Integrated Reporting Awards – Category NPO
- Merit 2016: Integrated Reporting Awards – Category NPO

We are also very proud to be recognised for our life saving efforts:

- Royal National Lifeboat Institution (RNLI): In 2017 we received an award by the President of the RNLI, His Royal Highness the Duke of Kent, on Vellum, awarded to NSRI for 50 years of saving lives.
- International Maritime Rescue Federation (IMRF) HERO AWARD Runner Up 2017: Award for outstanding team contribution to a Maritime SAR Operation, awarded to our NSRI School Water Safety Programme.

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

- A risk register
- Annual Financial Statements for 2017
- A King IV compliance register.

For any enquiries or further information, please contact:
Meriel Bartlett, executive director: Fundraising and Marketing,
Tel: +27 21 434 4011.



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KEY STATISTICS

2017 IN PERSPECTIVE

1 132

VOLUNTEERS

5 786

TRAINING HOURS

2 723

OPERATIONAL HOURS



1 050

RESCUE OPERATIONS



1 224

PEOPLE RESCUED



21

ANIMALS
RESCUED



367 857

CHILDREN TAUGHT



37

**RESCUE
BASES**



87

**RESCUE
CRAFT**



27

**RESCUE
VEHICLES**



16

**QUAD
BIKES**



12

TRACTORS

OUR ORGANISATION

WHO WE ARE

The National Sea Rescue Institute (NSRI) is a charity staffed by volunteers which are on call day and night, throughout the year. They are not paid and we do not charge the people who we rescue. Our goal is to prevent drowning through education, through preventative measures and through reactive rescue. Year after year we update and improve on our skills and techniques and we continuously investigate new technologies.

We visit schools around the country, teaching children about water safety, what to do in an emergency and how to do basic hands-on CPR. We have also built an online training centre. Our other preventative measures include educational signage, our signature Pink Rescue Buoys, Lifeguards and active patrols during busy holiday season. We have rescue bases around the coastline and inland dams.

We have a broad support base, most of our donors are private individuals who donate an average of R50 a month.

OUR ACTIVITIES



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
- 02 Bakoven
- 03 Table Bay
- 04 Mykonos
- 05 Durban
- 06 Port Elizabeth
- 07 East London
- 08 Hout Bay
- 09 Gordon's Bay
- 10 Simon's Town
- 11 Port Alfred
- 12 Knysna
- 14 Plettenberg Bay
- 15 Mossel Bay
- 16 Strandfontein
- 17 Hermanus
- 18 Melkbosstrand
- 19 Richards Bay
- 20 Shelly Beach
- 21 St Francis
- 22 Vaal Dam
- 23 Wilderness
- 24 Lamberts Bay
- 25 Hartbeespoort Dam
- 26 Kommetjie
- 27 Gauteng
- 28 Port St John
- 29 Air Sea Rescue Unit
- 30 Agulhas
- 31 Still Bay
- 32 Port Edward
- 33 Witsand
- 34 Yzerfontein
- 35 Witbank Dam
- 36 Oyster Bay
- 37 Jeffreys Bay
- 38 Theewaterskloof Dam
- 39 Rocky Bay

- W** WATER SAFETY SCHOOL PROGRAM LOCATIONS

Western Cape

- Ceres
- Cape Flats
- Khayelitsha
- Gugulethu
- Paarl
- George

Eastern Cape

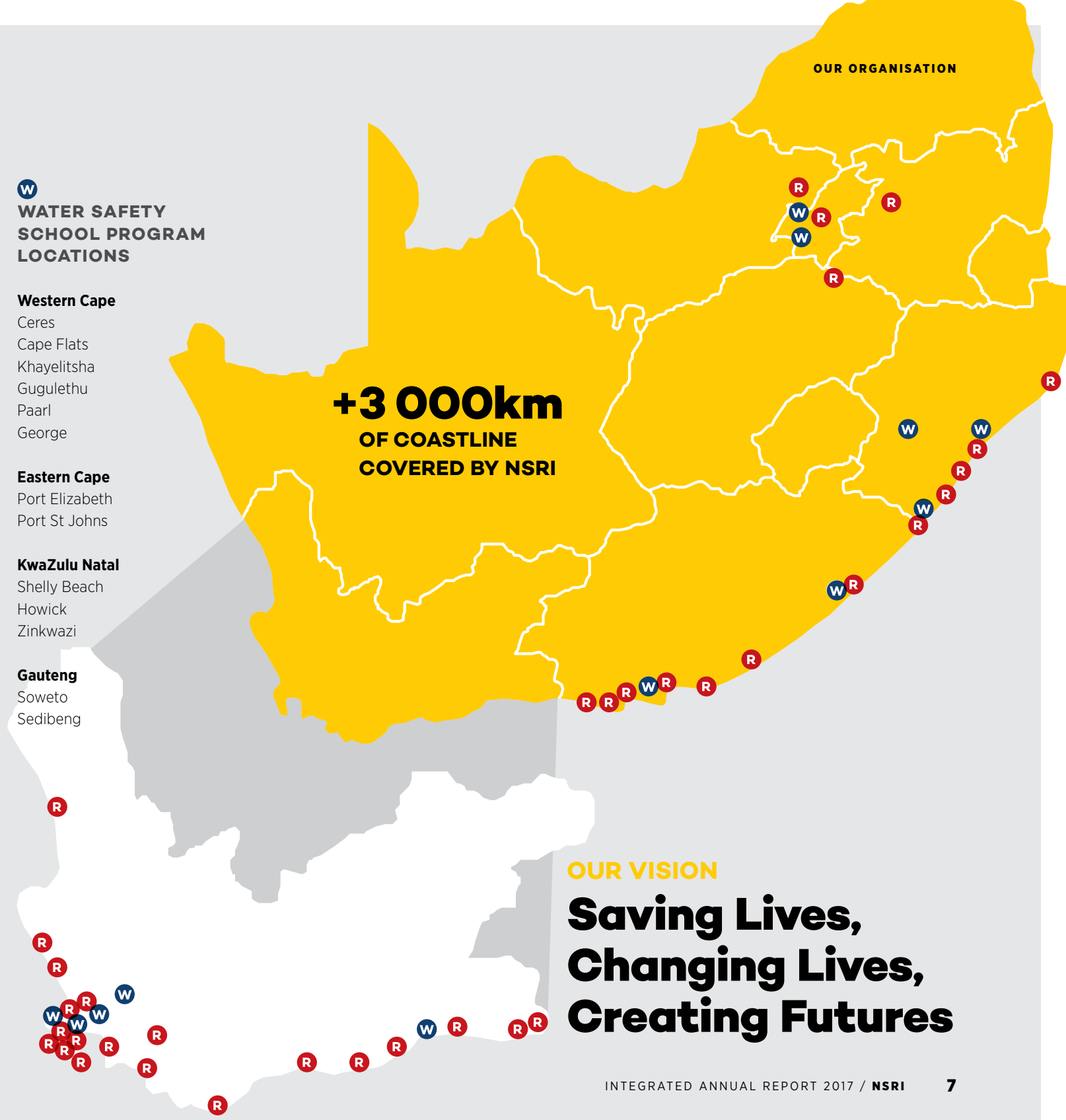
- Port Elizabeth
- Port St Johns

KwaZulu Natal

- Shelly Beach
- Howick
- Zinkwazi

Gauteng

- Soweto
- Sedibeng



OUR ORGANISATION

OUR VISION

**Saving Lives,
Changing Lives,
Creating Futures**

HOW WE ADD VALUE



SEA RESCUE AS A VOLUNTEER RESCUE ORGANISATION IN SOUTH AFRICA

Drowning is a serious and neglected public health threat, annually claiming the lives of 360 000 people worldwide, making it the world’s third leading cause of unintentional injury mortality (World Health Organisation, 2017).

In South Africa, drowning mortality was reported to be the fifth leading cause of unintentional death, with 1 690 deaths reported in 2009 (Matzopoulos et al., 2015) and 1 411 deaths in 2015 (Statistics South Africa, 2017). A recent systematic review conducted by Saunders, Sewduth and Naidoo (in press) suggests that the drowning mortality rate within South Africa is stable at 3.0 per 100 000 population.

The situation among children in South Africa is particularly concerning. Fatal drowning among the childhood population is high, particularly for those below the age of 15, with children below the age of 5 especially vulnerable to fatal drowning (Saunders et al., in press).

We have no way of determining the economic impact of drowning in South Africa, but we believe it to be significant. We know that economic losses from drowning in the USA for example, run into hundreds of millions of dollars.

The NSRI rescues over a thousand people from drowning each year mainly in the maritime environment, thereby, in no small measure, mitigating against an even higher national drowning rate. In accepting the challenge above, we are responding, as a volunteer organisation, within the context of a far broader strategy than boat-based rescue services.



For more information about our rescues, please refer to page 22.

The NSRI is more just than a rescue organisation and we play a key role in civil society, through advocacy of drowning prevention and in the implementation of drowning prevention strategies. Our collaboration with Western Cape Disaster Management, Emergency Medicine and Lifesaving SA delivered a much needed Strategic Framework for Drowning Prevention and Water Safety in 2017. In 2018 we need to add substance to its content and drive the implementation of its elements to prevent drowning. As partners in this framework, we support the objectives of

improved information systems, strengthened advocacy and enforcement, multi-sectoral partnerships and collaboration, improving institutional prevention capacity, growing public awareness and education, as well as promoting barrier and infrastructure interventions in trying to keep ‘heads above water’.



For more information about our involvement in the Drowning and Prevention Framework, please refer to our website: <http://www.nsri.org.za/2017/11/nsri-yzerfontein-hosts-minister-anton-bredell/>

Table 2.2. Age- and sex- specific drowning mortality rate for the Western Cape

Source: Western Cape Strategic Drowning and Prevention Framework

AGE CATEGORY	TOTAL NUMBER	PROPORTION OF TOTAL (%)	MORTALITY RATE* (PER 100 000 POPULATION)			MALE:FEMALE RATIO
			ALL	MALES	FEMALES	
0-4	195	13.2	4.7	5.6	3.8	1.5
5-9	134	9.1	4.0	6.6	1.3	5.4
10-14	117	7.9	3.6	5.4	1.8	3.0
15-19	113	7.7	3.2	6.0	0.5	11.6
20-24	142	9.6	3.3	5.7	0.9	6.1
25-29	158	10.7	3.6	6.6	0.5	13.3
30-34	125	8.5	3.5	6.3	0.6	10.4
35-39	93	6.3	2.9	4.8	1.0	4.8
40-44	83	5.6	2.9	5.2	0.5	9.3
45-49	63	4.3	2.5	4.0	1.0	3.4
50-54	72	4.9	3.3	5.7	1.2	4.1
55-59	52	3.5	3.1	5.4	1.1	4.2
60-64	44	3.0	3.4	4.8	2.1	1.9
65-69	20	1.4	2.2	4.4	0.4	9.0
70-74	25	1.7	3.6	5.4	2.3	1.8
75-79	6	0.4	1.4	2.3	0.8	2.0
80-84	8	0.5	3.0	6.2	1.2	3.0
85+	2	0.2	1.0	1.5	0.7	1.0
Unknown	21	1.4	n/a	n/a	n/a	n/a
Total	1 473					4.4

* Mortality rates exclude 2017 data.

CELEBRATING 50 YEARS OF SERVICE

50TH ANNIVERSARY PROGRAMME

We put together a programme for each of our rescue bases around the country to celebrate 50 years of saving lives. We invited our donors, supporters, local emergency services, past crew and their families to join us. We got unconventional and opened our bases for tours, to go for boat rides, meet the crew, learn about the water safety lessons in schools programme, watch demonstrations on how to do hands-on CPR and enjoy a few snacks and celebratory drinks.

NSRI has progressed into a world class rescue organisation and who better to celebrate it with but our volunteers and donors that make all of this happen. The impact of this programme has been positive. It has enabled our local rescue bases to engage and establish contact with the locals and to build on these relationships.

Changing the face of Sea Rescue through programmes like these, gives our children the opportunity to make their dreams a reality, to stir

up the spirit of volunteerism in them by meeting their heroes face to face and to see that anybody can serve. If they have the heart, they have the will. Our mission, "saving lives, changing lives, creating futures" is reflected in the hearts of our people who actively and proactively give their time and talents to help spread the word of water safety and prevention.

We are a proud organisation which is proud of our volunteers, our donors and our supporters.





MILESTONES IN OUR HISTORY

1966

The South African Inshore Sea Rescue Service (SAIRS) was launched

1967

- First SAIRS rescue
- Name changed to NSRI

1982

1st Edition of NSRI magazine published

2001

NSRI is registered as an NPO

2006

Water safety lessons in schools programme is launched

2015

1 000 000 children taught through the water safety lessons in school programme

2017

NSRI celebrate its half-century anniversary

OUR BUSINESS MODEL AND CAPITALS

Our business model is simple – we depend on the goodwill and support of 85 000 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, 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.

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. The culture within the organisation has its evolution in these volunteers and the ethical climate is maintained by their influence.

The obvious passion of our volunteers influences stakeholders' and donors' views of our organisation in such a favourable manner that we are able to raise sufficient financial capital and expand our rescue effort year after year. To raise sufficient financial capital, the strategy is to diversify income streams, ensuring that Sea Rescue is not dependent on a single source of income, thereby reducing risk if one of the sources should fail. Because our funds are raised from donors, it is deployed with great thought and care to derive the most efficient outcome.

Maintaining stakeholder and donor loyalty depends on our relationship capital and we try to ensure that stakeholders feel part of, and integral to, every rescue and initiative through current and frequent communication. Our efforts are not without criticism and we welcome donor comment.

We have a keen interest in natural capital because we experience the effects of flooding and pollution in our day to day operations. We rescue the turtles injured by plastic, whales tangled in rope and injured sea birds. We suffer the cost of damage to infrastructure by rising sea levels and the damage to outboards by plastic bags over water intakes. We understand the need to protect natural capital and we partner and collaborate in remedial action.

“Sea Rescue’s most important capitals are our human and relationship capitals. We have an entirely volunteer operational workforce with noble passion and enthusiasm for saving lives, who responds to the needs of any and all South Africans, with a degree of professionalism. We are extremely proud of this.”

OUR ENABLERS

Our **Human Capital** comprises the people we employ and our volunteers.

Natural Capital – we have a low environmental impact. Our facilities and assets reflect our culture of safety and concern for the environment.

Manufactured Capital – we have a fleet of rescue crafts and vehicles which are critical to saving lives. Our rescue stations are also key to our operations.

Financial Capital – the success of our organisation is largely determined by the financial support of our sponsors and donors.

Intellectual Capital – the skills and knowledge of our well trained volunteers, our substantial donor database and our brand, the strength of which allows us to raise the funds we require

Our communities form the core of our **Social and Relationship Capital**. We educate our children through water safety lessons in schools and we are frequently the only immediate medical response in emergencies.

ACTIVITIES

Refer to page 54 for more on our people, 69 for our funding and 38 for our stakeholders

- Staff and volunteer development and training
- Social literacy development
- Leadership development
- Rescue bases serving as family spaces

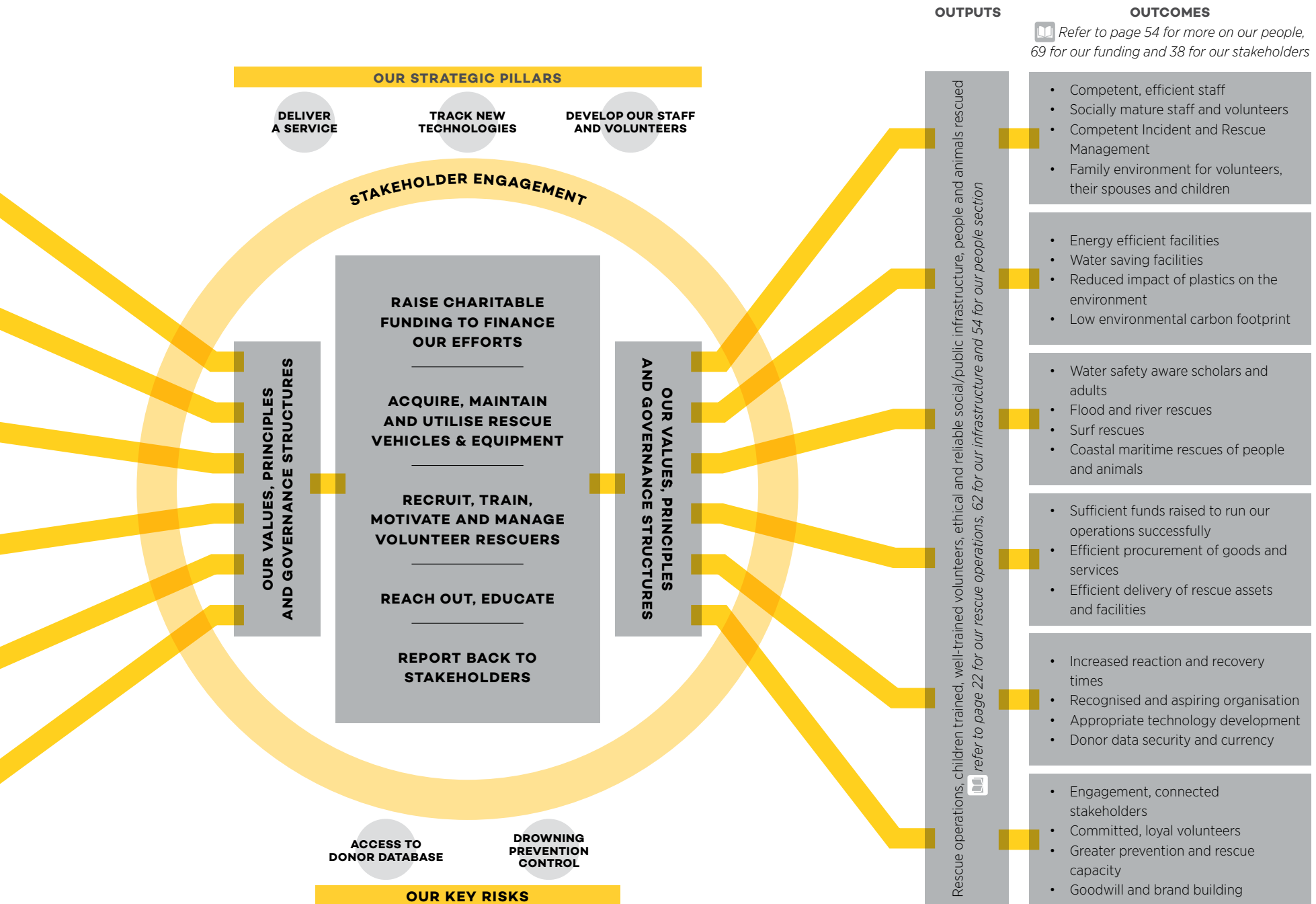
- Energy management
- Water management
- Plastic pollution awareness
- Emission management

- Scholar education
- Adult education
- Swift water rescue
- Lifeguarding
- Maritime rescue services

- Call centre, grant and event fundraising
- Legacy and bequest solicitation
- Donations fundraising
- Retail business revenue
- Supply Chain Management

- Advanced systems
- Volunteer Technology Think-tank
- Donor data management

- Communication via magazine, social media and correspondence
- Volunteer engagement
- Collaboration with Water Safety and Rescue Agencies
- Community based events





OUR BUSINESS MODEL AND CAPITALS – CONTINUED

OUR MATERIAL ISSUES

Material issues are those that substantially impact on the NSRI’s ability to fulfil its mandate of saving lives, as measured in terms of prevention of fatal and non-fatal drowning.

Our material issues are identified through a process of reviewing disclosure guidelines, consulting stakeholders, examining the external and internal context of maritime rescue in South Africa, considering discussions at Board and Board Committee meetings, consulting volunteers and volunteer leaders and reviewing the risk environment.

Management and the Board of the NSRI consider the information in this report as material to the sustainability of the organisation and the function of drowning prevention and maritime rescue in South Africa.

KEY MATERIALITY ISSUES INCLUDE

Sustainable fundraising
Refer to page 69 for more detail on our sources of income)

Sustainable quantitative and qualitative volunteer capacity
Refer to our people section on page 54)

Modern and efficient rescue assets
Refer to page 62)

Unquestionable reputation

Stakeholder and donor communication
Refer to our stakeholder engagement on page 38)

Competent leadership, management and administration
Refer to the corporate governance section on page 73)

Effective business systems
Refer to technology on page 66)

Responsive and effective rescue services
Refer to page 22 for our more on our rescues)

OUR COMPANY STRUCTURE AND GOVERNANCE

Sea Rescue’s 2017 income of R138 756 898 million was raised through diverse fundraising activities. With those funds, we responded to 1 050 incidents and saved 1 224 lives. Our water safety lessons in schools programme was presented to 367 857 children. This programme aims to teach basic water safety, self-rescue, peer rescue, how to cope in an emergency situation and age-appropriate hands-on CPR.

A strong volunteer model

The Sea Rescue business model incorporates a professional management and fundraising

component with 25 full and 19 half day staff, which constitutes only 4% of all the people involved in our efforts. The remainder is made up by our vast volunteer service component at the rescue stations.

A non-profit structure

Our business model capitalises on the efficiency of a non-profit system to provide an essential lifesaving service which, because of relatively low incident rates, could not be afforded through a state or profit model. The non-profit context also ensures that we can deliver services independently and in collaboration with others – without fear, favour or political influence, delivering on the needs of our community. The model provides for community ‘ownership’ and a level of pride and satisfaction in the service delivered. Furthermore, it allows for greater investment in developing human capital and in providing the resources needed, at the best quality, to deliver the service. Funds that would have been deployed in remuneration are directly deployed in delivery programmes, thereby achieving better outcomes.

Reliable partnerships

Our volunteer service is activated through an emergency call. These calls are received through a wide network of partner organisations, including the Transnet National Ports Authority, the national emergency number 112 and a cellular phone application called SafeTRX, a NSRI initiative, monitors a boat’s journey and alerts emergency contacts nominated by the user should they fail to return to shore on time. Emergency calls are routed to the Maritime Rescue Coordinating Centre in Cape Town, which in turn, dispatches calls through to Station Commanders in the 37 stations. Direct calls to Station Commanders remain the most frequent route of emergency activation.

The Sea Rescue head office provides financial,

logistic and training support to stations, yet the management and operations of each station are conducted autonomously by Station Commanders. These Station Commanders have delegated authority to make independent emergency decisions to ensure immediate response and action to save lives. Station Commanders have the delegated authority to decide on crew safety and may elect not to respond if conditions are deemed to be too dangerous or risky. Likewise, in a rescue vessel, our coxswains have the absolute decision-making discretion regarding the operations and safety of their crew and make operational decisions independent of any outside interference.

Driven by our values

Sea Rescue is a values driven organisation and, together with our volunteers and staff, we revisit our values at regular intervals. As a rescue organisation we deal with people at their most vulnerable, as such we are committed to a delivering a quality service with compassion. As a non-profit organisation raising funds, we pledge to be transparent in our transactions and careful in how we spend the money that has been entrusted to us. We carefully guard our reputation and show commitment to the highest ethical standards.

In dealing with others, we embrace diversity – diversity of gender, race and religion, as well as diversity of thought. We subscribe to a code of ethics and conduct and we do not tolerate discrimination, harassment or bullying.

Acceptable behaviour by volunteers and staff is an essential requirement for the successful maintenance of internal relationships. This enables the workforce (both voluntary and paid) to achieve our business objectives, while at the same time creating a pleasant working environment. A disciplinary code is provided to inform our workforce of the rules and behavioural standards and to give management guidance on acceptable

behaviour and how it can be addressed fairly.

The NSRI is a volunteer-driven organisation and governance and management structures are there principally to support the volunteers and the service they provide.

The company maintains strong governance principles, guided by King IV, and implemented through a Board consisting of six independent non-executive directors, four executive directors and two appointed non-executive directors, being representatives of Airports Company of South Africa (ACSA) and South African Maritime Safety Association (SAMSA) respectively, as well as a company secretary. All non-executive directors, as well as the company secretary, provide their services free of charge.

Strong oversight

Both the internal and external audit functions are performed by independent service providers. The day-to-day management of the NSRI is executed by a Chief Executive Officer (CEO) and three executive directors, each responsible for Operations, Fundraising and Marketing, and Financial Management respectively. 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.



For more information about our fundraising, please refer to page 69 and to page 22 for our rescues.

For more information about our rescue stations, please refer to page 62.

For more information about our people, please refer to page 54.

Refer to page 6 in the Organisational Overview for our values.

For more information about our governance, please go to page 73.

For more information about our expenditure, please go to page 68.

OUR PURPOSE - SAVING LIVES

Our purpose is to save lives through drowning prevention.

Our activities take on the following forms:

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

EDUCATION AND SKILLS DEVELOPMENT

Education initiatives are conducted through

- our water safety lesson in schools, and
- our public eLearning portal.

Our volunteers conduct themselves with passion, enthusiasm, confidence and a deep sense of humanity, compelled by the ocean at its worst.

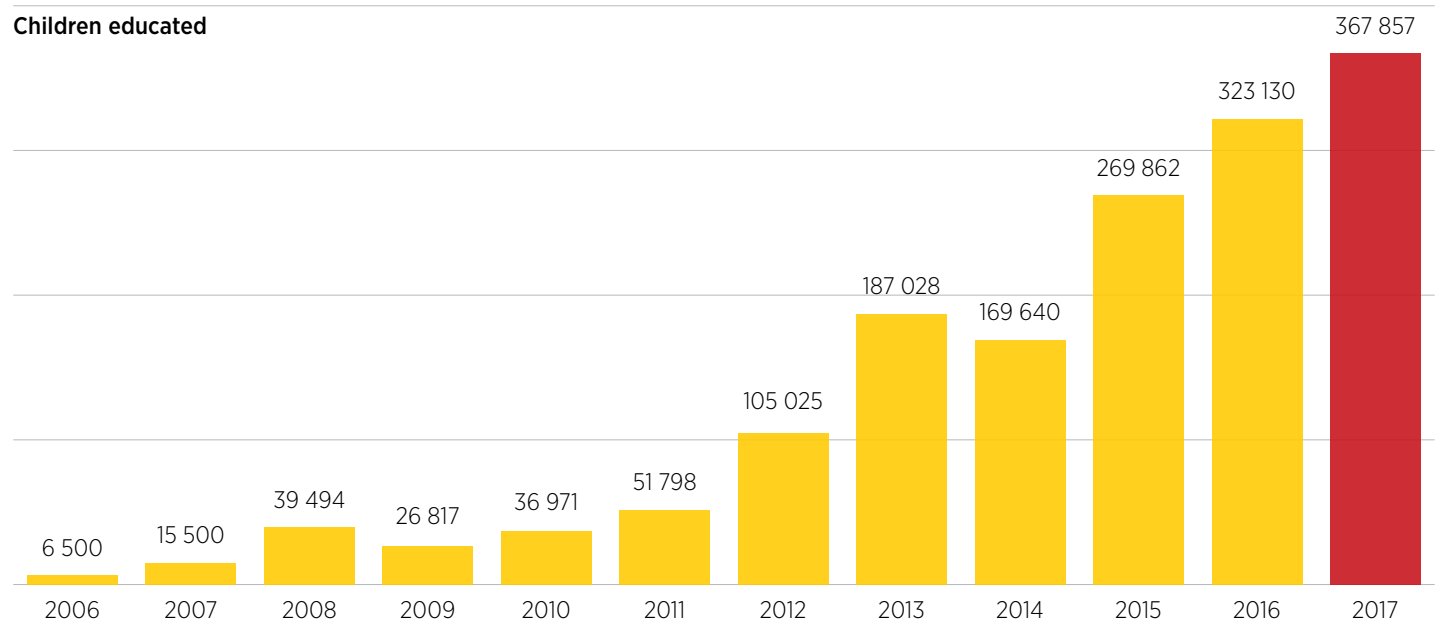
WATER SAFETY LESSONS IN SCHOOLS

We have a team of 14 instructors, spread around South Africa, who visit children in their school classrooms specifically in poor communities where access to information is limited and the need is great. These are the children most likely to drown. The water safety lesson fits into one school period and teaches children in a fun and interactive way - how to be safe in and near water, how to help a friend without endangering themselves, who to call for help and how to do age-appropriate bystander Hands-On CPR.

Our 2017 water safety programme was the proud runner up for an Outstanding Team Contribution in the International Maritime Rescue Federation H.E.R.O. awards. Instructors Eoudia Erasmus and Charles McHelm travelled to the Royal National Lifeboat Institution's (RNLI) headquarters in Pool, England as guests of the International Maritime Rescue Federation (IMRF).

Funders are given the opportunity to specify which project they would like to support. The table below shows the amounts specified for our prevention programme:

Children educated



	2012/2013	2013/14	2014/15	2015	2016	2017
Sponsorships						
Princess Charlene of Monaco Foundation SA				R214 970	—	—
Transnet National Ports Authority	R1 025 000	R1 275 000	R1 240 250	R1 289 820*	R1 418 802	R1 560 682
Western Cape Department of Agriculture		R50 806	R79 194	—	—	—
Western Cape Disaster Management		R369 000	R375 000	R400 000		R414 000
Santam					R350 000	R250 000
Kouga Wind Farm						R123 235
Donations						
Company Donations	R1 300	R3 588	R62 375	R32 530	R172 016	R145 960
Individual Donations	R1 100	R7 250	R2 506	R500	R28 800	R38 309
Kouga Wind Farm						R123 235
Total	R1 027 400	R1 705 644	R1 759 325	R1 937 820	R1 619 618	R2 158 951

*Received in January 2016



Charles McHelm (Water Safety Instructor) & Eoudia Erasmus (Water Safety Team Manager) receiving the Hero Award from Theresa Crossley of International Maritime Rescue.

“Since the programme started in 2006, we have taught over 1.5 million children about water safety. In 2017, we taught an extraordinary total of 367 857 children.”





OUR PURPOSE - SAVING LIVES

eLearning PORTAL - BRAVOBRAVO

Another way we want to expand our impact is through the online public learning platform we are creating, called BravoBravo. In the past, Sea Rescue has raised funds through sales of the Skipper Guide, a learning tool for students undertaking the South African Maritime Safety Authority (SAMSA) skipper exam.

We have taken the original, popular guide and updated it with insight and wisdom from Sea Rescue coxswains with many years of experience, having seen what can go wrong on the water. It is made with a safety focus - ensuring that future and current water users have a convenient, fun and easy to use portal for gaining the theoretical components required for passing their skippers course. Practical instruction and assessment will still be required, but referrals to certified skipper training schools will be provided for this purpose.

We are now offering the courses online, available 24/7, anytime, and anywhere (in the world). What's more is that access to some of these courses will be free of charge. You can undertake the course at your pace, and repeat it as many times as you wish. Modules are broken down into bite-size chunks, with rich media, including motion graphics, video and sound - not to mention a useful self-assessment (with instant results feedback) built in throughout. All of this guarantees better learning retention of the information.

PRIMARY PREVENTION



Sea Rescue’s drowning prevention strategy is to partner with other organisations to raise the profile of water safety in South Africa; this includes the media, local Government, schools and other rescue organisations.

There is a need to understand who is drowning, where most drownings occur and the circumstances around these incidents, so as to draft an action plan. To this end, Sea Rescue partnered with a number of organisations to scope out and implement the Western Cape Drowning Prevention Framework. The Medical Research Council constructed the document with many hours of input from Sea Rescue, Lifesaving South Africa and numerous other role players in the industry.

In 2017 a number of pilot projects were launched including:

- Emergency Signage
- Pink Rescue Buoys, and
- Deploying additional personnel on beaches, to proactively patrol and educate beachgoers.

Perhaps one of the most important initiatives flowing from this project, was affiliating with Lifesaving South Africa and establishing our first Sea Rescue Lifeguard unit as part of an established rescue base. These are housed in reconditioned and well equipped shipping containers and situated on bathing beaches, but are portable. By the end of 2017 our first 20 NSRI Lifeguards successfully completed the internationally recognised Lifeguard Award.

Our emergency signage has been standardised and focuses on:

- Educational signage about rip currents,
- Emergency telephone numbers, and
- Pink Rescue Buoys

We received the following funding for these projects:

LIFEGUARDING

SPONSOR

Companies, Trusts and Foundations

Individuals

Total

2017

R124 500

R1 000

R124 500

SAFETY SIGNS

SPONSOR

Companies, Trusts and Foundations

Individuals

Total

2017

R82 335

R241 871

R324 206

In addition, NSRI Plettenberg Bay received funding from the British Foreign Office (R50 000) towards signage and have lead the way in covering their area with the Plettenberg Bay emergency number. The signs were put in place by crew over a period of three months. Each sign has a location number and is GPS plotted. The GPS position is linked to vital information, such as closest resources, who has gate access keys, etc. It is an intricately mapped system that is available online / offline and on an impressive map at the rescue base.

As more funding became available, the area that we reach is extending. All signage requires approval from local municipalities.

The NSRI Pink Rescue Buoys rollout started in November 2017 with the first batch erected in the drowning hotspots of Plettenberg Bay and Wilderness beaches. The idea behind the pilot project was to educate people regarding the dangers of peer rescue by using simple graphics on the sign and to provide emergency flotation for a person in danger of drowning, as well as a rescuer who decides against advice to enter the water to help someone in an emergency.

The flotation buoys are bright pink so that they can be easily spotted on the water and this colour is unique to NSRI. Like life rings of the past, these buoys are put on beaches to be used in an emergency. After use they should be put back on their hook so that they can save another life. With community buy-in, with everyone watching out for them, and checking that they are not being misused, we can save lives together.

CASE STUDY

PINK RESCUE BUOY USED TO SAVE A LIFE

The first Pink Rescue Buoy was used in a rescue at a Wilderness beach by a bystander to save the life of a teenager at 12h05 on Thursday, the 28th of December. When lifeguards arrived on the scene, they confirmed that Kavish Narshi, 16, from Cape Town's Southern Suburbs was successfully rescued from the water by Johan Lambrecht, 46, from Strand who had used an NSRI Pink Rescue Buoy that is stationed at the foot of the stairs to the beach.



SECONDARY PREVENTION – RESCUE

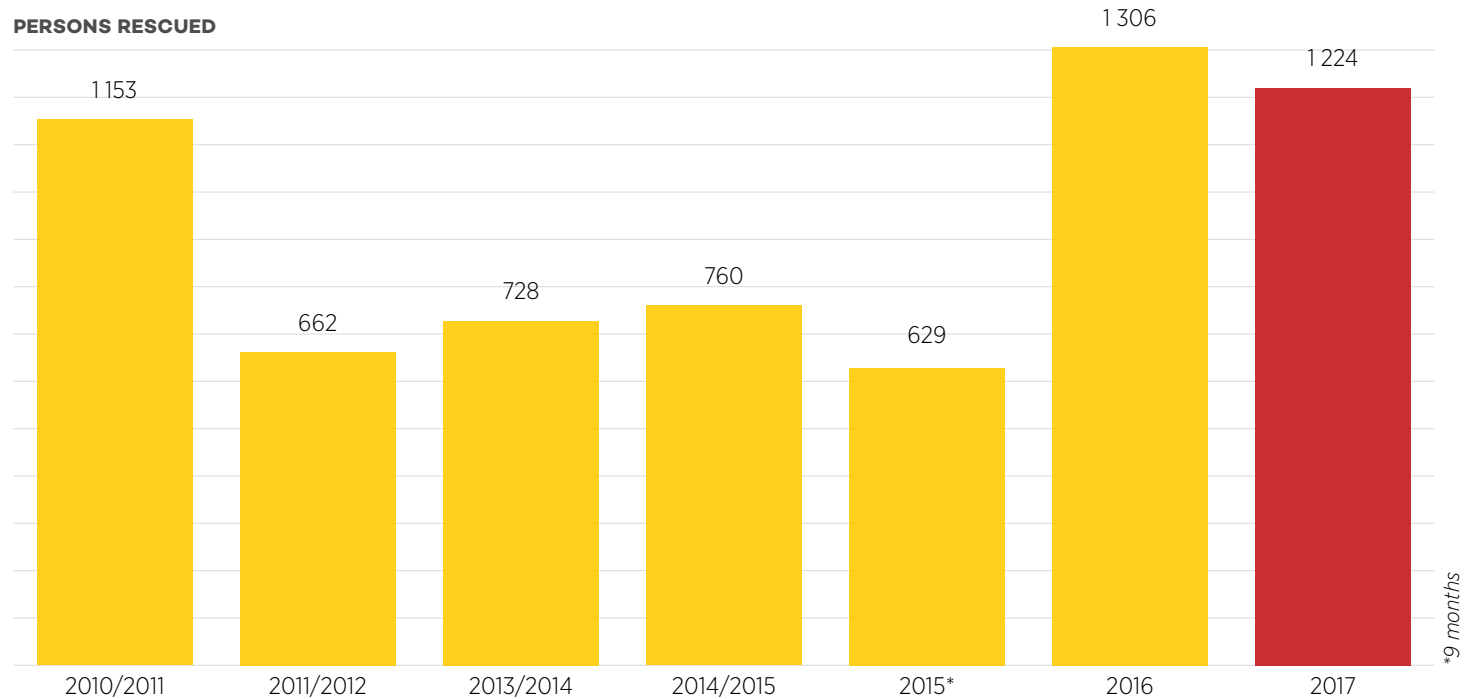
2017
OPERATIONS


1 050
RESCUE OPERATIONS


1 224
PERSONS RESCUED


21
ANIMALS RESCUED

PERSONS RESCUED



Every day and some nights, Sea Rescue volunteers set aside their professional or personal lives to selflessly respond to the call to rescue people or animals they have never met and who may never know them. Collectively they directly prevented 1 224 fatal drownings this year, an extraordinary achievement reflecting an unwavering commitment to society.

NSRI is striving to always be seen as a relevant organisation, and even though we continue to make the most impact in our communities by providing rescue services, we are finding that we are also able to make a difference in many other ways.

One of the methods is to increase the size of our family, by creating a place to serve and learn, for people of all ages and walks of life.

Traditionally, volunteer crew were able to join and begin their training at the age of 16. This year we created a junior academy at various stations around the country, to make ourselves more

welcoming to youth organisations by exposing youngsters as young as 12 to the NSRI family. This provides a wonderful opportunity to gain skills such as first aid, navigation, rope work and others in preparation for either joining a NSRI base as a fully-fledged rescue crewperson later on, or as preparation for a water-based career. In addition to the “hard” skills offered, training by mentorship provides personal safety, leadership, and teamwork and communication skills, as valuable life lessons. The benefits for the young volunteers are enormous and the gain for NSRI is a long-term investment in creating a pipeline of future volunteers, and enabling whole families to join the NSRI. Ultimately, it is about creating passionate supporters of the NSRI, in addition to safer water rescue operations.



More information about our rescues, can be found in the Our Beneficiaries section on page 58.



CASE STUDY

DEVASTATING FIRES RAVAGE KNYSNA AND PLETTENBERG BAY

From just after midday, Wednesday, 7 June, NSRI Knysna and NSRI Plettenberg Bay were engaged in assisting the Eden District emergency services and Eden, George, Knysna and Plettenberg Bay Fire and Rescue Services at runaway fires that engulfed the district from Sedgefield to Plettenberg Bay.

In multiple incidents involving the collective emergency services, Police, Fire Departments, Ambulance Services, NSRI, Disaster Risk Management, Traffic Services and members of the public, residents and animals were evacuated from the fire that had been fuelled by strong winds and high temperatures.

The NSRI Knysna sea rescue craft assisted to evacuate people from shoreline homes along the coastline and in the Knysna Lagoon where residents were cut off by fires. Community Halls were filled with residents where NSRI assisted the Emergency Services to provide medical treatment and treatment provided to Fire Fighters battling the flames and assisting to fight the fire.

In some cases NSRI and emergency services personnel were forced to evacuate their own homes. Sadly, many homes were damaged or razed to the ground in the fires, including three families from NSRI Station 12 Knysna.

CASE STUDY

68 PEOPLE RESCUED OFF SINKING FERRY

Quentin Botha, NSRI Table Bay station commander, says that at 14h18, Friday, 15th September, NSRI Table Bay duty crew were activated by the Transnet National Ports Authority (TNPA) following a Mayday distress call from the Robben Island passenger ferry, Thandi, reporting to be taking on water. The NSRI Table Bay sea rescue craft, Spirit of Day and Spirit of Vodacom, were launched to join the Robben Island passenger ferry Madiba1 that was already on the scene. NSRI Bakoven launched the sea rescue craft Rotarian Schipper, NSRI Hout Bay launched the sea rescue craft Albie Matthews, NSRI Melkbosstrand launched the sea rescue craft Spirit of Brenda and a private boat, NSRI Headquarters launched the sea rescue craft Spirit of Round Table, the Police Sea Borderline launched 2 Police craft and the TNPA Pilot boat Petrel responded. The AMS/

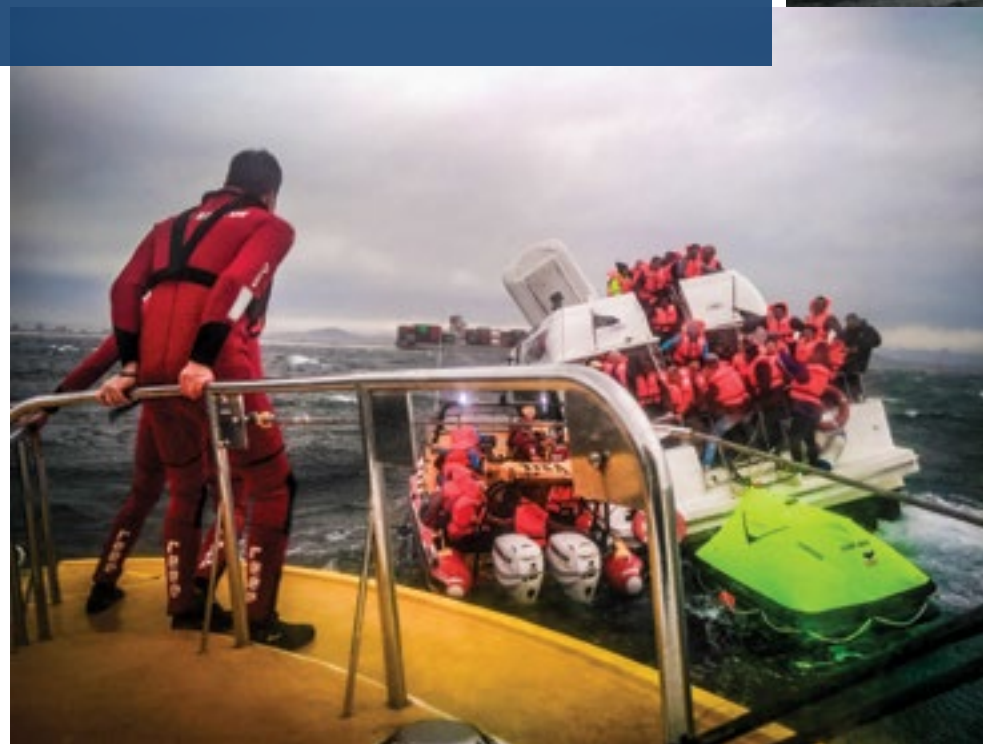
EMS Skymed rescue helicopter and the ASR (Air Sea Rescue) and a SAAF (SA Air Force) Oryx helicopter were activated. Skymed was later stood down and the SAAF Oryx remained on alert, but was not required to respond.

Cape Town Fire and Rescue Services dive unit, WC Government Health EMS rescue and ambulance, City of Cape Town Disaster Risk Management, ER24 ambulance services and Netcare 911 ambulance services responded to the Waterfront to receive patients. A Police Dive Unit was placed on alert. The MRCC (Maritime Rescue Coordination Centre) monitored the incident and Telkom Maritime Radio Services assisted with radio communications during the operation.

There were reported to be 70 passengers in total, which included the 5 crew of the ferry. A JOC (Joint Operations Control) was set up at the

Transnet National Ports Authority Control Tower and rescue craft were directed from the NSRI Table Bay rescue base. On arrival on the scene, the ferry was found to be listing to port side due to water intake from unknown causes and some of the passengers were found to be in life rafts. The remaining crew and passengers were on the deck of the casualty ferry.

All passengers and crew of the casualty ferry were transferred by NSRI "Spirit of Day" from the casualty ferry and from life rafts onto the Madiba 1 and onto NSRI's Spirit of Vodacom and brought to the Port of Table Bay where they were assessed by paramedics. A few passengers were treated for mild hypothermia. Two passengers were transported to hospital by ambulance, both in a stable condition, one suffering from back pain and the other from anxiety. All passengers and crew were accounted for.







HOW WE AIM FOR EXCELLENCE

Our key strategic pillars to achieving excellence are:

- Deliver a service
- Track new technologies, and
- Develop our staff and volunteers.

WE DELIVER A SERVICE

There are many levels of service delivery in our operation: from the leadership at organisational and station level, to effort and conduct of each volunteer, marketer and office bearer who interacts with a member of the public. From a fundraising phone call, or the interaction at the scene of a rescue operation, to the water safety presentation in schools – we are all public servants and philanthropists making a difference in diverse and measurable ways.

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, it ensures focus and diligently tracks performance.



See more on our goals and objectives on page 27.

WE TRACK NEW TECHNOLOGIES

In 2017 we established a subcommittee to track new developments in technology, with a special focus on technology in search and rescue. NSRI encourages a culture of learning and innovation and we continuously re-evaluate and improve techniques and tools that ensure that our volunteers and our casualties return safely from sea.



For more information about our technology, please refer to page 66.

WE DEVELOP OUR STAFF AND VOLUNTEERS

We invest significant time, effort and resources in building a culture of continuous learning, ensuring that our staff and volunteers are trained and skilled to carry out their duties. In 2017 we extended this to include an offering to the general public as well, by building an online eLearning Platform BravoBravo, where we can share our knowledge and training material.



For more information about our people, please refer to pages 54.

OUR GOALS AND OBJECTIVES

During 2017, the NSRI set 118 activity targets across 5 key result areas. We utilise a Monitoring and Evaluation (M&E) tool to track the progress. This tool is a useful reflection of achievement during the year and helps to maintain focus on agreed objectives.

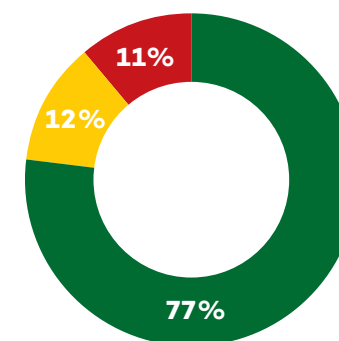
We successfully completed 77% of the activity targets, made progress in 12% and 11% are still incomplete. Examples of incomplete activities include securing leases/building renovations to key stations where obtaining leases from the Department of Public Works is proving to be very difficult. There are activities that have persistently not been addressed, usually due to lack of identified dedicated capacity.

Activity creep remains a challenge and until now has not been reported in the M&E tool. From 2018, activities completed but not planned for the year will be included in the tool.

Sea Rescue is in the business of hope. We do not manufacture or sell a product – we instead sell the idea that a group of people who offer up their time, funded by a group of people who offer up finances, can collectively help others at their most vulnerable. This brings hope in a hopeless situation. The sincere goodwill of those who volunteer and those who donate has sustained this organisation for an incredible 50 years.

KRAS	STRATEGIC OBJECTIVE: TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
ADVOCACY AND PREVENTION	Drowning Prevention Strategy and Policy	Reduce Fatal Drowning by 50% by 2026	Appoint 2 Educators	Complete	Complete	Complete	Complete
			Establish partnerships to present Water safety lessons in schools	Progress	Complete	Complete	Complete
			Get NSRI water safety lessons into the Basic Education Curriculum	Progress	Progress	Progress	Progress
			Develop eLearning course of Small Craft	Progress	Progress	Progress	Complete
	Sector Collaboration, Partnerships and Cohesion	Drive sector collaboration, partnerships and cohesion by constructive, persistent and consistent engagement.	Cooperate with the Drowning Prevention Strategy Development	Progress	Complete	Complete	Complete
			Complete quarterly SAMSA Meetings	No progress	No progress	Complete	Complete
			Meet with SA Navy	No progress	No progress	No progress	No progress
Delivery Models	Deliver preventative and reactive services through new creative models.	Implement Boat Based Lifesaving	Progress	Progress	Complete	Complete	

NSRI OBJECTIVES PROGRESS 2017



- Complete
- Progress
- No progress

KRAS	STRATEGIC OBJECTIVE: TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
QUALITY RESCUE SERVICES	Emergency Access	Ensure Emergency Access by the public by facilitating call flows via the shortest possible route	Complete pilot on Rapid Deploy Application	Yellow	Yellow	Yellow	Green
			Measure and report Emergency Calls through Head Office Line	Red	Red	Red	Red
			Expand SafeTRX users	Yellow	Yellow	Green	Green
			Train MRCC Agents iro NSRI call taking	Red	Red	Green	Green
			Improve Emergency Number Visibility on Website Landing Page	Yellow	Yellow	Green	Green
			Coordinate with 112 emergency call centre providers	Red	Red	Red	Red
	Geographic Access	Provide National access to services by progressively increasing service footprint	Fully operationalise Theewaterskloof Dam Station 38	Yellow	Yellow	Green	Green
			Initiate Port Nolloth	Red	Red	Red	Red
			Investigate Sodwana Bay	Red	Red	Red	Red
			Establish a list of Inland Dams requiring Rescue Services	Yellow	Yellow	Yellow	Yellow
			Establish a link with Department of Water Affairs & Forestry iro inland rescue	Red	Red	Red	Red
	Quality Leadership	Creating the leadership necessary at all levels within the NSRI to achieve outcomes	Train 18 x students in Class 1 Coxswain Development	Yellow	Yellow	Green	Green
			Do 12 x Class 3 Coxswain Assessments	Yellow	Yellow	Green	Green
			Do 8 x Class 1 Coxswain Assessments	Red	Yellow	Green	Green
			Appoint 2 training and logistics assistants	Green	Green	Green	Green
	Quality Crew	Recruiting, training and developing crew to meet service demands	Train 24 students in ENS	Yellow	Yellow	Green	Green
			Train 20 students in helicopter currency	Yellow	Yellow	Green	Green
			Train 40 x students in VHF	Yellow	Yellow	Green	Green
			Train 16 x students in Maritime Extrication	Yellow	Yellow	Green	Green
			Train 35 x students in Swift Water Rescue	Green	Green	Green	Green
Crew Safety	Ensuring personnel safety at all costs	Implement AIS tracking units on all vessels	Yellow	Yellow	Green	Green	
		Implement Lifejacket Regime	Yellow	Yellow	Green	Green	
		Develop a simple wellness measurement tool	Red	Red	Red	Red	

KRAS	STRATEGIC OBJECTIVE: TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
QUALITY RESCUE SERVICES	Patient Safety	Ensuring patient safety at all costs	Train the Class 1 Stations on New Evacuation Procedure (16 students) and drive use of new equipment	Yellow	Yellow	Green	Green
			Audit Evacuation System Annually	Red	Red	Red	Red
			Introduce simple triage tool	Yellow	Yellow	Red	Red
			Implement Patient Error Reporting	Yellow	Yellow	Yellow	Green
			Develop a simple PCR (patient care report)	Yellow	Yellow	Yellow	Yellow
	Quality Bases	Building appropriate purpose orientated rescue bases to meet service needs	Complete Base at Hartbeespoort Dam Station 25	Yellow	Yellow	Yellow	Green
			Complete Containers at Gauteng Station 27	Red	Red	Yellow	Green
			Review Base at Port St John Station 28	Red	Red	Green	Green
			Negotiate leases for Dept Public Works Sites	Yellow	Yellow	Yellow	Green
			Complete planning for Gordon's Bay Station 9	Yellow	Yellow	Yellow	Yellow
			Complete planning for Hout Bay Station 8	Yellow	Yellow	Yellow	Yellow
			Complete planning for Simon's Town Station 10	Yellow	Yellow	Yellow	Yellow
			Complete planning for Durban Station 5	Yellow	Yellow	Yellow	Yellow
	Quality Boats	Procuring safe purpose built boats to ensure crew and patient survival under austere conditions	New 10 6m RIB for Mykonos Station 4	Yellow	Yellow	Green	Green
			New 8 5m RIB for Knysna Station 12	Yellow	Yellow	Green	Green
			New 6 5m RIB for Mossel Bay Station 15	Yellow	Yellow	Green	Green
			New 4 2m IB for Gordon's Bay Station 9	Yellow	Yellow	Green	Green
			New 4 2m IB for Yzerfontein Station 34	Yellow	Yellow	Green	Green
			Deliver 14m Vessel for Durban Station 5	Yellow	Yellow	Yellow	Yellow
	Quality Vehicles	Procure safe rescue vehicles to fulfil the land based support function	New vehicle for Gordon's Bay Station 9	Red	Green	Green	Green
			New vehicle for Hout Bay Station 8	Red	Red	Green	Green
			New vehicle for Mossel Bay Station 15	Red	Red	Green	Green
			New vehicle for Hermanus Station 17	Red	Red	Green	Green
			New vehicle for Durban Station 5	Red	Red	Green	Green
			New vehicle for Knysna Station 12	Red	Red	Green	Green
			New vehicle for Melkbos Strand Station 18	Red	Red	Green	Green
			New vehicle for Yzerfontein Station 34	Red	Green	Green	Green
			New vehicle for Jeffrey's Bay Station 37	Yellow	Green	Green	Green
New vehicle for Ops Director			Green	Green	Green	Green	
New vehicle for CEO			Green	Green	Green	Green	
New vehicle for Agulhas Station 30			Red	Red	Red	Green	
Tractor for Lamberts Bay			Red	Red	Red	Red	

KRAS	STRATEGIC OBJECTIVE: TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
QUALITY CORPORATE GOVERNANCE, MANAGEMENT AND ADMINISTRATION	Governance Structure	Create Governance structures that maintain the values and ethos of the NSRI and assure donors and the public that their funds are well managed	Appoint new members that address diversity on the Board	Yellow	Green	Green	Green
			Complete Quarterly Board Meeting	Yellow	Yellow	Yellow	Green
			Complete Quarterly Committee Meetings	Yellow	Yellow	Yellow	Green
			Complete Annual Strategy Session	Red	Red	Green	Green
	Effective Management	Institute effective management to achieve organisational outcomes	Consolidate donor Data on CRM	Yellow	Yellow	Yellow	Yellow
			Initiate MIS upgrade to improve user interface and reporting	Red	Red	Red	Yellow
			Add Payroll to the Sage Package with leave module	Yellow	Yellow	Green	Green
			Implement Supply Chain Module	Yellow	Yellow	Yellow	Green
			Procure two new IT Servers and install behind firewall at Vodacom	Red	Red	Green	Green
			Implement Fibre Internet Access at Head Office	Green	Green	Green	Green
			Complete the Station Asset Registry on CRM	Red	Red	Red	Yellow
			Establish Office 365 Online for Stations	Red	Yellow	Yellow	Green
			Implement SharePoint and Document Management	Yellow	Green	Green	Green
			Establish threat control across the institute	Red	Yellow	Green	Green
			Provide Electronic Sight of Budget and Expenditure at Station Level	Yellow	Yellow	Green	Green
			Comply with Internal Audit Matters identified	Yellow	Yellow	Yellow	Green
			Manage Staff Performance Agreements	Yellow	Yellow	Yellow	Green
			Complete one learning opportunity for each staff member	Yellow	Yellow	Green	Green
			Comply with requirements of Employment Equity (EE) and publish a Plan	Yellow	Yellow	Green	Green
			Improve staff and volunteer diversity	Yellow	Yellow	Yellow	Green
Renew IT Technician Contract	Green	Green	Green	Green			
Report quarterly on internal & external diversity	Red	Green	Green	Green			

KRAS	STRATEGIC OBJECTIVE: TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
FUNDRAISING	Effective and Efficient Fundraising	Institute effective and efficient fundraising to raise the annual budget of the NSRI.	Facilitate at least two new Retail outlets in 2017	Red	Red	Yellow	Yellow
			Raise R8.3m in Grants	Yellow	Yellow	Yellow	Green
			Raise R3n in Legacies	Yellow	Yellow	Yellow	Green
			Raise R17.5m in Donations from Trusts, Companies and individuals.	Yellow	Yellow	Yellow	Green
			Raise R1.3m in memberships	Yellow	Yellow	Yellow	Green
			Raise R2m from events	Yellow	Yellow	Yellow	Green
			Raise R350 000 from Retail Business	Yellow	Yellow	Yellow	Green
			Raise R1.1m in Shipping Levies	Yellow	Yellow	Yellow	Green
			Appoint a fundraising secretary	Green	Green	Green	Green
			Appoint a fundraiser	Green	Green	Green	Green
			Appoint two bequest officers for Durban and Johannesburg	Green	Green	Green	Green
			Initiate International Fundraising	Yellow	Yellow	Yellow	Yellow
			Initiate Volunteer F2F Fundraising	Red	Red	Red	Red
MARKETING AND COMMUNICATION	Effective Marketing and Media Communication	Institute effective, comprehensive marketing and communication to influence positive public and donor behaviour toward the NSRI.	Create Brand Ambassadors	Red	Red	Green	Green
			Increase supporter database to 90 000	Yellow	Yellow	Yellow	Green
			Complete the Hout Bay Documentary	Yellow	Yellow	Red	Red
			Produce a quality Integrated Annual Report	Yellow	Green	Green	Green
			Measure Brand/Reputation internally	Red	Yellow	Yellow	Green
			Deliver 2017 Ogilvy Ad Campaign	Red	Yellow	Green	Green
			Establish relationship with "The Little Optimist"	Yellow	Green	Green	Green
			Rationalize Print and Electronic Magazine distribution to conserve cost.	Yellow	Green	Green	Green
			Produce a commemorative Magazine Edition	Red	Yellow	Green	Green
			Present the 2017 Program	Yellow	Yellow	Green	Green
			Coordinate 2017 Open Days at each station.	Yellow	Yellow	Green	Green
			Deliver an a 50th celebration 'Barts Bash'	Red	Red	Red	Red
			Deliver countrywide Rotary Events for 2017	Red	Red	Red	Red
Increase Twitter and Facebook exposure	Yellow	Yellow	Green	Green			

Below is an explanation of what the different class vessels mean:

Class 1 (Over 9 metre boat inboard diesel engines)

Class 3 (Under 9 metre boats, twin engines)



For a full goals and objectives register, please refer to our website, www.nsri.org.za

THE ENVIRONMENT WE OPERATE IN

“The culture of volunteerism within the NSRI is a principle strength, and collaboration within and between likeminded organisations will bear fruit in terms of our ability to prevent loss of life through drowning.”

ECONOMIC CONTEXT

Externally the economic issues that impact the NSRI include a declining and volatile Rand, low employment numbers, a sluggish economy, high fuel prices and low business confidence. All these issues have a bearing on the ease of raising funding and the level of fundraising we can achieve.

Internally, the NSRI has been able to achieve broader funding diversity, approval of lottery schemes by the National Lotteries Commission (NLC), sustained revenue growth through donations and improved risk control through internal audit. Challenges include the affordability of capital boat and building projects. There are opportunities in both retail business expansion and collaboration with local authorities.

GEOPOLITICAL CONTEXT

The NSRI is encouraged by recent political changes in South Africa and believes that the country is on the cusp of a much-needed confidence boost. Rand strength will be beneficial to the South African economy as a whole, as will improved business and consumer confidence and foreign investment.

ENVIRONMENTAL CONSIDERATIONS

Global warming, water scarcity, plastic pollution and fishing methods are all impacting on our services. Coastal areas are being eroded, requiring greater capital investment to secure infrastructure. Water scarcity is requiring investment in a saving culture and rain harvesting infrastructure. Plastic pollution impacts marine life and we have to play our part to reduce single use plastics in the environment through recycling and appropriate procurement of consumables. Fishing methods and industries are entrapping greater numbers of marine mammals, requiring disentanglement services, and poor fish stocks are driving fisher folk to take greater risk.



TECHNOLOGICAL DEVELOPMENT

Technology follows a rapid evolution to redundancy which creates challenges for decision making with respect to investment. Investment in dependable Information Communication Systems is fundamental to any business, including ours, and we have committed to Microsoft Products to integrate information across our Customer Relationship Management (CRM) and Financial Systems, with the objective of improved data capture, data management, data security and reporting.

We have opted for a people solution to our emergency call taking and dispatch conundrum, rather than invest in complex applications that burden volunteers with unnecessary work. Our investment in a public emergency access application, SafeTRX, has created greater stakeholder engagement and awareness.

SOCIAL DEMAND

More than 60% of all fatal drowning occurs in fresh water environments, involves young black males and is aggravated by alcohol. The rural spread of drowning makes a prevention strategy difficult, but at least in the Western Cape, a Drowning Prevention Strategy is in place and will begin to bear fruit. Continuing urbanisation will increase pressure on preventative activities and rescue services, particularly on beaches at peak holiday times.

A unique challenge is reaching some one million children every year in respect of water safety education and survival swimming. Only collaboration across many NPO and Government structures will deliver greater water safety and less mortality.

Volunteer sustainability appears to be secure but requires continuous engagement and reflection to ensure that enthusiasm, passion and culture are maintained. Maintaining volunteer capacity in small coastal towns requires hard work.



MESSAGE FROM OUR CHAIRMAN




Every year I am reminded of the selfless volunteer commitment that sustains our service and the generosity of 85 000 donors who facilitate the means with which to launch our volunteers.


Every year we move forward, we evolve, with an adaptability and flexibility so necessary to the complex and challenging context of drowning in

South Africa. Drowning is a global health issue, recognised by the World Health Organisation and, as a Middle to Low Income Country, we have a similar mortality burden, requiring innovative and responsive strategies. In this regard, we are leading the charge by focusing on prevention through involvement in collective drowning prevention strategies and our own internal water safety education and training programs and in expanding our operations to include lifeguarding.

Our rescue services remain world class and we continue to expand or evolve our footprint of services. This is evidenced by the reconfiguration of rescue stations to address swift water and flood rescue in the context of global warming and unpredictable weather. Crew safety is non-negotiable and we invest in the best personal protective equipment and rescue craft available, ensuring that crew are exposed to as little risk as possible under austere operational conditions.

 *For more information about our rescue stations, please refer to page 62.*

Like the weather we face at sea, the economic climate is no easier to navigate, but we managed to achieve our business targets and raise the necessary capital through our call centre and other fundraising activities. Raising R138 million a year as a charity is no small task, but our strategy of diversity across a range of income streams is sustaining our service. Expenditure is below budget, largely due to external dependencies in relation to capital projects. While we recognise that this pushes costs into the future, we have no control over agencies like the Department of Public Works who control the properties on which our bigger bases reside.

 *For more information about our income and expenditure, please refer to page 68.*

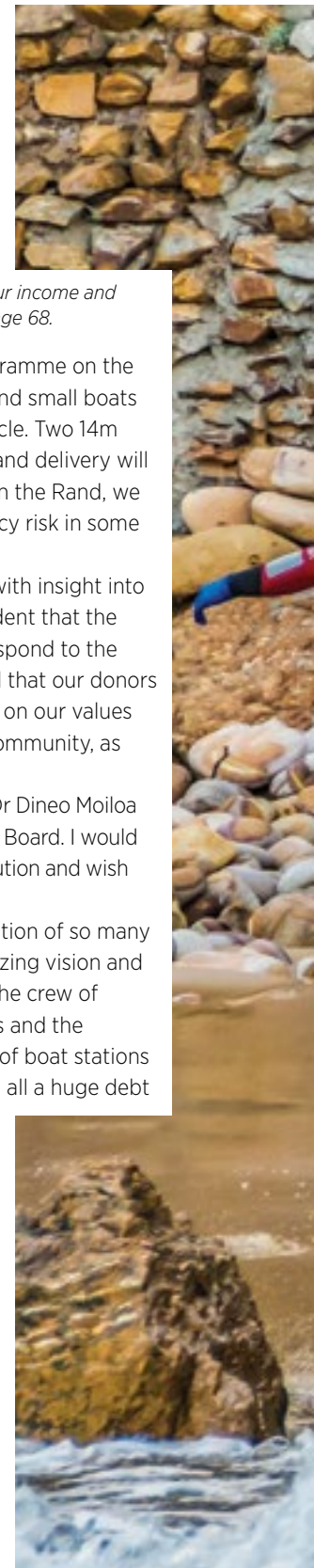
Our capital rescue vessel programme on the other hand, has progressed well and small boats are delivered within the annual cycle. Two 14m vessels are on order from France and delivery will be in 2018. Despite the pressure on the Rand, we have been able to mitigate currency risk in some measure through forward cover.

On current performance and with insight into the 2018 strategy plan, I am confident that the NSRI will continue to grow and respond to the service needs of South Africa, and that our donors will continue to support us, based on our values as an organisation and a rescue community, as well as our performance.

During the year under review, Dr Dineo Moiloa and Chris Nissen resigned from the Board. I would like to thank them for their contribution and wish them well for the future..

I salute the incredible contribution of so many volunteers over 50 years, the amazing vision and foresight of our early disruptors, the crew of 1966/67 and beyond, their families and the succession of exceptional leaders of boat stations around the country. We owe them all a huge debt of gratitude.

Ronnie Stein





“The NSRI has celebrated 50 years of Saving Lives, Changing Lives and Creating Futures throughout the last year through a series of open days at all our stations, across the four corners of South Africa. We have seen enthusiastic engagement between crew, supporters, donors and members of the public and it has been a wonderful celebration of our service to South Africa and our visiting tourists.”

REPORT FROM OUR CEO



We have celebrated our anniversary across the country with humility, pride and some sadness. We have saved many, lost some and remembered all those who made a contribution over so many years through selfless service. They have secured a future for many who would otherwise not be here today.

We remain conscious and prescient of the huge responsibility in respect of drowning prevention. We estimate some 2000 lives including 600 children, lost every year. We rescue almost as many, and prevent thousands more from drowning, but we have much more to do.

In this regard, we collaborated in creating a Western Cape Drowning Prevention Strategy which will hopefully pave the way towards a national strategy. We have also expanded our services to include lifeguarding for the first time, realising that saving lives on beaches takes a more immediate preventative intervention. Fresh water drowning remains the greatest challenge and we continue expanding our education program in schools and through partnerships with other organisations.

We know that to reach a population of 16 million children we will have to reach at least 1 million every year (we currently reach well over 300 000 children each year) and we can only do this through partnerships. We have also realised that swimming is a gateway to survival and that we have to begin to teach children survival swimming, a skill they can carry into adulthood. Black male young adults and very small children remain the highest risk groups.



For more information about our water safety lessons in schools, please refer to page 16.

“In 2017 I reacquainted myself, after 50 years, with the original crew of NSRI Bakoven, Station 2 – men that I had grown up with as a child and who I had helped carry a ply Munna Boat down from a green shed at the back of the beach. I was able to reflect on how far the National Sea Rescue Service had come since those balmy days when that motley crew first dragged on a yellow oilskin and set out on rescues! Inspiring!”

Operationally our crews continue to excel, responding to both water and land based emergencies within local communities, servicing a range of activities (surfing, kayaking, surf skiing, kite surfing, sailing, fishing) and occupations (fishing, shipping). In service of our recreational community, we now have over 4 000 subscribers (free) to our SafeTRX application and the rescues related to the use of the application are increasing. We continue to perform medical evacuations from ships at sea by boat, and support the South African Airforce during helicopter evacuations, in partnership with South African Maritime Safety Authority (SAMSA) and the Maritime Rescue Coordinating Centre (MRCC).



For more information about our rescue stations, please refer to page 62.

We were reminded of the need for mass rescue plans when the Robben Island Ferry, Thandi, began sinking with 65 passengers and 5 crew members onboard. Thankfully we were able to rescue all 70 with no loss of life, but the incident raised serious questions in respect of the operation of ferries and the use of life rafts and lifejackets on commercial vessels. We continue to engage SAMSA on issues of water safety.

In 2017, we engaged the Social Literacy Conversation, an organisation that facilitates transformation training, because we see transformation within the NSRI as a strategy to ensure that, as a rescue and drowning prevention organisation, we remain relevant to 56 million South Africans. We continue a journey to create a microcosm, in all aspects, of what we see as the ideal South African Society, exploiting the opportunity that diversity presents within stations and society in general. The current Social Literacy Conversation programme will deliver a toolkit of practical interventions to evolve our operations and achieve our vision.

We recognise the key role we play in both individual and social development in the context of drowning prevention. Injury or death interrupt developmental paths on many levels and our interventions target injury or death through early childhood development (maternal education), learn to swim programmes, water safety education, lifeguarding and rescue.

In achieving our objectives, we have to be inquisitive (new technologies), expansive (new bases, activities), prescient (education), inventive (new solutions, jet skis), inclusive (transformation, junior academy), demanding (scope, geographic creep) and discovering (methodology, technology) and in some measure we are achieving all of these.

The business or fundraising side of the organisation is a key enabler and our investment in fundraising skills and technologies is paying dividends. The fundraising team did an outstanding job of raising over R138 million in 2017, a difficult task in the current economy. Our marketing division tells the stories of the work our volunteers do, of the people and animals they rescue, and this creates the essential awareness and goodwill amongst our donors.



For more information about our income, please refer to page 68.

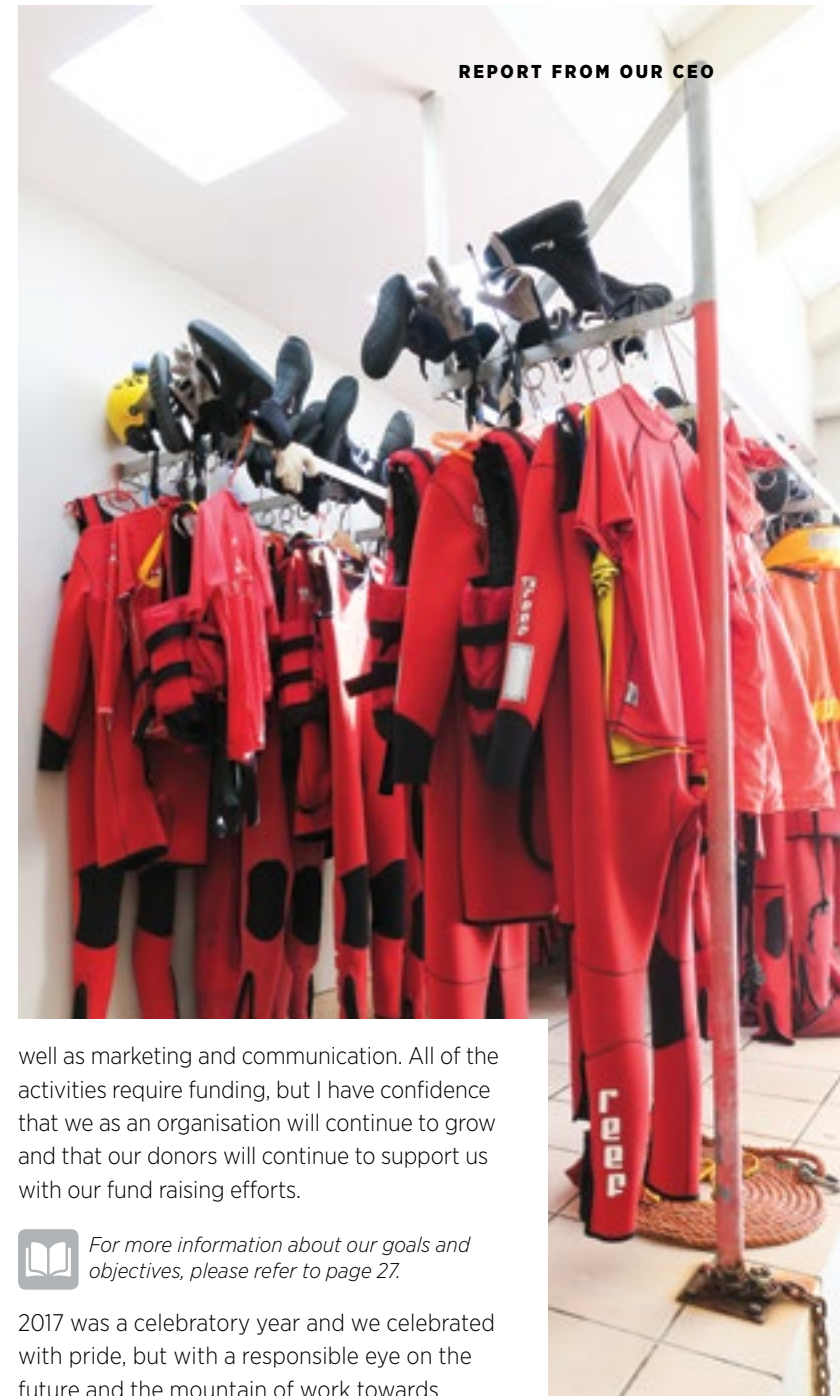
Our publications are of exceptional quality, a respect we pay to volunteer and donor alike and our communication with the media keeps the general public informed and aware, with the intention of preventing drowning.



For more information about our stakeholder engagement, please refer to page 38.

If there is a gap in our system, it is with respect to emergency activation and emergency numbers. We have realised that the public use multiple numbers and means to initiate emergencies. The challenge for us is to ensure that whatever device or utility they use to initiate an emergency call, we are able to channel or direct those calls to a central point from which response can be directed. SafeTRX helps, 112 is used very seldom for maritime emergencies, and 10177 is mostly used for inland water related emergencies. Along the coast people call the local NSRI cellphone number or the head office number. We still have to solve the emergency activation conundrum!

Our goals and objectives matrix this year included 118 activity targets – 77% of these were fully achieved and the rest are in progress. As in 2017, we will remain focused on these activities. The key areas are advocacy and prevention, quality rescue services, quality corporate governance, management and administration, fundraising, as



well as marketing and communication. All of the activities require funding, but I have confidence that we as an organisation will continue to grow and that our donors will continue to support us with our fund raising efforts.

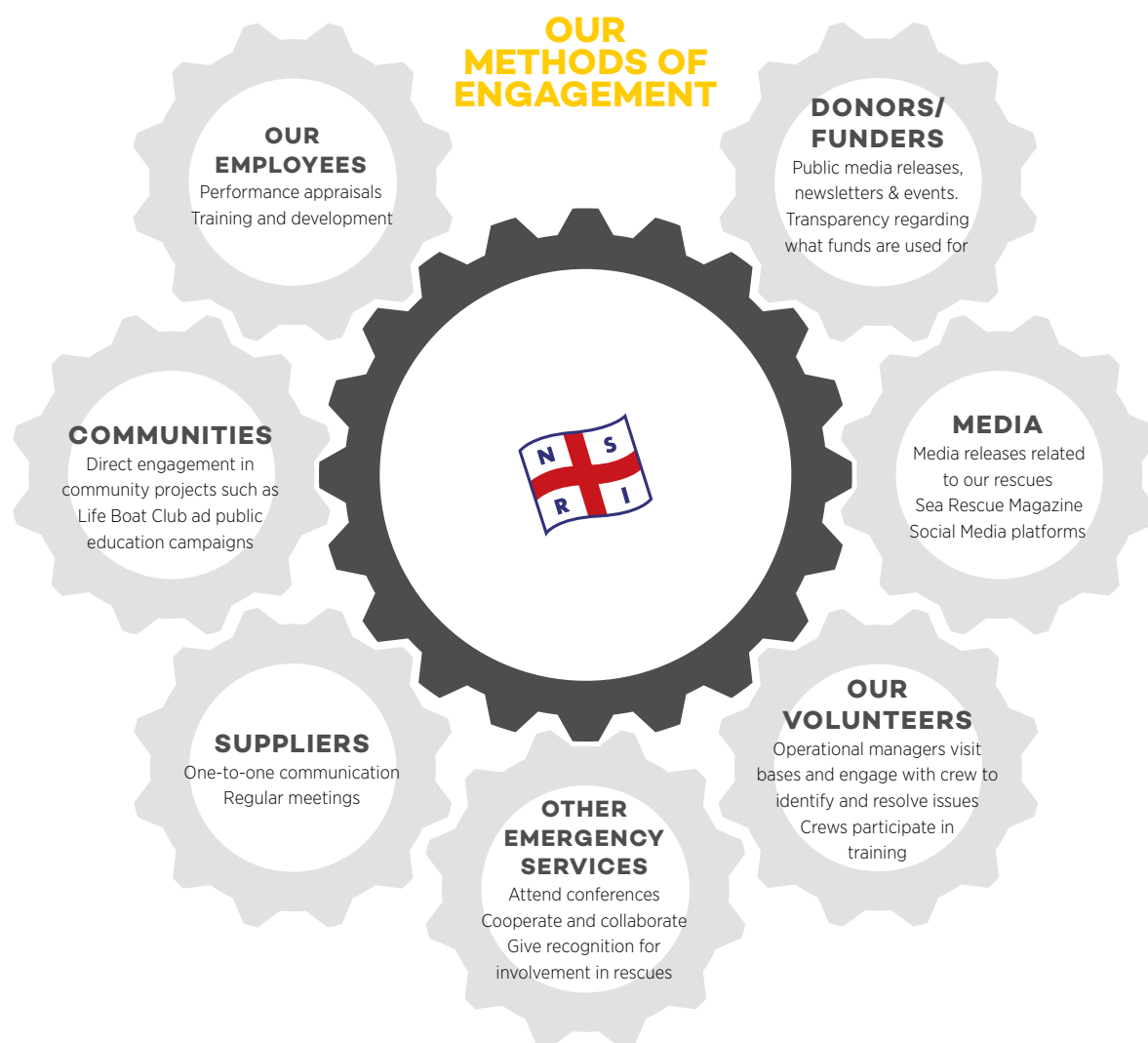


For more information about our goals and objectives, please refer to page 27.

2017 was a celebratory year and we celebrated with pride, but with a responsible eye on the future and the mountain of work towards preventing 2 000 fatal drownings and 20 000 non-fatal drownings each year.

Dr Cleeve Robertson

ENGAGING OUR STAKEHOLDERS



WHO OUR STAKEHOLDERS ARE

Process of identification of stakeholders

In 2017 we implemented a brand new Customer Relationship Management (CRM) system. All funders and supporters are managed in this system and effort is being made to add beneficiaries, suppliers and other stakeholders. In 2018 we will migrate our volunteers and staff records into CRM as well. This is an important step in centralising our stakeholder records and streamlining communication.

Measurement of quality of relationships





Ongoing support from donors indicate their satisfaction that our service provides tangible benefits, while invitations by Government and industry bodies to consult and collaborate provide evidence of the regard for the value added by the NSRI.

We conduct a series of anonymous surveys annually to gauge opinion of our volunteers. Each survey ends with an open invitation to note any complaints, concerns or compliments. These provide one feedback channel. Our CEO has an open door policy and invites anyone to contact or visit him should they wish to.

Effectiveness of stakeholder management

We have not formally measured the effectiveness of our stakeholder management. In 2017 we centralised all our donors on MS Dynamics (CRM) and our suppliers on MS NAV (NAV), an accounting system and will start including them in our magazine mailer. This year we plan to action a stakeholder satisfaction survey using our magazine, as that is the only communication vehicle which goes directly to our entire database.

ISSUES OF CONCERN

STAKEHOLDER GROUP	ISSUES OF CONCERN	OUR RESPONSE
DONORS/FUNDERS  Refer to page 49 for more on our donors	<ul style="list-style-type: none"> • Donor confidence • Donor fatigue • Sustainability 	Donor appreciation Good stewardship and good corporate governance are cornerstones of NSRI. Transparency and accountability ensure donor confidence.
SUPPORTERS	<ul style="list-style-type: none"> • Knowing our supporters • Growing our support base 	Seek out opportunities to engage with diverse groups, active media and social media presence/campaigns, actively manage reputation
MEDIA	<ul style="list-style-type: none"> • Communication overload • Comprehensive coverage • Information accuracy • Information currency 	Media engagement through dedicated spokesman, prompt, accurate and honest reporting after each rescue, actively building good relationships, welcoming media to contact us or meet with us, open door policy
BENEFICIARIES  Refer to page 22 for more on our rescues	<ul style="list-style-type: none"> • Emergency activation • Water safety consciousness • Bystander response 	Ongoing publicity campaign to promote emergency number, schools programme to teach water safety, media and social media campaigns re: education and emergency signage with contact numbers at high incident areas
VOLUNTEERS  Refer to page 54 for more on our volunteers	<ul style="list-style-type: none"> • Safety • Time commitment • Volunteer fatigue • Diversity 	Provide safe boats, excellent quality personal protective gear and excellent ongoing training Volunteer appreciation Engagement and consultation
EMPLOYEES  Refer to page 54 for more on our people	<ul style="list-style-type: none"> • Recruitment & Retention • Manage attrition • Diversity • Health • Social security 	Market related compensation Training & personal development Career path planning Engagement Employee benefits
SUPPLIERS	<ul style="list-style-type: none"> • Best prices • Good quality • Local • Environmentally conscious • Transformational 	Contract with preferred suppliers to secure best pricing, pay on 30 days
OTHER EMERGENCY SERVICES WITHIN SOUTH AFRICA AND AROUND THE WORLD	<ul style="list-style-type: none"> • Partnership collaboration • Healthy competition • Networking 	Mindset and culture of cooperation and collaboration, credit all partners who are involved in rescue, membership of International Maritime Rescue Federation, attend conferences and sit on committees, affiliated to Lifesaving SA

“We pursue every opportunity to engage in a dialogue with our donors, supporters, the media, beneficiaries, our volunteers, our staff, our suppliers and other emergency services within South Africa and around the world.”

HOW WE ENGAGE



Our aim in any communication is to invite dialogue, in so doing we aim to turn any broadcast into a conversation.

We report on every rescue effort through our spokesman who writes up a media release and gives interviews on request. We aim to report promptly, accurately, honestly and with discretion – always mindful of the privacy of the people we rescue. We aim to include all emergency services in our rescue reports. We make a point of correcting any errors as quickly and widely as possible.

Our Sea Rescue magazine is published, at no cost to us, by The Publishing Partnership. There are 3 issues a year which cover general interest stories, features on our crew and our programmes, recognition of some of our donors, announcements and feedback on events, as well as an extensive letters page where readers have the opportunity to share their own thoughts and experiences. This magazine is posted to our 85 000 funders and is available at no charge online.



Visit our website for online versions of our magazine.



People help the People – the advertising industry created a stirring tribute to the volunteers of the NSRI to mark our 50th anniversary of the organisation. Conceptualised by Ogilvy Cape Town and directed by Greg Gray of Romance Films, a powerful new television commercial demonstrated the family sacrifices NSRI volunteers make every time they respond, without hesitation, to emergency calls. It shows a bride delivering a wedding speech about her absent father as he heads out into a stormy Cape ocean on a rescue mission. The narrative is backed by the emotive soundtrack of Birdy's 'People Help the People'.

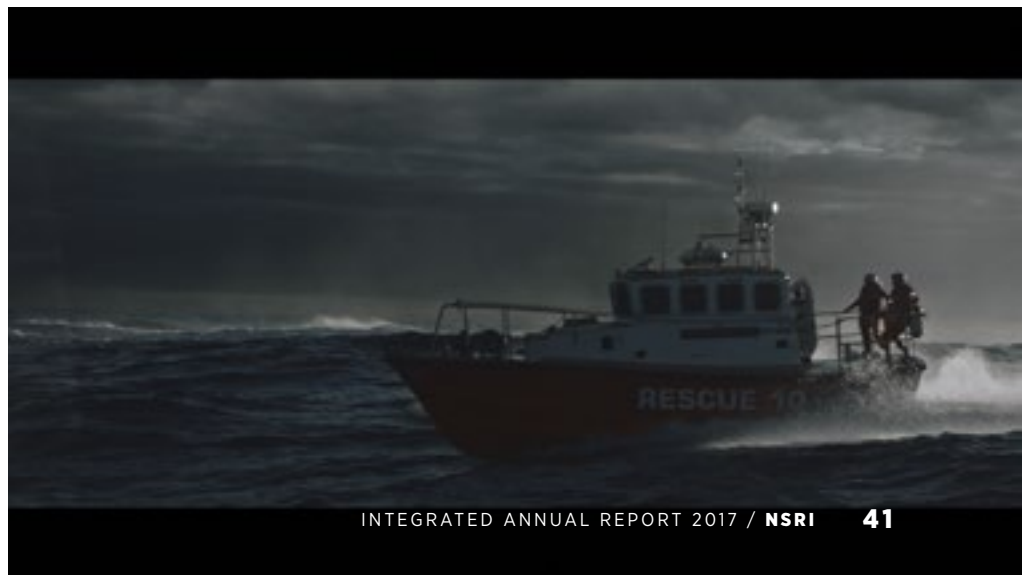
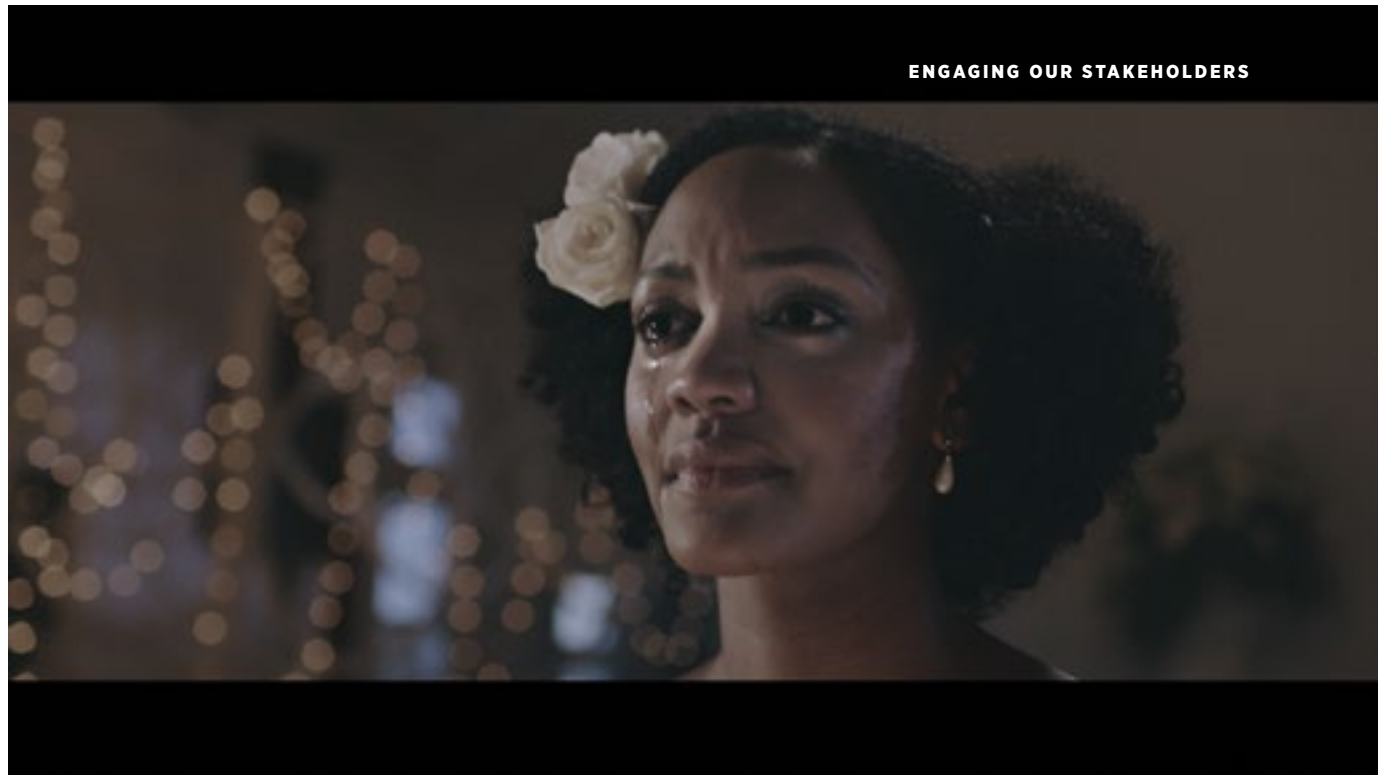
***The rights to free usage had been secured for one year and SA internet only. Towards the end of 2017 DSTV came on board to air the advert across all channels at no charge in support of the incredible work of our volunteers.*



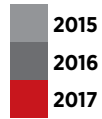
To see the advert, go to www.nsri.org.za/2017/09/advertising-industry-salutes-nsri-50-years/



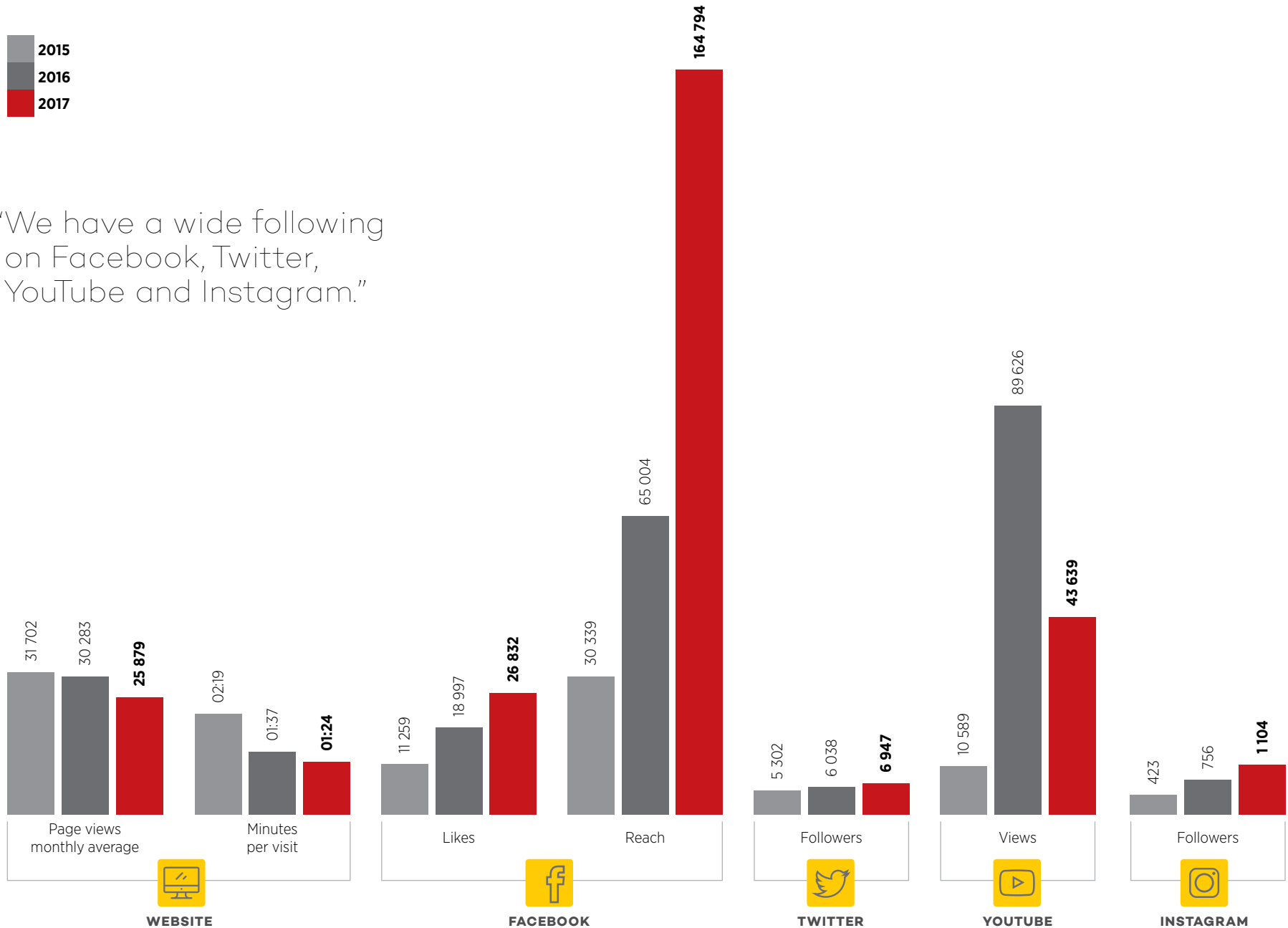
ENGAGING OUR STAKEHOLDERS



SOCIAL MEDIA INTERACTION TRENDS



“We have a wide following on Facebook, Twitter, YouTube and Instagram.”



Social media provides an excellent opportunity for us to share information quickly and cost effectively. Social media is unique in that it provides an opportunity for feedback and discussion and we value the opportunity for this two-way engagement. We embrace diverse opinion but we do not tolerate racism, bullying or hate speech, and have strong filters and monitoring to remove any offensive comments.

We outsource an outbound call centre and face to face promotions team who engage with the public daily. We record all feedback (positive and negative) as well as queries and aim to promptly pass them on to the relevant person who can take action.

Our CEO, directors and managers make an effort to visit stations and attend a wide range of functions during the year, again providing an opportunity to communicate. During the period 2017 our staff, directors and regional representatives made every effort to attend 50th anniversary celebrations and to engage with our crew and supporters.



Refer to page 10 for information about our celebratory events.

We publish staff and rescue base telephone numbers and email addresses widely and welcome engagements with stakeholders.

Our stakeholders are valued and our CEO takes the time to personally communicate with any donor who might have negative or critical feedback. Adjacent is an example of such a discussion:

COMMUNICATION WITH DONOR

E-mail from donor:

Good day,
Trust you are well!
Please cancel my monthly subscription as I don't feel my money is being used wisely. If you are so desperate for funds how come you give R10 000 away monthly in prizes – this adds up to R120 000 per year & R600 000 in 5 years. You definitely do not need my measly R100 pm if you can afford to spend R120 000 in 1 year on prizes instead of equipment for NSRI teams.

Thanking you

Tanya

Our CEO's response:

Dear Tanya,
Thanks for your mail and your take on our fundraising. It's great to get feedback because canvassing thousands of donors for their opinions is a difficult task. Every comment is welcome.

The point that you raise is valid but like any business, even a non-profit business, you have to spend money to make money and a charity, being run like a business, is no different. A direct consequence of our service are the donations we get, the better our service the more favourable people are to giving and supporting us. What we do it tangible, there's direct feedback and the relationship between giving and service is easy to understand.

It's less easy to understand complex giving in a diversity of ways (independent of the product) and we rely on research evidence to inform fundraising methodology and practice. Fundraising doesn't happen passively, nobody wakes up in the morning and decides to give money to a charity. It requires hard work and continuous effort to raise money, activities that in themselves cost money but without which we would not be able to solicit donations. Part of the methodology is incentivised giving, much like incentivised purchasing (Pick n Pay smart shopper points). Many people need some form of incentive to initiate giving and sometimes sustain it. The prize money we give away to incentivise giving is a necessary activity founded on international evidence. Taken into context we will raise R150m for the NSRI this year and we will give away R650 000 in cash prizes, 0.4% of our total revenue! So I agree with you that R650 000 could buy us almost three small boats or hundreds of lifejackets but ... we wouldn't be able to raise the other funds without deploying it in this way. It's a necessary business cost, understood by our fundraisers and donors, both of whom work very hard to raise the money in the first place.

I joined the NSRI in 2013 as CEO but I had been a donor since the mid-nineties and what assured me that my donation was being appropriately deployed was the quality and enthusiasm with which the service was delivered and the fact that I knew how the money was raised and managed by the NSRI. Donors trust us as professionals to deploy their donations as necessary to achieve the outcomes of the organisation. The NSRI is the only service of its kind in Africa and through our volunteers we do incredible work, but only by the grace and generosity of thousands of individual and corporate donors like yourself.

Thank you for your support in the past, you've certainly saved many lives through your contributions over the years. I will ask our fundraising team to cancel your subscription as requested.

Best wishes and kind regards

Cleeve Robertson

WHAT OUR VOLUNTEERS AND BENEFICIARIES SAY

SHERYLL GROBLER

STATION 6 PORT ELIZABETH

“2017 marked my 10 years of service at Station 6 Port Elizabeth. What a journey of self-growth, skills development, highs and lows. Moments that I won’t ever forget – both happy and sad. I have been blessed with friendships that go deeper and run stronger in a manner that can’t be explained.

One of the fundamental lessons I learned being part of a rescue team is that it’s never about one person, but about being a team. You are part of a machine made up of parts, and each part is as important as the next. These parts turning together is what makes the rescue a success. The radio operator is as important as the man at the helm; who is as integral as the crewman catching lines on the jetty, as is the swimmer in the chopper that gets his patient back to land.

In the years I have been at station 6 I have been a part of over 163 operations. In all these operations I have been trusted in the radio room, on the vehicles, on all our vessels, as a medic, to teach, to assist, to hold a patient’s life in my hands as I lower them to our rescue vessel, to release animals, and the list goes on. The reward of helping where you can is deeply gratifying.

I could regale stories of rescues that I was blessed to be a part of, but the bottom line of any story I tell is that it was a team effort.”



MICHAEL SAUNDERS

STATION 25 HARTBESPOORT DAM: STATION COMMANDER

“I have been a volunteer with NSRI since 1985 and over the years have been asked a number of times, “Why do you do it”? It has never been difficult to answer that question. I do it because there is no greater gift that we as humans can give than hope, support and closure.

Hope that we will bring back the person in distress and return them to their loved ones.

Support when the odds seem insurmountable.

Closure when we are unsuccessful in saving a life, however are able to give closure by returning the earthly remains.

I have risen through the ranks from being a crew member to coxswain and now station commander. It is when you perform the leadership role that you realise it is about more than saving lives, we become role models and mentors for our younger crew, a role that can often be vital in developing talent and future leaders of our community.

The most taxing operation for 2017 has to be the night that I received a call from Craig Lambinon, our Press Officer – it was 23h45 on the 24th April 2017. A father and his daughters were stuck on the dam in dense hyacinth and had been there since 18h00. I activated the crew and we launched just after midnight. We encountered dense hyacinth approximately 500m from the casualty craft. The hyacinth was so thick it took us a further 2 hours to reach them. A tow was rigged and 3 hours later we were able to break free from the hyacinth and get the family safely ashore. The entire operation took 6 hours and considering the total distance traveled was less than 1km, shows how hard the crew and our rescue craft had to work to get them safely ashore.

Would I do it again? Without question. The relief on the faces of the parents and the young girls when they realised that help was at hand is reward enough for having to leave a warm bed.

To sum it up, we have a motto in Sea Rescue that simply says, IT’S WHAT WE DO!”

LETTER OF THANKS

Please accept this as a heartfelt thanks for the totally professional & dedicated personnel of the Simon's Town NSRI, from us all, at Southern Alliance Fishing – MFV: Django & Albatros.

To the Crew and Skipper, Stuart, of Rescue 10 – thanks so much for your efforts, sacrifice, patience and perseverance & well done on a long Friday night!

We were faced with a brand new hydraulic steering pump failure that had broken the seal between the Power Take Off (PTO) & the engine for the Hydraulic pump. The hydraulic oil had mixed with the engine oil and we were not willing to restart the main engine due to fear of damage (completely mechanical and out of our hands out at sea).

Special Thanks to Darren Zimmerman for his calm & kind manner.

Thanks again and always there to offer support where we can in return.

Garry Torbin Nel



JEROME SIMONIS

STATION 12 KNYSNA: STATION COMMANDER

“Being a NSRI volunteer is more than just helping others, it is about making a difference, a positive contribution to strangers and the community, something outside of family and friends. It’s a feeling you feel in your heart.

The challenges and development of knowledge and life skills within NSRI is endless – the more you give, the more you learn, the wiser you become.

What makes being a NSRI Knysna volunteer so gratifying, is the sense of pride that you feel being part of a well-trained team and a member of one of the most respected rescue organisations in South Africa.”

CASE STUDY

FLOODS

In October 2017, NSRI Durban, NSRI Shelly Beach and NSRI Port Edward as well as emergency services were fully deployed assisting at floods in and around the Kwa-Zulu Natal North and South coasts. NSRI Durban dispatched their sea rescue vehicle and rescue swimmers fully kitted in wet suits. NSRI Port Edward dispatched their sea rescue vehicle and Discovery Rescue Runner to the Umtamvuna River.

Strong winds, gusting up to 50 knots in places, and heavy rain causing flash floods, were experienced. NSRI, assisted emergency services to evacuate persons trapped in vehicles, homes and businesses. Some of the incidents dealt with were craft broken from moorings on the Umtamvuna River. NSRI Durban also assisted emergency services in and around Durban where babies, children and adults were being assisted to higher ground and freed from entrapments in homes and motor vehicles in flash flooded areas.

At Montclair and at Isipingo, initially the main concentration of NSRI’s assistance, saw a baby rescued from an entrapment in a home and many incidents of residents, as well as motorists, being assisted away from flooded areas and entrapments, to higher ground.

The Transnet National Ports Authority were dealing with the container ship MSC Ines that drifted into the mouth of the Port of Durban abeam as well as other vessels and boats beached on sand banks. Yachts and boats in the small craft harbour and at the Point Yacht Club (PYC) had broken moorings. NSRI Durban rescue crews also assisted with boats and yachts broken free of moorings.



JULIAN SINGH
NSRI DURBAN

"Ever since I've joined Sea Rescue, it has become a huge part of my life. I enjoy volunteering in the organisation as it allows me to make a difference in the world, as trivial as it may be at times. The people that are part of Sea Rescue make the experience all that more enjoyable. With regards to child rescue, I gain a sense of relief whenever I am able to assist those in need; as much as I can in my full capacity. Sea rescue has disciplined me over the years through its training and development courses, and as a result, is the reason I have gained so much experience and confidence when helping people. NSRI gives our community hope, as well as meets the societal needs. Therefore, I am proud to be a part of it, and look forward to many more years of involvement."

OUR PLATINUM PARTNERS ARE:



Platinum partners. From left: Paul Couzis and family and Sergio Galli and family on the right (Italtile)



OUR FUNDERS

Over 2 000 companies actively support our work through their corporate social investment funds, their marketing budget or through 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 the few charities with 18A status and since more than 75% of our beneficiaries are black, we offer B-BBEE certificates as well. The income from these companies totalled R4 431 119 in 2017.

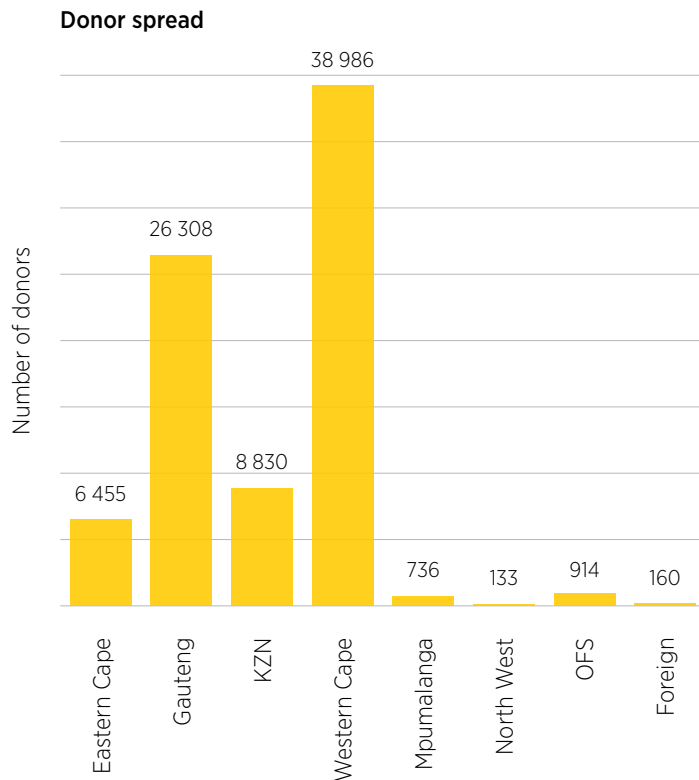
Our Platinum Partners contributed R896 710 in 2017. These are a group of companies who understand our business needs and pledge their contribution towards our overheads. Platinum partnership is an exclusive opportunity for a maximum of ten partners at any one time. It is viewed as a long-term partnership and brand investment.

“Our funders are an integral part of all our rescues and education campaigns – without them we cannot save lives!”

Dear all

It's an honour & a privilege to support your organisation. You do wonderful & amazing work on the oceans & with the communities around SA, so I hope I can continue with my small offering as long as I can. I always enjoy reading your newsletters with such terrific stories of brave rescues on the sea. What would we do without you? Keep up with the good work, and thank you to all your amazing volunteers.

Judy Conlin



OUR GOLD PARTNERS CONTRIBUTED R404 420

These are:

- Africa Bunkering & Shipping
- Anglo American Thermal Coal- New Vaal Colliery
- Cohesive Capital (Pty) Ltd
- De Beers Marine Pty Ltd
- Denso SA (Pty) Ltd
- Freddy Hirsch Group
- Imperial Group Ltd t/a Alert Engine Parts
- JLT South Africa (Pty) Ltd
- Lusitania Marketing Services
- Macs Maritime Carrier Shipping (Pty) Ltd
- Mix Telematics International (PTY) LTD
- Peregrine Equities
- Press Spinning & Stamping Co
- Richards Bay Coal Terminal
- Robertson and Caine
- Store Maintenance and Installation Specialists (Pty) Ltd
- Two Oceans Marine Manufacturing
- Viking Fishing Co (Pty) Ltd and Westpoint Fishing Corporation

OUR SILVER PARTNERS CONTRIBUTED R74 690

These are:

- Admiral Powercats
- Boardman Bros (Pty) Ltd
- Cape Concrete
- Caylash Fishing CC
- Checkpoint Development
- Conrite Walls (Pty) Ltd
- Denys Edwardes
- Harbour Bulk Handling (Pty) Ltd
- Jorika Fishing cc
- Kelp Products (Pty) Ltd
- Khwezi Financial Services
- Mufasa Fishing CC
- NCP Alcohols
- Orlichem (Pty) Ltd
- Rafiki Fishing Company (Pty) Ltd
- Ridgecape Capital (Pty) Ltd
- Ruwekus Fishing
- South African Association for Marine Biological Research
- Southern Power Products
- Squid Packers (Pty) Ltd
- Trados Fishing Company (Pty) Ltd
- Triangle Transmissions (Pty) Ltd
- St Francis Sea Products
- Christina Fishing
- TTM Fishing (Pty) Ltd
- Humansdorp Community Factory Workers and Umgibe Fishing Company (Pty) Ltd.

OUR BRONZE PARTNERS CONTRIBUTED R10 780

These are:

- A Batchelor & Associates
- Aska Property Group
- Checa Ceramics
- Humewood Hotel
- Merchantec Capital
- Merchantec Capital
- Standup Paddling South Africa and Westons.



Our big events for the year included two Rotary Wine Auctions contributing R518 850 and our golf days contributing R800 245 080. Events are labour intensive and we remain grateful to all those who help us with the planning, preparation and hosting on the day, as well as those who arrive to quietly clean up once all the fun is over.

The State and State Owned Enterprises are important role players. Traditionally they fund between 3 and 7% of our annual cost, in the year 2017 their collective contribution was R10 379 741 (including Lotto), which translates 7.47%.

Bequests remain a very important source of income. We have a number of retired crew and supporters who pledge to leave us a legacy in their will. We invite these supporters to become part of our Life Boat Club and keep regular contact. They are invited to talks over brunch and tours of our rescue bases, weather permitting they are occasionally invited to join us on our rescue boats. Income from bequests in 2017 amounted to R3 387 002, which translates to 2% of our annual income.

Our collection tins and street collections also make a valuable contribution. We remain grateful to the shops who “moor our collection boats” at their till points and the volunteers who faithfully collect, count and bank this cash. Our crew at rescue bases around the country choose a day to dress up and shake tins in their town. This is not only a fundraiser and team builder but also a fun way to interact with the community.

STREET COLLECTIONS PER BASE:

RESCUE BASE	TOTAL RAISED
03 Table Bay	R40 729
06 Port Elizabeth	R87 128
10 Simon’s Town	R14 600
14 Plettenberg Bay	R111 226
17 Hermanus	R56 041
18 Melkbosstrand	R14 168
21 St Francis Bay	R19 290
37 Jeffrey	R57 665
	R400 847

Dear Dr Robertson,
I must tell you that I am delighted and impressed that NSRI should go to the trouble of sending such a tangible acknowledgment of the modest support I have been able to give your organisation over a number of years.

As a Durban resident for some 60 years I am well aware of the dangers that can arise at sea, and therefore of the valuable work undertaken by the NSRI. You can take it that I will continue to support your organisation as long as I can – bearing in mind that I am in my 87th year...

Thank you again for your thoughtful gesture to your donors and my best wishes for the continued growth and success of the NSRI. Please do not go to the additional trouble of acknowledging this letter.

Yours sincerely,
AJF (Alan) Ross.

Hi,
It is a pleasure to support the incredible work your organisation and volunteers do to keep our waters safe.

Keep up the good work!

Judith



INCOME AND EXPENSES PER BASE

Donors who contribute to Sea Rescue may specify which base they would like to support. We honour these requests and allocate the funds accordingly. In addition, our rescue bases host fundraising events, golf days and street collections and these funds accrue to the hosting rescue base. Each rescue base participate in our annual budget process and are accountable for their expenditure. Rescue bases are not expected to self-fund – the figures get recorded purely for transparency purposes. The income and expenditure per base were as follows:



RESCUE BASE	2016		2017	
	SPECIFIED INCOME	EXPENDITURE	SPECIFIED INCOME	EXPENDITURE
02 Bakoven*	R164 647	R200 365	R242 123	R1 486 974
03 Table Bay	R4 822 072	R854 893	R794 054	R562 185
04 Mykonos	R527 322	R1 881 807	R688 556	R3 218 656
05 Durban*	R1 057 333	R458 995	R5 487 436	R16 294 469
06 Port Elizabeth	R1 750 152	R5 804 096	R1 366 386	R858 226
07 East London	R272 088	R499 585	R284 462	R1 598 656
08 Hout Bay	R3 021 121	R733 349	R214 418	R862 105
09 Gordon's Bay*	R2 813 133	R2 161 052	R1 664 689	R1 085 259
10 Simon's Town*	R4 917 538	R948 459	R785 299	R6 184 940
11 Port Alfred	R162 099	R218 252	R236 873	R1 537 240
12 Knysna	R768 666	R1 044 952	R1 163 531	R2 689 018
14 Plettenberg Bay**	R744 978	R706 903	R1 633 464	R1 249 367
15 Mossel Bay	R306 216	R415 046	R475 562	R1 718 140
16 Strandfontein	R328 010	R525 230	R290 031	R900 891
17 Hermanus	R642 883	R835 212	R805 124	R1 086 416
18 Melkbos	R381 095	R394 513	R650 112	R1 628 270
19 Richard's Bay	R751 312	R1 557 695	R924 927	R643 976
20 Shelly Beach	R429 480	R465 844	R235 070	R451 008
21 St Francis	R330 505	R560 254	R481 550	R245 106
22 Vaal Dam	R70 635	R29 665	R107 097	R16 960
23 Wilderness	R120 940	R1 213 227	R249 968	R368 135
24 Lamberts Bay	R144 281	R89 922	R177 571	R263 404
25 Hartbeespoort Dam	R72 654	R334 399	R49 455	R247 198
26 Kommetjie	R309 619	R1 573 182	R230 264	R424 485
27 Gauteng	R24 400	R47 815	R112 339	R96 005
28 Port St John	R45 700	R28 565	R22 020	R2 349
29 Air Sea Rescue	R24 290	R91 320	R11 030	R103 066
30 Agulhas	R104 368	R182 267	R389 020	R1 097 444
31 Still Bay	R187 093	R321 523	R162 239	R233 772
32 Port Edward	R243 569	R1 186 119	R67 187	R588 996
33 Witsand	R327 060	R627 260	R252 796	R251 085
34 Yzerfontein	R141 462	R350 562	R126 519	R744 338
35 Witbank Dam	R20 825	R71 168	R6 650	R101 390
36 Oyster Bay	R21 210	R13 688	R45 037	R36 680
37 Jeffrey's Bay	R108 975	R221 598	R194 844	R1 218 358
38 Theewaterskloof Dam	R8 476	R197 424	R8 100	R28 777
39 Rocky Bay	R0.00	R0.00	R5 915	R398 870

In 2017, the Station 14 Plettenberg Bay Fundraising Committee received the Alric Simpson Award for their remarkable effort and contribution over four decades. (Chairman David Haysom receives award)



We have received specified funds prior 2016 that have been ring-fenced and invested for future capital projects:

*** Station 02 Bakoven**

2015 – R800 000.00 from the Estate Late Geoffrey Hirschmann

*** Station 05 Durban – ORC 1**

2015 – R2 000 000.00 from the Alick Rennie Charitable Trust

2015 – R1 475 000.00 from the Estate Late Bruce Townsend

*** Station 09 Gordon's Bay – Base rebuild**

2015 R3 519 190.00 from the Estate Late I Riley

*** Station 10 Simon's Town – ORC 2**

2015 R3 092 792.73 from the Donna H Nicholas Revocable Trust

**** Station 14 Plettenberg Bay boasts a proud tradition of securing funding for each one of their assets as well as their running costs and rescue base refurbishments from local sponsors and donors. They have banked a surplus of R3m into the kitty which accrues interest and is ringfenced for future projects.**

OUR PEOPLE

A focus area for NSRI, both currently and going forward, is to ensure the skills and experience of generations of volunteers and years of training is retained on base and transferred to the next generation of leaders. To achieve this requires 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.

Our rescue crew are all unpaid volunteers with day jobs and families. Training is an essential component of remaining current, but we are at the same time mindful that time should be used wisely. For this reason our rescue crews gather at their bases weekly for practical, team scenario training, and theory has been migrated to an online portal where the crew can complete modules in their own time and at their own pace. The platform and material is built to be interactive and engaging, and can be accessed through a computer or cell phone. Because it is digital and not hard copy print, material can be updated easily. Online forums provide an opportunity for learners to engage with each other across the country. This has proven a far more economical training method, in terms of both time and money. We started out small with our “Introduction to Sea

MANAGEMENT TEAM

ROLE	NAME	NQF	AGE	SERVICE	GENDER	RACE
CEO	Dr Cleeve Robertson	10	58	4	Male	White
Director: <i>Operations</i>	Mark Hughes	6	58	6	Male	White
Director: <i>Fundraising and Marketing</i>	Meriel Bartlett	7	48	13	Female	White
Director: <i>Finance</i>	Mark Koning	7	61	17	Male	White
Drowning Prevention Manager	Andrew Ingram	6	52	7	Male	White
Operations Manager	Brett Ayres	8	35	3	Male	White
Finance Manager	Althea Nutt	6	42	3	Female	Black
Fundraising Manager	Alison Smith	4	52	7	Female	White

Rescue” course and then developed our critical patient care course known as “Maritime Emergency Care”. We currently have 12 courses online and have 7 more under development.

Behind our volunteers on the water (the tip of the spear), there is an essential support side – including shore controllers, station administrators, regional representatives, as well as the head office staff that serve the stations.

	EXECS	NON EXEC	STAFF	FULL TIME STAFF	HALF DAY STAFF
Male	3	7	15	9	6
Female	1	1	25	16	13
Black	0	4	19	9	12
White	4	4	21	16	7

NUMBER OF VOLUNTEERS	2017				
	BLACK	WHITE	MALE	FEMALE	TOTAL
Volunteers	94	1038	869	268	1137
- Station Commanders	2	35	36	1	37
- Deputy Commanders	2	36	34	4	38
- Coxswain	7	160	157	10	167
- Trainee Coxswain	1	88	75	14	89
- Crew	82	719	567	239	806

Rescue and Drowning Prevention of the future is a collaborative process, and the “people” side also includes the hundreds of organisations that we work alongside with (operationally and financially), as well as the people we partner with in ensuring the accomplishment of our mission. Tying this all together requires a modern leadership paradigm that is able to make sense of the complex networks, communications and processes.

“Without people a rescue base cannot operate. There is little value in providing the best facility, kit and boats without the people! An unmanned, but well-equipped base will not save a life or teach a child to swim, but a passionate volunteer with little more than the clothes on their back can make a massive difference.”



2017 SUPPORT TEAM

GEO				
Dr Cleeve Robertson				
PA (Bongiwe Ngqaqu)		RECEPTIONIST (Stephanie Daniels)	OFFICE ASSISTANT (Collen Maroveke)	IT CONSULTANT (Ben McCune)
EXECUTIVE DIRECTOR: OPERATIONS Mark Hughes		EXECUTIVE DIRECTOR: FINANCE Mark Koning	EXECUTIVE DIRECTOR: FUNDRAISING & MARKETING Meriel Bartlett	
OPERATIONS MANAGER Brett Ayres	DROWNING PREVENTION MANAGER Andrew Ingram	ACCOUNTS MANAGER Althea Nutt	COMMUNICATIONS MANAGER Craig Lambinon	FUNDRAISING MANAGER Alison Smith
TRAINING & DEVELOPMENT FACILITATORS Daniel Heimann Graeme Harding	SCHOOLS PROGRAMME MANAGER Eoudia Erasmus	PROCUREMENT OFFICER Coralie McDonald	DESIGNER Paula Leech	FUNDRAISERS Stuart Moerdyk Krista Lazzari Liza Rossouw
TRAINING & LOGISTICS ASSISTANTS Bianca van Zyl Mark Benecke	WATER SAFETY INSTRUCTORS Desiree Pinetown Charles McHelm Poppy Zondani Kenneth Gagela Percy Mthombeni Zanele Bushwane Linda Gedesi Liza Wigley Val Barlow Nelisiwe Mntambo Rose Ndaba Ruahn Beattie Slindile Mthethwa	ACCOUNTS CLERK Robin Jones	PUBLIC RELATIONS Megan Hughes	FUNDRAISING ADMIN Laura du Preez Kelly Cowell Wendy Bululu Natasha Lindeboom
OPERATIONS ADMIN Nazreen Abrahams				BEQUEST OFFICERS Janet Burgess* Q1 2018 Bruce Sanderson* Q1 2018 Judy Venter Theresa Medicine Helen Wienand

* Retired

TRANSFORMATION

In 2017 the words transformation and diversity are often loaded and mean different things to different people sometimes creating fear and distracting from the objective of creating an organization that seeks to represent a microcosm of what an ideal South African society should be, in line with the intentions of the 1996 Constitution to;

- Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;

- Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
- Improve the quality of life of all citizens and free the potential of each person; and
- Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations

These founded in the values of;

- Human dignity, the achievement of equality and the advancement of human rights and freedoms
- Non-racialism and non-sexism

The NSRI strongly supports the objective of transformation – creating an organisation that seeks to represent a microcosm of what an ideal South African society should be.

The people within the NSRI, represented by their leadership, embrace the principles of transformation, being diversity, non-racialism, redress, transparency and fairness, and it is from the collective of Station Commanders that the initiation and evolution of a transformation as strategy is embraced.

Transformation has multiple levels and dimensions within employee, volunteer, service, stakeholder, community and donor groups and we see the sustainability of our organisation as being dependent on a comprehensive transformation within a South African societal context.

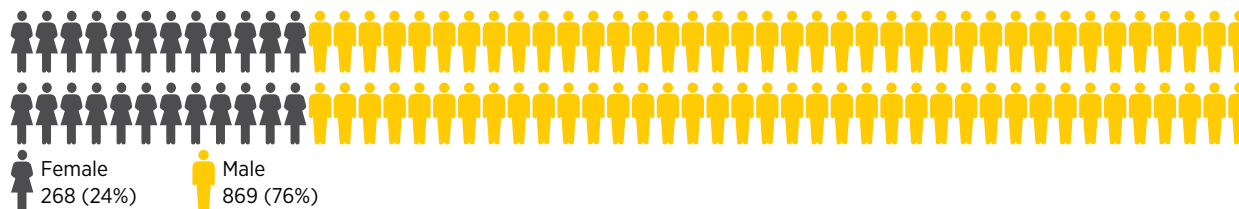
We recognise that the presence of a diverse range of experiences, perspectives, cultures, religions and languages balance the organisation, improving understanding, tolerance, communication, reasoning and empathy towards internal and external clients. We recognise past inequity and seek to ensure inclusivity, participation and contribution by all people and we will strive to be part of a non-racial, non-discriminatory society.

In 2017 we began a series of training workshops, surveys of personnel and engagement sessions, which will inform a toolbox of practical interventions (a request at the 2017 Station Commanders Conference) that can be utilised by professional and volunteer leaders as the journey evolves.

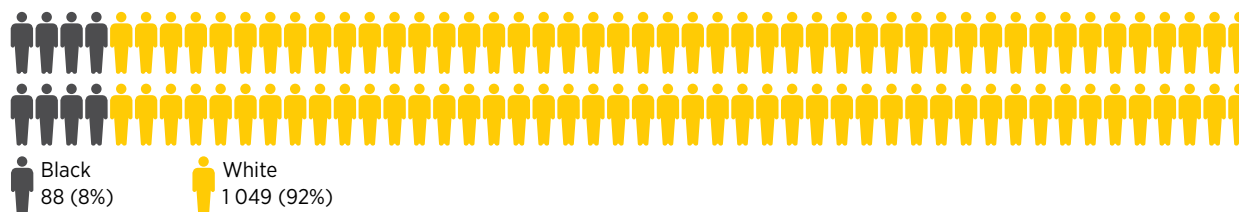
We are on our way!

NSRI VOLUNTEERS

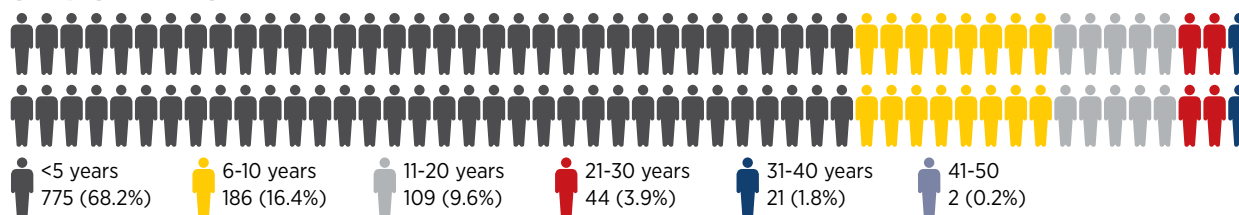
GENDER



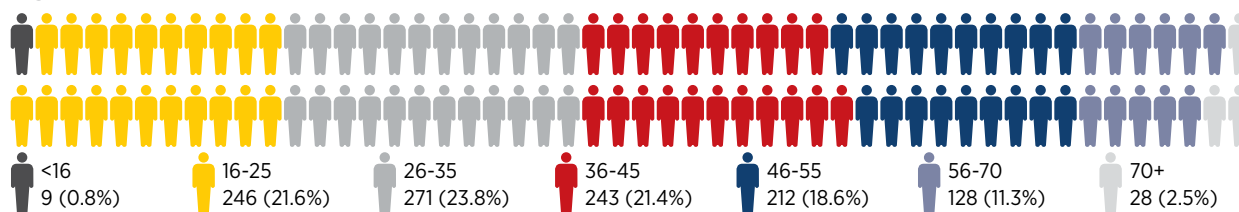
RACE



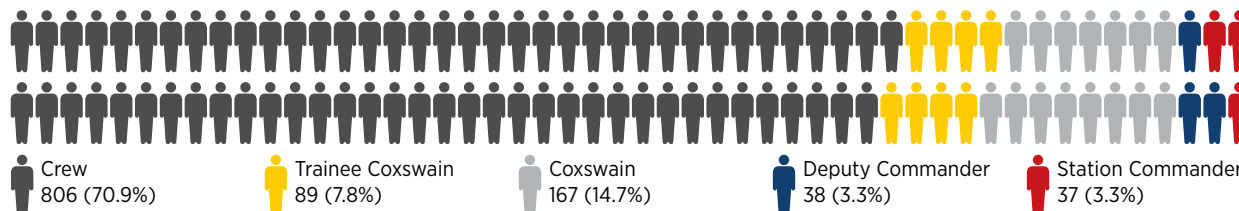
SERVICE YEARS



AGE



POSITION



OUR BENEFICIARIES

“Our goal is to prevent drowning by rescuing any person or animal in need, as well as teaching and training as many children as we can about water safety and survival swimming.”

CASE STUDY

CHILDREN RESCUED IN PLETTENBERG BAY

Marc Rodgers, NSRI Plettenberg Bay station commander, said: At 11h41 on Sunday the 3rd of December, NSRI Plettenberg Bay duty crew were activated following reports of a drowning in progress at Hobie Beach, Plettenberg Bay. Cameron Badenhorst, a local 6-year old, noticed the drowning in progress happening in the surf in front of the lifeguard tower and he ran to our nearby NSRI sea rescue base to alert NSRI, who dispatched rescue swimmers to the scene and alerted the lifeguard. On arrival on the scene we found members of the public and a lifeguard assisting 3 children in the water and our sea rescue swimmers assisted getting the children out of the water. They were placed on oxygen and treated for non-fatal drowning symptoms by NSRI medics and Med-Life ambulance services were activated.

The children had been swept out to sea by rip currents. The male casualties, 2 of them aged 9, and an 11-year old, were transported to hospital by Med-Life ambulance in stable conditions for further treatment and for observation.

Cameron’s quick reaction in alerting us, and the members of the public that assisted, are commended for their actions.





CASE STUDY

**TEENAGER
RESCUED FROM
RAPIDS AFTER
DAM WATER
SLUICE GATES
OPENED**

Dean Wegerle, NSRI Witbank Dam station commander, tells the story:

at 12h25, Tuesday, 19th December, NSRI Witbank Dam duty crew were activated following reports from an NSRI Witbank Dam trainee who was on the scene at the Witbank Dam waterfalls downstream from the dam water sleuth on the Olifants River in the eMalahleni Nature Reserve. A group of local 7 males and females, aged between 17 and 25, were swimming in the river when the sluice gates were opened causing rapids, catching the group off-guard and trapping a 17-year old female on rocks in the middle of the rapids.

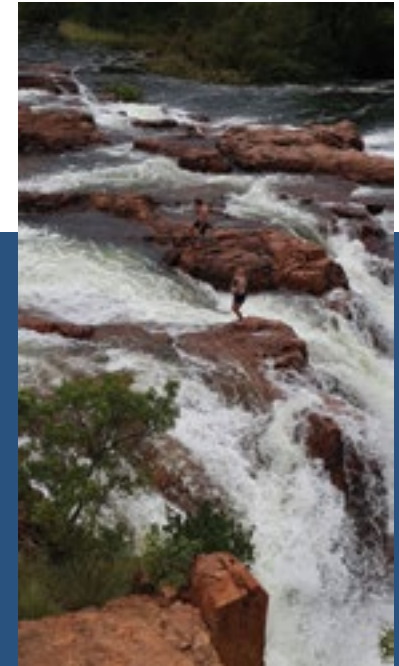
We dispatched our NSRI swift water rescue team and a Police Dive Unit, Police Search and Rescue team and Legacy Emergency Specialists also responded. Once on the scene, an NSRI rescue swimmer was posted on the rock near the female who was reassured and advised how to brace against the flowing water. The NSRI rescue swimmer geared up to be prepared to jump in to rescue the teenager if it became necessary – and a rope system was set up in case she may be swept off the rocks and down the waterfalls by the swift water rapids. NSRI rescue swimmers and the Legacy Rescue Specialist team on each side off the river made preparations for a rescue effort.

The Legacy team assisted together with our NSRI rescue swimmers to devise a swift water rescue plan in case it became necessary while members were dispatched upstream to the Dam wall where Municipal authorities agreed to shut down the water sluice gates to stem the water flow, this would allow us only a short window period in which to execute a rescue operation once water flow subsided, before they would be forced to reopen the sleuth to prevent water pressure.

Once water flow subsided, we were able to successfully rescue the teenager.

The Police team arrived as the female was being rescued and they assisted in the debriefing.

The teenager was not injured and no further assistance was required



DEMOGRAPHIC BREAKDOWN OF BENEFICIARIES

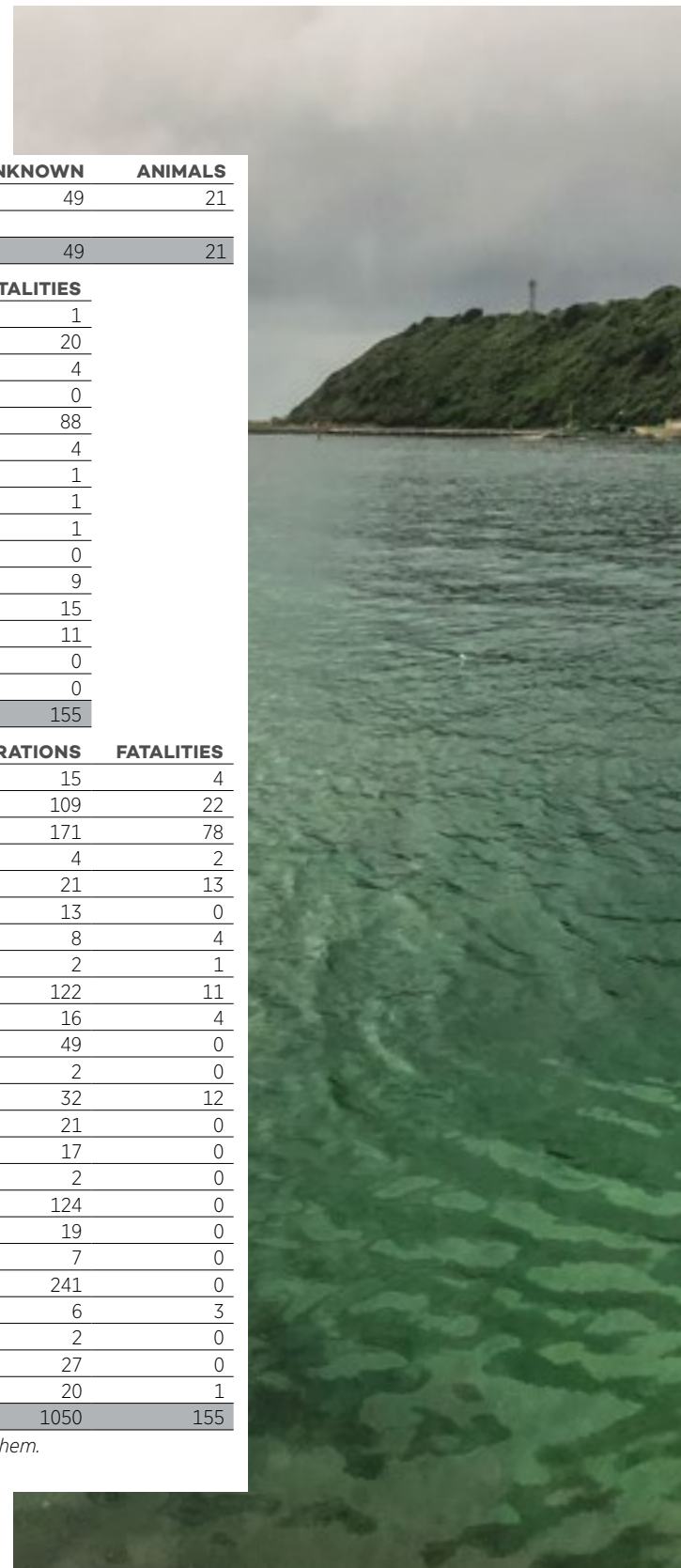
	TOTAL	BLACK	WHITE	FOREIGN	UNKNOWN	ANIMALS
Lives saved	1 224	385	723	67	49	21
Children taught	367 857	366 462	1 395			
Total	369 081	366 847	2 121	67	49	21

CASUALTY TYPE	ADULTS	CHILDREN	TOTAL	OPERATIONS	FATALITIES
Coastal Hikers	11	8	19	19	1
Public Bystanders	98	26	124	131	20
Motor Vehicle Accidents	32	2	34	16	4
Aircraft	6	0	6	6	0
Swimmers	301	54	355	309	88
Divers	10	0	10	8	4
Paddlers	57	8	65	69	1
Recreational Surfers/Kiteboarders	33	2	35	43	1
Yachtsmen	119	6	125	71	1
Dingy Yachtsmen	27	0	27	16	0
Shore Angling	113	1	114	87	9
Recreational Fishermen	83	5	88	69	15
Commercial Fishermen	128	0	128	154	11
Vessel Passengers	77	0	77	39	0
Commercial Mariners	17	0	17	13	0
Total	1112	112	1224	1050	155

OPERATION TYPE	ADULTS	CHILDREN	TOTAL	ANIMALS	OPERATIONS	FATALITIES
Missing Person Search	20	8	28	0	15	4
Person Washed into Water	91	20	111	0	109	22
Drowning in Progress*	177	33	210	0	171	78
Man Over Board	5	0	5	0	4	2
Dead Body Search	13	0	13	0	21	13
People Trapped by Water	19	2	21	0	13	0
SCUBA or Snorkel Diving incident	10	0	10	0	8	4
Shark Bite	2	1	3	0	2	1
Medical Illness and Injury (Blue bottle stings)	89	29	118	2	122	11
Motor Vehicle Accident	37	2	39	0	16	4
Ship Medical Evacuation	66	0	66	0	49	0
Vessel: Equipment/Crew Transfer	2	0	2	0	2	0
Vessel in difficulty: capsized	61	5	66	0	32	12
Vessel in difficulty: taking on water	72	0	72	0	21	0
Vessel in difficulty: grounding / washing ashore	28	0	28	0	17	0
Vessel in difficulty: vessel collision	3	0	3	0	2	0
Vessel in difficulty: engine trouble / loss of steerage	144	8	152	0	124	0
Vessel in difficulty: taking on heavy seas	36	4	40	0	19	0
Missing vessel	3	0	3	0	7	0
Fire Fighting**	221	0	221	0	241	0
Inland Flooding	11	0	11	0	6	3
Aircraft ditching	2	0	2	0	2	0
False Alarm	0	0	0	0	27	0
Animal Entanglement	0	0	0	19	20	1
Total	1112	112	1224	21	1050	155

* Sea Rescue responded to 100 people in rip currents in 2017. We rescued 43 people and 57 drowned before rescue crews could get to them.

** 2017 Knysna and Plett fires





1 050
RESCUE OPERATIONS



1 224
PEOPLE RESCUED



OUR INFRASTRUCTURE

“To ensure the optimal effectiveness of what we do, and ensuring that our volunteers are as safe as possible in undertaking the risky work of rescue, we focus strongly on the facilities, boats, vehicles and equipment that we utilise.”



37
RESCUE
BASES



87
RESCUE
CRAFT



27
RESCUE
VEHICLES



16
QUAD
BIKES



12
TRACTORS

NSRI rescue stations serve not only as storage areas for assets, boats and equipment and a control stations for operations, but they are also family spaces where we encourage the involvement of spouses and children outside of operations to ensure that volunteer time is sustained and that families are not denied time with their loved ones. We believe this is an important element of volunteer sustainability.

BUILDINGS

We are currently undertaking a medium-term project to upgrade the boatsheds for our vessels of the future, underpinned by security of tenure.

The plan for renovations at our Simon’s Town base appears to the right:

TECHNOLOGY

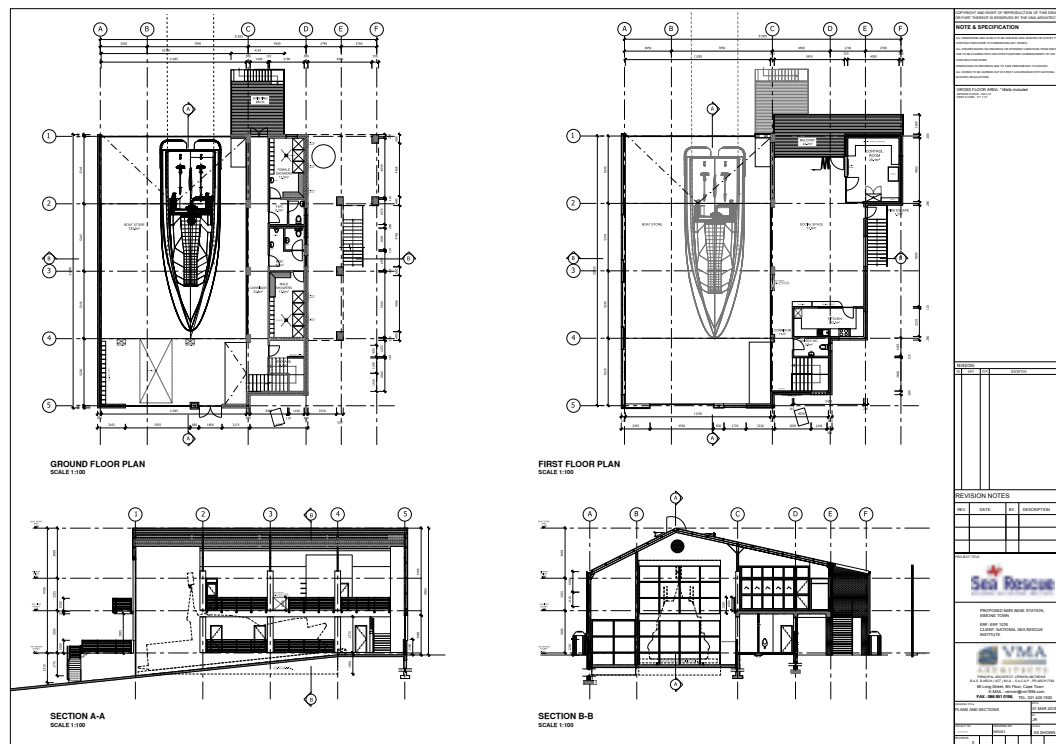
Ensuring appropriate IT tools and connectivity is an imperative – tracking tablets and PC’s are common tools to conduct and aid our operations.

EQUIPMENT

It is important to keep abreast of new technology and latest developments to ensure that our crews remain at the forefront of being supported by the best kit possible. This includes our range of equipment, communication equipment, and all the paraphernalia that goes with the continually expanding skill set of what NSRI does – from conducting ship medical extrications (high angle rope work) and helicopter operations to inland swift water rescues.

We have also acquired a 10m rigid inflatable boat (RIB). This is the first 10.6m RIB, with an aluminum cabin in the fleet. Powered with two 250 Horse Power Yamaha engines, she is capable of 38 knots top speed with a comfortable cruising speed of 25 knots. The boat is fully rigged with radar, 2 x GPS screens for both the Helmsman and Navigator, along with Marine VHF and trunking radios for communication, which will allow for long distance rescue operations. A vessel satellite tracking system is provided for safer operations. She is also equipped with a full self-righting system to right the vessel if capsized (she refused to capsize during tests).

A very large working area on the aft deck and shock mitigation seats for 6 crew, along with her very good handling characteristics, will make this a very good addition to the NSRI RIB fleet. Mykonos Station 4 will be able to use this craft to effect safer extrications of

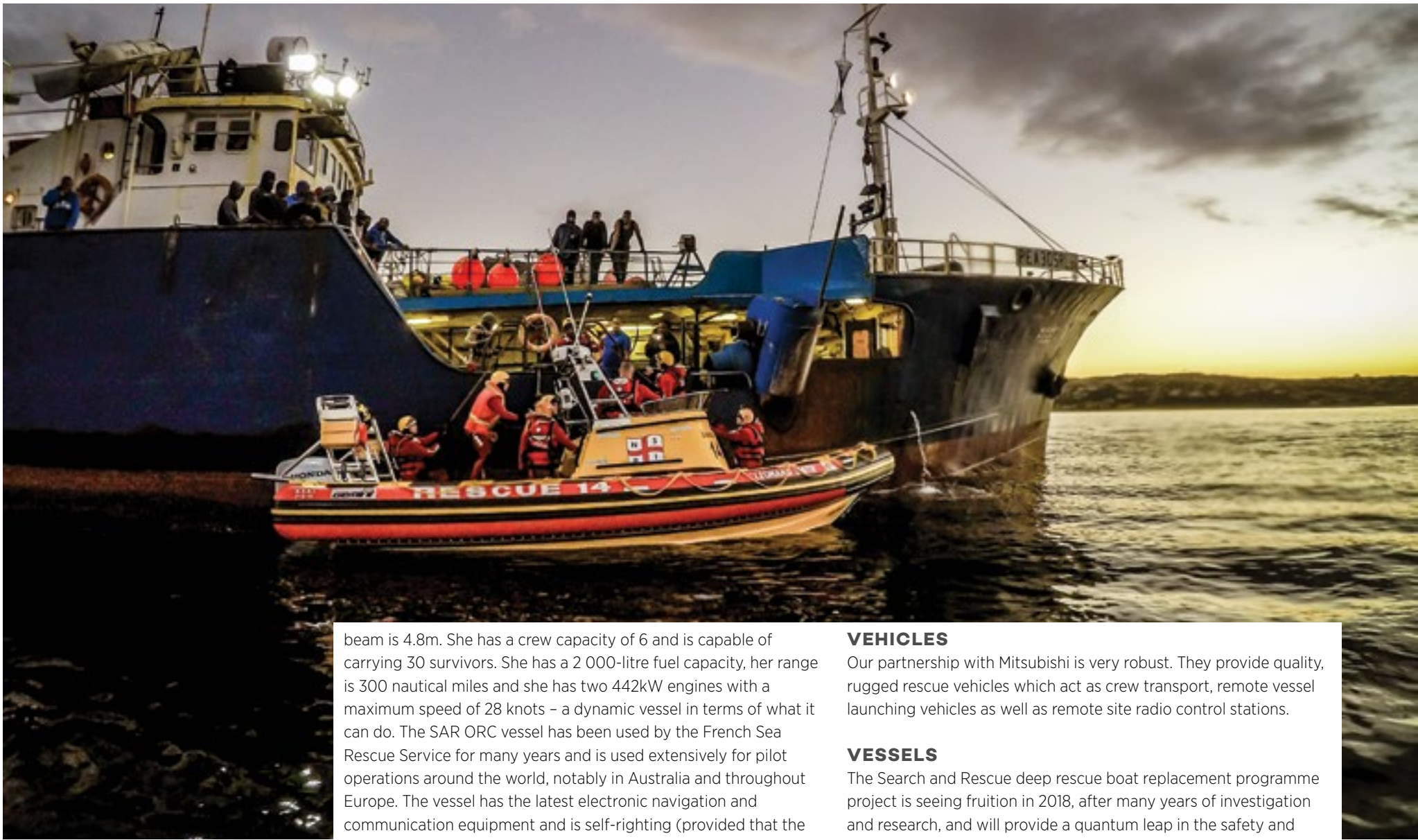


sick and injured crew from ships and have longer searching endurance for the fishing fleet both from Mykonos and St Helena Bay. The cabin will allow for longer crew endurance keeping them comfortable and out of the direct weather.

SEARCH AND RESCUE DEEP RESCUE BOAT REPLACEMENT PROGRAMME

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 involve commercial vessels that require stretched capability in both distance and time. Our fleet of 10m boats are ready to retire and our commitment to our crew is to provide a fleet suited to the austere conditions under which they operate. The new acquired craft are well suited to the missions of medical evacuations and mass rescue operations.

Sea Rescue’s first 14m SAR (Search and Rescue) deep sea rescue vessel, Alick Rennie, is currently being built in France. It was designed by the naval architects Pantocarene, and is being manufactured by Bernard Shipyard. She is 14.8m in length and her



beam is 4.8m. She has a crew capacity of 6 and is capable of carrying 30 survivors. She has a 2 000-litre fuel capacity, her range is 300 nautical miles and she has two 442kW engines with a maximum speed of 28 knots – a dynamic vessel in terms of what it can do. The SAR ORC vessel has been used by the French Sea Rescue Service for many years and is used extensively for pilot operations around the world, notably in Australia and throughout Europe. The vessel has the latest electronic navigation and communication equipment and is self-righting (provided that the water-tight doors are shut). There is air-conditioning in the forward cabin and wheelhouse for crew comfort on long trips. There are six shock-mitigating seats and the wheelhouse is on a shock-mitigating mounting system that separates it from the hull and wheelhouse to reduce noise and vibration. It is our vision to support local people and local industries by having as many of our rescue boats built in South Africa. We pride ourselves on delivering a passionate and committed service to all – with the best equipment. The ORC will augment our services and facilitate quality rescue in our vision of making sure that nobody drowns at sea.

VEHICLES

Our partnership with Mitsubishi is very robust. They provide quality, rugged rescue vehicles which act as crew transport, remote vessel launching vehicles as well as remote site radio control stations.

VESSELS

The Search and Rescue deep rescue boat replacement programme project is seeing fruition in 2018, after many years of investigation and research, and will provide a quantum leap in the safety and health of rescue crews operating in violent sea conditions on Class 1 rescue vessels. Ongoing research and development and continuous improvement is being maintained in partnership with our RIB vessel builder Gemini. A move towards more fit-for-purpose surf rescue jet skis is being made alongside our strategic intentions in partnering more effectively with surf rescue organisations.

OUR RESCUE VESSELS

RESCUE BASE	RESCUE VESSEL
2 Bakoven	Rotarian Schipper (6.5)
3 Table Bay	Spirit of Vodacom (12m), Spirit of Day (6.5m)
4 Mykonos	Spirit of Surfski 5 (10.6m), Gemini Rescuer II (5.5m) and Jacqueline (4.2m)
5 Durban	Eikos Rescuer (10m), Megan II (7.3m), Spirit of Surfski 3 (4.7m) and Discovery Rescue Runner 9
6 Port Elizabeth	Spirit of Toft (10m), Eikos Rescuer IV (7.3m) and Spirit of Surfski 4 (4.2m)
7 East London	Spirit of Lotto (12m), Spirit of Rotary EL II (5.5m) and Lotto Rescue Runner
8 Hout Bay	Nadine Gordimer (10m), Albie Matthews (7.3m) and Tintswalo Phoenix (4.2m)
9 Gordon's Bay	Jack and Irene (8.5m), Spirit of Surfski (5.5m) and Mercantile Spirit (4.2m)
10 Simon's Town	Spirit of Safmarine III (10m) and Spirit of Surfksi 2 (6.5m)
11 Port Alfred	Lotto Challenger (8.5m) and Rescue 11A (5.5m)
12 Knysna	Eileen Medway (8.8m), Color Press Rescuer (8.5m) Jaytee IV (6.5m) and Jolen (4.2m)
14 Plettenberg Bay	Leonard Smith (7.3m), Ray Farnham(5.5m), Airlink Rescuer (4.2m) and Free Runner Jetski
15 Mossel Bay	Rescue 15 (10m), St Blaize Rescuer (6.5m) and Vodacom Rescuer IV (4.2m)
16 Strandfontein	Spirit of Grandwest CSI (5.5m), I&J Rescuer 3 (4.7m), Discovery Rescue Runner 3 and Film Industry Fund Rescuer One Jetski
17 Hermanus	South Star (10m), Jaytee III (5.5m) and Maritimus (4.2m)
18 Melkbosstrand	Rotary's Gift (6.5m), Spirit of Brenda (4.2m) and Discovery Rescue Runner 4
19 Richard's Bay	Spirit of Richards Bay (12m), Spirit of Round Table II (8.5m) and Grindrod Rescue (4.7m)
20 Shelly Beach	Spirit of Dawn (7.3m), Caltex Challenger II (5.5m) and Shelly Spirit (4.2m)
21 St Francis Bay	Spirit of St Francis II (8.5m) and Discovery Rescue Runner 5
22 Vaal Dam	Harvey's Fibreglass (5.5m) and Discovery Rescue Runner 1
23 Wilderness	Spirit of Rotary 100 (5.5m), Oscars Rescue (4.2m), Clemengold Rescuer (4.2m) and Lavenia (4.2m)
24 Lambert's Bay	Douglas Murray (5.5m) and TNPA Rescue Runner 1
25 Hartbeespoort Dam	Rotary Endeavour (5.5m)
26 Kommetjie	Rotary Spirit of the Vines (6.5m) and EL Battello (4.7m)
27 Gauteng	I&J Rescuer 2 (4.7m) and Rescue Runner 10
28 Port St Johns	No assets
29 Air Sea Rescue	No assets
30 Agulhas	Agulhas Rescuer (8.5m) and I&J Rescuer 4 (4.7)
31 Still Bay	Spirit of St Francis (7.3m) and Colorpress Two (4.2m)
32 Port Edward	Wild Coast Sun Rescuer (7.3m) and Discovery Rescue Runner 6
33 Witsand	Breede Rescuer (8.5m) and Falcon Rescuer (4.5m)
34 Yzerfontein	Rotary Onwards (7.3m) and Sonja (4.2m)
35 Witbank Dam	FNB Wavescapes (4.7m)
36 Oyster Bay	Pierre (4.7m) and Oyster Bay 2 Jetski
37 Jeffrey's Bay	Eddie Beaumont II (5.5m), Project Group Rescuer (4.2m) and Discovery Rescue Runner 12
38 Theewaterskloof Dam	Hunter's Gold Rescuer (5.5m)
39 Rocky Bay	Freemason's Way (5.5m)

“Information Technology at Sea Rescue has taken tremendous strides in the last two years. Strategically we aim for our organisation to be on the leading and not the bleeding edge of technology.”

OUR TECHNOLOGY

All software and hardware changes have been made with future growth in mind, whether it be the PBX system at our head office or the standard image for a personal computer at station level.

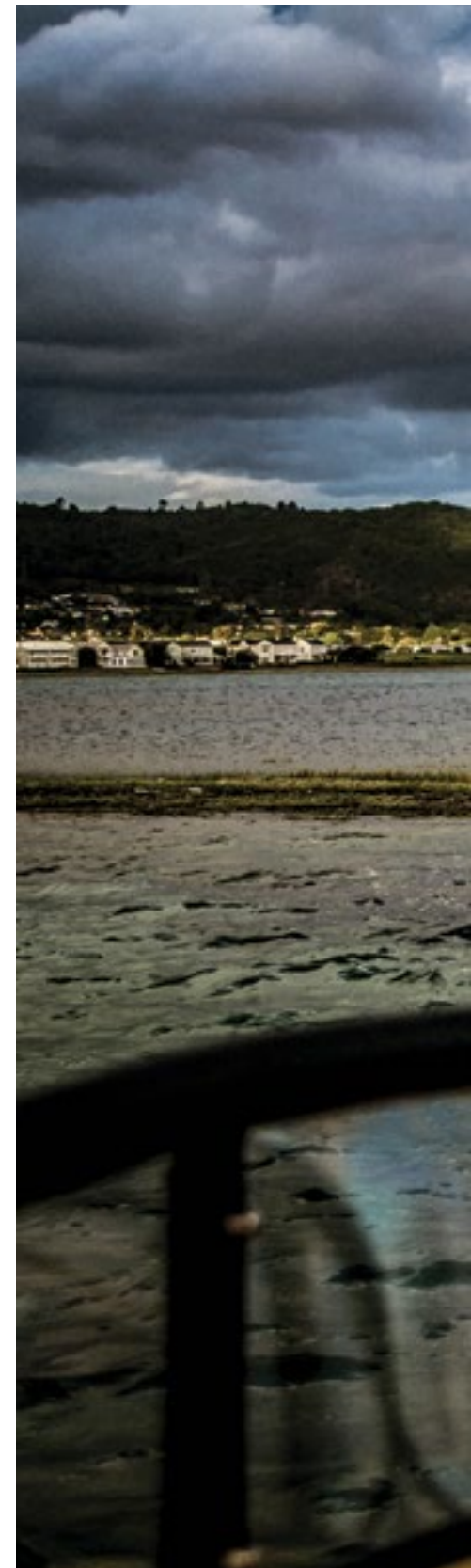
Microsoft Dynamics CRM (Customer Relationship Management) was implemented to facilitate our donations and non-profit documents. We have also successfully implemented Microsoft Dynamics NAV as the back office finance system. The strategic goal is to have two databases (CRM and NAV) integrating on a daily basis to create a 360° view of our donors, volunteers, partners and service providers. Between these two systems, we will be able to replace legacy systems to keep ahead of the curve and move with technology in the mobile computing space.

We have also implemented a cloud based Anti-Virus protection service which covers all personal computers across the organisation. Asset registry information is maintained by an end point on each NSRI personal computer which provides information regarding the asset for our records and replacement dates.

Station connectivity is an on-going project with many concerns owing to the reliance of Telkom infrastructure. Our goal is to move away from this reliance in the long term, to provide stations with uncapped ADSL where possible.

Sea Rescue has implemented policies for IT covering data protection, internet usage, social media practices, hardware and software policies, which will be reviewed annually.

Key projects moving forward in 2018 are the integration of CRM and NAV, application development with integration to CRM\NAV, station connectivity and backup solution (LTE) and the introduction of Power BI and SSIS reports to automate reporting of statistics relating to rescues, financials, donor data and Sea Rescue assets.





FINANCIAL REVIEW

“The NSRI had a very satisfactory year from a financial point of view. Income from fundraising efforts from a diverse range of streams breached expected targets.”

Gross revenue grew by 6% with gross call centre revenue continuing to grow by 12%. Grant income improved with an unexpected and welcome contribution from the Lotto. The budgeted income from trusts was not realised, but most other income streams all showed growth.

Expenditure remained within budget, personnel expenditure increased by 25%, maintenance expenditure on property increased by 31% (slipways in Plettenberg Bay and East London, storm damage Bakoven, Durban, Richards Bay, Melkbosstrand), marketing expenditure was flat, payments for professional services (legal and accounting) increased 35% (payment for audits and legal services), call centre expenditure was up 17% and operational station expenditure remained flat.

The NSRI invested 53% more on capital expenditure in 2017, due to the two ORC 14m projects underway in France. Forward cover was taken on all payments given the political uncertainty at the time. The ongoing challenge of obtaining long term leases from the Department of Public Works has stifled our ability to commit capital to building projects (Hermanus, Gordon’s Bay, Simon’s Town and Hout Bay).

Improved supply chain management has enabled expenditure, which going forward, will need closer monitoring to ensure sufficient liquidity and cash flow as capital projects evolve and are being realised.

The operating surplus for 2017 was R40 258 904. The target budget for revenue for 2018 is R156 million, a 13% increase on 2017.

INCOME

	AMOUNT
Companies (excl membership)	R4 431 119
Debit Orders *	R44 732 498
Direct mail	R1 409 665
Events	R2 261 386
Face-2-Face Promotions **	R32 822 014
Grants ***	R10 379 741
Individuals (excl direct mail)	R3 623 514
Investment Income	R3 185 288
Legacies	R3 387 002
Members Contributions	R1 403 600
Mitsubishi Car Promotion	R21 568 282
Retail Business	R786 494
Sale of Assets	R1 922 085
Shipping Levies	R998 500
Sundry Income	R520 013
Trusts	R5 325 698
Total	R138 756 898

* Debit Orders refer to donations signed up through telesales

** Face-2-Face Promotions refer to donations signed up through face to face engagement

*** Includes Lotto

EXPENDITURE

	AMOUNT
Banking costs	R2 060 922
Boat running	R5 941 747
Call centre	R44 519 508
Capital Expenditure	R25 687 275
Employee costs	R22 746 537
Information communication technology	R1 666 212
Insurance	R1 109 136
Marketing expenditure	R4 148 640
Office expenditure	R3 090 768
Professional fees	R1 060 639
Property expenses	R3 960 501
Station expenditure	R3 268 971
Travel and accommodation (Training)	R4 466 838
Fair value loss on FEC Derivative	R457 576
Total	R124 185 270



SUSTAINABLE FUNDING

Sea Rescue is made up of a collection of people – some give of their time and expertise to save lives on the frontline, and others generously provide the finances and goods needed to ensure that the rescuers are suitably equipped. Without their generous pledges our efforts to rescue and educate would be significantly constrained.

Our intention is always to spread the load, and at the same time, to reduce our risk by having a broad base of funders.

Our fundraising team focusses on raising funds through government and state owned enterprises, companies and corporates, memberships, trusts, foundations and bequests. Our incentivised fundraising model includes two promotions, a monthly debit order with cash prizes and an annual car competition where we partner with Mitsubishi with first prize of two luxury vehicles. This outsourced fundraising is done through an outbound call centre and face to face engagements in shopping centres and at exhibitions around the country.

Sea Rescue has contracted a service provider to establish retail outlets countrywide to sell NSRI-branded products. At the end of 2016, the Cape Town Waterfront store opened, and in 2017 we opened a kiosk in the Cape Town International Airport. We offer a mail order service through online sales, which is particularly popular with our supporters who live abroad. International fundraising through trusts and foundations is our next focus area for growth and expansion.

“We depend on the goodwill and support of more than 85 000 individuals and organisations to provide the financial capital required to fund our vast organisation and the crucial work we do in saving lives.”

BEING ACCOUNTABLE

Governance at the NSRI 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.

BOARD COMPOSITION

ROLE



GENDER



LENGTH OF SERVICE



RACIAL COMPOSITION



EXPERTISE

Indicates the relevant board members' specific areas of expertise.

- Leadership
- Technology and Information Governance
- Finance
- Compliance and Governance
- Industry/operations
- Environmental sustainability
- Risk and Opportunity Management
- Sales and Marketing
- Tax
- Human Resources

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).

MEMBERS OF THE BOARD

RONNIE STEIN (68)

Chairman of the Governance Board



Appointed: 2013

Ronnie holds a BCom CA(SA) degree and served as the Chief Financial Officer for the Foschini Group Ltd until he resigned 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 (58)

Chief Executive Officer



Appointed: 2013

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 2003 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.

MERIEL BARTLETT (48)

Executive director:

Fundraising and Marketing

Appointed: 2005

Meriel holds a Bachelor of Social Science (Industrial Sociology) through UCT. She has 20 years' experience in marketing and communications. She began her career working at the Natal Sharks Board and at a number of technology companies thereafter. She spent four years with the Heart Foundation before joining Sea Rescue in 2004, and was appointed to the board in 2005. Meriel spent time as a rescue volunteer at Station 9 (Gordon's Bay).



MARK HUGHES (58)

Executive director: Operations

Appointed: 2011

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, 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, and holds a National Technical Diploma in Industrial Automation and Electronics. He was appointed to the Board of directors in November 2011. Prior to joining the NSRI Head Office, Mark worked for Tongaat Hulett Sugar in KZN.



MARK KONING (61)

Executive director: Finance

Appointed: 2003

Mark joined the NSRI in 2000 and was appointed as 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.



DEON CLOETE (52)

Independent non-executive director

Appointed: 2013

Deon has been the General Manager (GM) of the Cape Town International Airport since 2008. Before taking up this position, Deon spent one year at South African Airways (SAA). He was also the GM for Durban International and other national airports including East London, Port Elizabeth, George, Bloemfontein, Kimberley, Uptington and Pilanesberg. Deon holds a BCom and an MBL from Unisa. He has 26 years' experience in the airport and aviation industry. Deon currently serves as a non-executive director on the Board of the Cape Town International Convention Centre (CTICC).



VIOLA MANUEL (45)

Independent non-executive director

Appointed: 2013

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, Member of the Western Cape Premier's Council of Skills, to mention a few. She serves as a non-executive at National Sea Rescue Institute (NSRI), and The Cape Town Stadium entity and heads specialist committees on these boards. She has three entrepreneurial ventures.

She currently works as the Chief Stakeholder Relations Officer for Leapfrog Global and as CEO for one of the divisions called LF Advisory – a collection of CEO, COO and other executives



CHRIS NISSEN (59)

Independent non-executive director

Appointed: 2013

Chris was born in Goodwood in Cape Town and grew up in Bishop Lavis on the Cape Flats. Chris has been involved extensively in the development and upliftment of communities as a minister in the Presbyterian Church, and has been politically active, formally as well as informally. He has managerial experience in a number of businesses, and, as a non-executive director, has led empowerment and transformation proactively at a number of listed companies. He is a former MEC for Economic Affairs for the Western Cape Legislature and former president of the Chamber of Commerce. He is the chairman of Ascension Properties and serves on the boards of Standard Bank and Woolworths.



EDDIE NOYONS (65)

Chairman of the

Operational Support Committee

Appointed: 2003

Eddie serves as Chairman of the Operational Support Committee and Regional Representative for KwaZulu-Natal (KZN) and the Wild Coast. His dream had always been to join the Merchant Navy, but due to colour blindness he was not accepted.

An underground tour at Gold Fields set his heart on a different course and afterwards studied Mining Engineering. He was soon seconded to the Chamber of Mines Research Organisation in Johannesburg, before moving into sales and marketing positions in the mining industry. Towards the end of 1986, Eddie decided on a radical change of scenery and acquired a holiday resort at Uvongo on the KZN South Coast. He and his wife, Naomi, signed up as NSRI volunteers at Station 20 (Shelly Beach), where he was subsequently elected as Station Commander.



KARL OTTO (63)

Independent

non-executive director

Appointment from SAMSA

Appointed: 2016

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. He started his sea-going career as a General Purpose Rating with Safmarine for four months. His primary qualifications are as a Master Mariner and he holds an NHD in Post School Education.



ROB STIRRAT (66)

Independent

non-executive director

Appointed: 1991

Rob grew up in Sea Point and sailed in Table Bay as a youngster. After completing his national service as a Radar Operator in the Navy, he joined Unilever and moved to Durban, where he joined the Point Yacht Club rescue crew. Upon his return to Cape Town, he joined Sea Rescue as a volunteer in 1975, advanced to coxswain, and later served alternately as Station Commander and Deputy for many years. Rob was elected to the board in 1991 and was Chairman of NOTC (NSRI's National Operational and Technical Committee) from 1992 to 2013 when the NOTC became the Operational Board.



RANDALL TITUS (51)

Independent

non-executive director

Appointed: 2015

Randall is a senior attorney who was admitted to practise in 1993. He obtained his BA LLB and LLM 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 Deputy 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.



DAVE ROBINS (63)

Independent

non-executive director

Appointed: 2008

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.



“Governance at the NSRI 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.”

CHRIS WILSON (FCIS) (43)

Company Secretary

Appointed: May 2013

Skills: Compliance and Governance
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.



CORPORATE GOVERNANCE

The company secretary performs a board effectiveness evaluation (King IV Principle 9) annually using a survey questionnaire. The survey results are reported to the Governance Board for attention and remedial action if necessary. In 2017 a 100% survey return was received for the first time from all Board members. Scores improved year-on-year from 2016 to 2017 in respect of the performance of the Board, its members and structures.

Two issues were identified for attention from the survey:

- Composition of the Board with regard to transformation
- Themes from Board members including transformation, the call centre, sustainability and Board member communication at Board meetings.

The evaluation was noted and the Board will consider and debate its content in 2018.

The Board has not specifically addressed ethics within the institute beyond the adoption of an organisational ethics policy and compliance with elements of King IV.

During 2018 the Board will address:

- Key areas of focus during the reporting period
- Measures taken to monitor organisational ethics
- Planned areas of focus

The Board is satisfied with the participation in its evaluation and the fact that it has identified areas for attention which will inform the agenda for 2018.



More information about our Governance practices can be found on our website, www.nsri.org.za

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 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 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 managed independently and that control of the company is vested primarily through the members in AGM, the Board and the executive. This 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 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 will be completing a gap analysis in 2018 to confirm the extent of its compliance with King IV™.

The Board composition reflects the appropriate mix and knowledge, skills, experience, and independence but is underrepresented in terms of race.

The Board is not satisfied with the current gender and race representation on the Board and will review mechanisms to recruit appropriate candidates. It is acknowledged that changing Board demographics within a remunerated structure is much easier than seeking volunteers to fulfil the requirements.

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 a number of regulatory organisations including the South African Maritime Safety Authority, the Department of Labour, the Department of Health, the Health Professions Council of South Africa, Lifesaving South Africa, the Direct Marketing Association, the National Lotteries Commission, Moore Stephens Risk, the International Maritime Rescue Federation, the Independent Communications Authority of South Africa, the Civil Aviation Authority, the National Regulator for Compliance Standards, the Health and Welfare SETA, the Building Council, the Department of Environmental Affairs, the Southern African Foundation for the Conservation of Coastal Birds (SANCCOB), the South African Whale Disentanglement Network, the South African Revenue Services, the Department of Social Development, the Department of Transport, the South African Search and Rescue Organisation, the Companies and Intellectual Properties Commission and the South African Institute of Chartered Secretaries.

IT GOVERNANCE

The NSRI has an Information Communication Technology 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 Data Base 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, up to date threat protection software and diligent attention to security access, through limited system users and passwords.

The structure ensured that during the reporting period the servers were replaced behind the Vodacom Firewall, that MS NAV was operationalised with a view to integration with MS DYNAMIX and that business hardware/software rollout for client stations was initiated.

Connectivity has been identified as a key challenge in small rural towns.



Refer to page 66 for information about our technology.

INDUCTION

The CEO, with the assistance of company secretarial services, assumes responsibility for an informal but induction programme which provides new 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 a 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.

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 comprises of 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 one voting member of the institute 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.

INTERNAL AUDIT

In 2017, the NSRI reappointed 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 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 Technology
- f. Compliance (King IV and Legal)

Findings are identified with each audit, management are consulted for their response and remediation is implemented to address risk if appropriate.

Inputs from Internal Audit have augmented the risk register, which now lists 1 046 risks in three risk levels across five risk areas (Operations, Finance, Human Resources, Compliance and Information Communication Technology). Mitigation of risk is a management responsibility and the risk register provides a tool through which to monitor progress. 2% of risks are

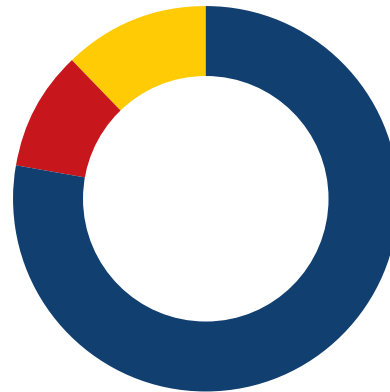
extreme, 6% major, 11% moderate, 41% minor and 40% insignificant.

Internal Audit costs are balanced by risk benefit e.g. the identification and elimination of a fire risk in a Class 1 Station saves 50% in vessel insurance premium costs (this is significant if one considers that the Gordon’s Bay Fire resulted in premiums increasing from R300 000 to R700 000).

CHANGES ON OPERATIONS BOARD


In March 2017, the Operations Board changed its name to the Operations Committee. The Operations Committee is seen as a Board Committee. The Chairman of the committee will be elected annually and will have a seat on the main Board. Members of the committee will be elected by Station Commanders and ratified at the AGM.

KING IV MANAGEMENT REVIEW



PRACTICE COUNT

■ Satisfactorily applied	315
■ Not applied	41
■ Not applicable	49

 For the detailed report, please refer to our website, www.nsri.org.za



BOARD COMMITTEES AND ATTENDANCE

THE BOARD

Chairman	Meetings
Ronnie Stein	● ● ● ● ●
Members	Meetings
Dr Cleeve Robertson	● ● ● ● ●
Viola Manuel	● ● ● ● ●
Mark Koning	● ● ● ● ●
Mark Hughes	● ● ● ● ●
Merial Bartlett	● ● ● ● ●
Randall Titus	● ● ● ● ●
Deon Cloete	● ● ● ● ●
Eddie Noyons	● ● ● ● ●
David Robins	● ● ● ● ●
Chris Wilson	● ● ● ● ●
Ivor Sindler	● ● ● ● ●
Chris Nissen	○ ○ ○ ○ ○
Karl Otto	● ● ● ● ●
Rob Stirrat	● ● ● ● ●

HUMAN CAPITAL COMMITTEE

Chairman	Meetings
Viola Manuel	● ● ● ● ○
Members	Meetings
Dr Cleeve Robertson	● ● ● ● ●
David Robins	● ● ● ● ●
Mark Koning	● ● ● ● ●
Chris Nissen (<i>resigned</i>)	● ○ ○ ○ ○
Karl Otto (<i>appointed March 2017</i>)	● ● ● ● ●
Key Responsibilities	
Considers matters relevant to the recruitment, remuneration and retention of paid personnel within the NSRI.	
Initiatives undertaken in 2017	
Job Evaluation and Remuneration Review.	
Future focus	
<ul style="list-style-type: none"> • Cost analysis on personal injury and loss of income cover. • Anti-Racism and Sexual harassment Policies be approved. • Ten-notch system with no performance awards to be adopted for 2018. • Remuneration matrix presented for 2018 to be approved. • Appointment of a further three educators to be approved. 	

INVESTMENT COMMITTEE

Chairman	Meetings
Bernard Osrin	● ● ● ● ●
Members	Meetings
Dr Cleeve Robertson	● ● ● ● ●
Mark Koning	● ● ● ● ●
David Robins	● ● ● ● ●
Howard Godfrey	● ● ● ● ●
Ronnie Stein	● ● ● ● ●
Ivor Sindler	● ● ● ● ●
Key Responsibilities	
The Investment Committee is Chaired by an independent investment consultant and advises management and the Governance Board on the extent and timing of investments related to cash flow. It also advises on forward cover for capital payments in Euros.	
Initiatives undertaken in 2017	
<ul style="list-style-type: none"> • Investment funding resides 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 NSRIs behalf (the NSRI is the sole beneficiary). • The NSRI transferred R40million to the NSRI Endowment Trust in 2017. 	



RISK COMMITTEE

Chairman

Deon Cloete

Members

- Dr Cleeve Robertson
- Mark Koning
- Mark Hughes
- Meriel Bartlett
- Rob Stirrat

Key Responsibilities

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

Initiatives undertaken in 2017

- Monitored the Risk Register with the Audit Committee and incorporated matters identified by the Internal Audit (Moore Stephens Risk) into the register.

Meetings



AUDIT COMMITTEE

Chairman

Ivor Sindler

Members

- Dr Cleeve Robertson
- Mark Koning
- David Robins
- Randall Titus
- Hennie Taljaard

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 2017

- The audit committee has resolved to address the reasons for audit qualification. This includes the valuation of assets at fair value.
- The audit committee ensures that the NSRI is SARS compliant. This year Section 18A Certificates were audited and found to be in order.

Meetings



OPERATIONAL SUPPORT COMMITTEE

Chairman

Eddie Noyons

Members

- Mark Hughes
- Brad Geysler
- Dick Manten
- Justin Erasmus
- Hennie Niehaus
- Dave Roberts
- Deon Langenhoven
- Rhine Barnes

Key Responsibilities

Reviews the last quarter of operations and discusses crew safety issues, operational budgets, planning of present equipment needs for the institute in the current financial year and future equipment needs. The OSC also investigates areas where there is a need for new Rescue Stations and Life Guard Stations around the coast.

Training of volunteers is a high priority and key element of the OSC.

Meetings



AWARDS COMMITTEE

Chairman

Howard Godfrey

(Chairperson Jan-Sep)

Brad Geysler

(Chairperson Oct -present)

Members

- Rob Stirrat
- Eddie Noyons
- Mark Hughes
- Andrew Ingram
- Rhine Barnes
- 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 2017

At our 50th Annual General Meeting we awarded our original crew members with an Honorary Life Membership. This new award honours the selfless work and dedication of all who have served for 25 years.

Meetings



The Board is satisfied that the Human Capital Committee is fulfilling its function and maintaining appropriate oversight over its mandate. The Board is satisfied that the awards committee is acknowledging and rewarding volunteer achievements and that volunteer engagement is assured in some measure by their efforts. The Board is also satisfied that the Operations Committee is meeting its mandate and maintaining oversight over the operational rescue activities of the institute.

AUDIT COMMITTEE

The Audit Committee meets quarterly before each Governance Board Meeting to provide independent oversight on, amongst others:

- The effectiveness of the NSRI's assurance functions and services, with particular 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.

There are two issues remaining which unfortunately qualify the NSRI Audit, namely the valuation of Assets and the completeness and accuracy of certain Donations.

The audit committee has in 2017 resolved to address the reasons for audit qualification. This includes the valuation of assets at fair value; this process is progressing well and management, together with Audit Committee oversight, is aiming to resolve it from the 2018 financial year onwards. The second issue is more difficult to resolve as the NSRI does not invoice donations;

we will however continue to search for a solution or obtain a directive in our favour. The opinion of the Audit Committee is that the amount of donations concerned is not material and should not result in qualification.

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 Governance Board and are independent of the NSRI and the External auditors.

There has been no change in executive management and audit firm personnel during the reporting period but independence is monitored by both the Audit Committee and Governance 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 institute. Examples of initiatives to improve controls include introduction of station credit cards, the improvement of Supply Chain Management System and Procedures, improved Financial ICT and the implementation of MS NAV, financial delegations, remuneration structure and oversight. 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. This year specifically Section 18A Certificates were audited by external audit and found to be in order, which means that companies received Section 18A certificates appropriately in relation to their donations.

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.

REMUNERATION

The NSRI rescue crew are all unpaid volunteers. The non-executive directors, as well as the company secretary also provide their services free of charge. For the rest of the staff complement, 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. Their review report compared NSRI remuneration to the Non-Profit Market (NSRI pays on the 50th Percentile of the NPO Market) and they proposed a remuneration system based on Paterson Grades with ten notches of progression, based on performance in each job category. They calculated remuneration values for each job grade and presented a remuneration matrix. The NSRI Human Capital Committee resolved to remain at 50% of the NPO Market and the remuneration matrix was approved by the Human Capital Committee. All job grades are remunerated at the 50th percentile, including executives.

THE RESULT OF THE PATERSON GRADING FOR JOB CATEGORIES WITHIN THE NSRI WAS AS FOLLOWS;

- Six personnel fell outside (above) the matrix and the HCC resolved to continue remuneration on the basis of 'personal to incumbent'.
- The NSRI offers Pension, Medical Aid, Injury and Group Life Benefits in a market where 50% of NPOs (Averile Ryder 2017 Survey) contribute to a pension fund, 30% to Group Life and 30% to a Medical Aid. The NSRI considers itself a responsible citizen and has therefore committed to providing social security for its employees and their families, key in a developmental state where unemployment is at extremely high levels. The Medical Aid benefit persists after retirement and remains at cost to the NSRI.
- The volunteer life and injury cover remain the same for 2018 (R1m and R100 000 respectively). The NSRI does not remunerate Board Members in line with the practice in most NPOs.
- In 2017 Executives received 2% less in inflationary increases than staff. Inflationary increases for NSRI salaries for 2018 will be 8% in all categories of staff from General Worker to CEO.

A remuneration matrix was created with job remuneration against each grading with a ten-notch progression in each grade. Each job was individually graded and matched to the matrix.

The wage gap (the gap between the median quartile of the highest paid employees and the median quartile of the lowest paid employees in the organisation) is 18.45 (the CEO earns 18 times what a general worker in the NSRI earns) which is significantly lower than the NPO Sector at 25.03.

When compared to the South African NPO

market, NSRI employee salaries fall into the 50% percentile, which is reflected on the below graph:

Employees are paid a basic salary (13 pays) and may participate in the Medical Aid and Pension schemes. Medical Aid for executives can be a member of any plan and employees have all plans except the Executive Plan available to them, dependent on their affordability profile.

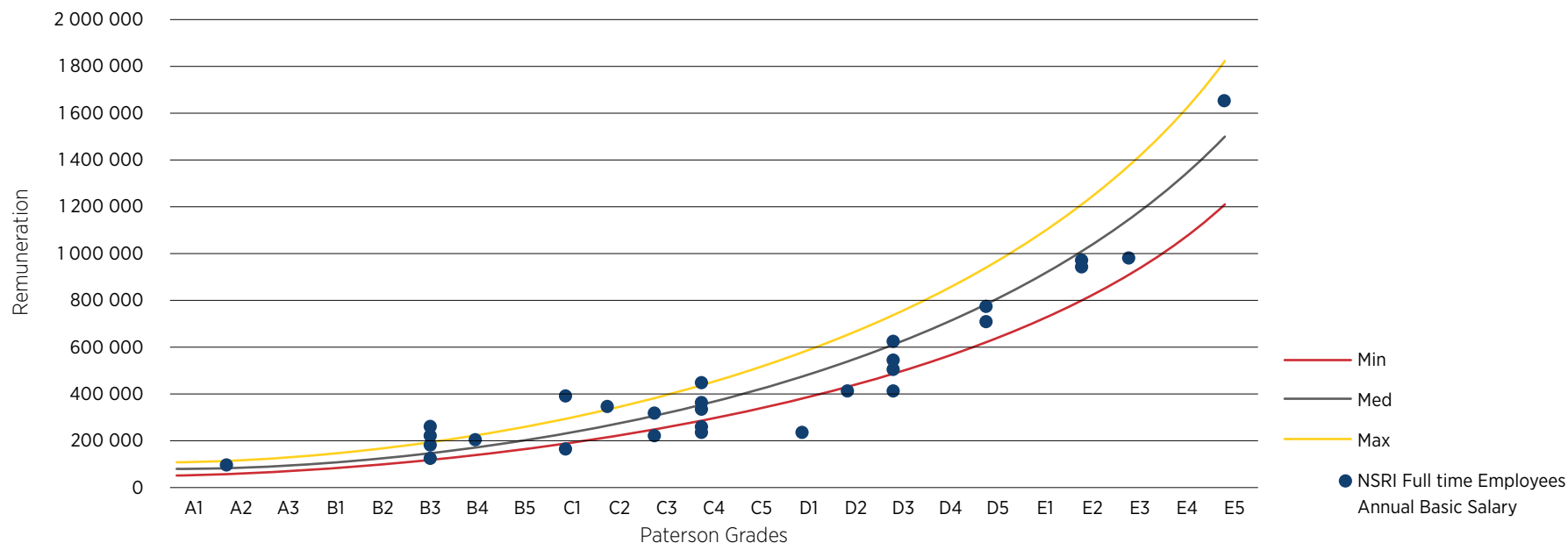
The NSRI maintains a performance management system. Employees are evaluated at least twice a year by their respective supervisor, against a matrix

of objectives that line up with the strategic objectives of the NSRI. Remuneration notch progression is dependent on performance. A new performance plan is agreed each year for a calendar year.

The NSRI Remuneration review included calculation of pay ratios for executives. The NSRI executives are well below average pay ratios for the NPO sector. Non-executive directors of the NSRI are not remunerated.

There was no deviation from Remuneration Policy during the year.

SEA RESCUE SALARIES MAPPED TO THE NPO SECTOR



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 and for 2016 there were 11. In 2017 there were 8 key risks. Two risks are considered to be in the significant range and six in the major range.

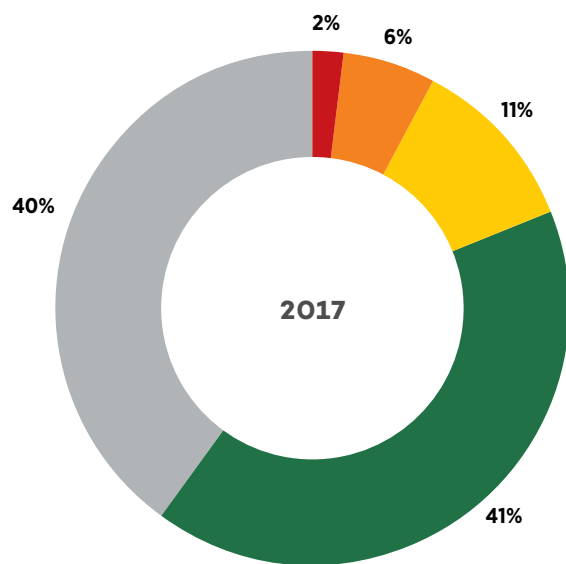
KEY RISKS

In 2017 the top identified risks included:

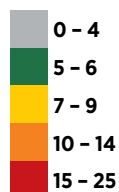
		CONSEQUENCE							
		VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH			
		1	2	3	4	5			
							5	CERTAIN	LIKELIHOOD
							4	LIKELY	
							3	POSSIBLE	
							2	UNLIKELY	
							1	RARE	

PRIORITY	RISK	ACTION PLAN/MITIGATING MEASURE	STAKEHOLDER IMPACTED
High	Direct and complete access to the donor database	<ul style="list-style-type: none"> Service Level Agreement with WinDirect in place. Monthly and annual budgeting, and monitoring and reporting against budgets. Contract Manager manages the relationship with WinDirect. WinDirect income is commission-based; therefore an incentive to maximise income. Monthly copies of donor database. No direct access and only certain information extracted. Implementation of MS Nav and MS Dynamix. Daily Data Dump of MS Access DataBase from Call Centre 	Donors/Funders Volunteers Communities
	Drowning prevention control	<ul style="list-style-type: none"> Appointment of Drowning Prevention Officer Collaboration in Drowning Prevention Strategy  Reference Strategy on Website Expansion of Water safety instructors Partnership with Scouts, PMF, LSA. Need to reach 1m children/year. 	Communities
Medium	Receiving corporate donations in time	<ul style="list-style-type: none"> Appointment of Corporate Fundraiser Appointment of a Government/SOE Fundraiser Dedicated fundraising team. An income budget is set and monthly performance is assessed against this budget. Monthly Fundraising and Marketing Team meetings. 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. An events list is available; this is used as a guideline to plan for future events. Appeal letters are sent to donors on a regular basis. 	Donors/Funders Volunteers Communities

81% of risks are in the 'Insignificant' to 'Minor' Category
 11% Moderate
 6% Major
 2% Extreme



RISK SCORE



Debit order income directly to the NSRI	<ul style="list-style-type: none"> Investigation by Banks to Identify Bank Accounts in the name of the NSRI Service Level Agreement with WinDirect in place. Monthly and annual budgeting, and monitoring and reporting against budgets. Contract Manager manages the relationship with WinDirect. WinDirect income is commission-based; therefore an incentive to maximise income. 	Suppliers
Decreasing corporate donations	<ul style="list-style-type: none"> Appointment of Corporate Fundraiser Appointment of a Government/SOE Fundraiser Dedicated fundraising team. An income budget is set and monthly performance is assessed against this budget. Monthly Fundraising and Marketing Team meetings. 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. An events list is available; this is used as a guideline to plan for future events. Appeal letters are sent to donors on a regular basis. 	Donors/Funders Volunteers Communities
Unauthorised access to key data	<ul style="list-style-type: none"> ICT Manager appointed. Layered Access and Security. Password control and currency. MIS, Sage 300 ERP and other systems hosted at Vodacom. Very limited network and user access granted to Vodacom environment. Internet access is firewalled. Anti-virus and patch management enabled for head office machines. Extensive role-based access control established over MIS. Access to Sage 300 ERP restricted through passwords. Contracts in place with MIS and Sage 300 ERP developers. Contract with Vodacom to be finalized. 	Donors/Funders
Competition uptake	<ul style="list-style-type: none"> Continued marketing and media focus. Strict reputation management. Continuous search for new donors to call. Purchase of donor data from Direct Marketing Agencies. 	Donors/Funders
Public access to the NSRI in emergencies	<ul style="list-style-type: none"> Collaboration with MRCC and 112 SafeTRX Up to date website information. Emergency Numbers on the landing page. Local display of numbers at beaches/slipways. Strong media presence particularly in peak season. 	Communities



The Company has a register against which compliance with laws, regulations and codes are recorded and in 2018 the Board will evolve areas of focus and mechanisms to monitor and measure compliance.

The institute has not recorded any penalties or sanction for non-compliance. Of note in 2017 is that the NSRI fully complies with the National Lotteries Act in respect of the registration of Society Lotteries and has received certificates for both the car and debit order promotions.

It has also submitted an Employment Equity Plan in 2017 in compliance with the Employment Equity Act.

Moore Stephens Risk was appointed for another three-year term to continue Internal Audit within the NSRI.

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



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



For information about drowning prevention, please refer to page 16 in the report.





ANNUAL FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

QUALIFIED OPINION

We have audited the annual financial statements of National Sea Rescue Institute of South Africa NPC, as set out on pages 88 to 91, which comprise the Statement of Financial Position as at 31 December 2017, 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, except for the possible effect of the matters described in the basis for qualified opinion section of our report, 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 2017, 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 QUALIFIED OPINION

In common with similar associations, it is not feasible for the association to institute accounting control over cash collections from donations, fundraising, subscriptions, legacies and bequests prior to their initial entry in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

As disclosed in notes 1 and 2 to the annual financial statements and as disclosed in the director's report, assets are depreciated in full, in the year that they are acquired amounting to R25 687 275 (2016: R16 820 617), which practice, is not in

accordance with the International Financial Reporting Standard for Small and Medium sized Entities. The provision for the period ended 31 December 2017 should have been R11 167 299 (2016: R6 817 891) based on the straight line method of depreciation, using annual depreciation rates of 5% for the building and 20% for the equipment, motor vehicles and boats. Accordingly, the property, plant and equipment should be stated at 31 December 2017 at the book value that, reasonably stated, amounts to R52 013 560 (31 March 2015: R37 493 586).

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 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. We have fulfilled our 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 Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report, and the supplementary information set out on pages 23 to 25. 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: N 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 2018 and, in the light of this review and the current financial position, they are satisfied that the company 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 85 to 86.

The annual financial statements set out on pages 88 to 91, 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

Ronnie Stein
Sea Point

Dr Cleeve Robertson

STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

R	31 December 2017	31 December 2016
Assets		
Non-Current Assets		
Property, Plant & Equipment	19 446 810	48 952 865
Investments	5	5
	19 446 805	48 952 860
Current Assets		
Inventory	17 233 694	12 370 937
Trade and Other Receivables	—	40 285
Cash and Cash Equivalents	14 607 681	6 849 185
	2 626 013	5 481 467
Total Assets	36 680 504	61 323 802
Equity and Liabilities		
Capital and Reserves		
Accumulated Funds	34 397 344	59 825 715
Special Funds	34 397 344	51 439 019
	—	8 386 696
Non-Current liabilities		
Other financial liabilities	457 576	—
	457 576	—
Current liabilities		
Trade and Other Payables	1 825 584	1 498 087
	1 825 584	1 498 087
Total Equity and Liabilities	36 680 504	61 323 802

STATEMENT OF COMPREHENSIVE INCOME**for the year ended 31 December 2017**

R	2017	2016
Gross Income	138 756 899	130 950 952
Surplus for the period	14 571 629	29 217 498
Transfer of Revaluation Reserve	—	—
Transfer of Accumulated Funds	(40 000 000)	—
Transfer (to)/from Special Funds	8 386 696	(477 394)
Special Project Fund	8 386 696	(477 394)
Retained (deficit)/surplus for the period	(17 041 675)	28 740 104
Retained surplus at beginning of period	51 439 019	22 698 915
Retained surplus at end of period	34 397 344	51 439 019

DETAILED INCOME STATEMENT

for the year ended 31 December 2017

R	2017	2016
Income		
Grants	10 524 741	9 531 137
ACSA Contract Fees	2 978 551	2 836 715
National Department of Transport	2 316 000	2 205 000
National Lottery Distribution Trust Fund	2 669 241	—
Transnet National Ports Authority	1 560 682	2 708 622
Western Cape Department of Local Government	414 000	1 007 000
Fuel Companies	145 000	—
Public Bodies	441 267	773 800
Donations and bequests	17 620 833	22 533 782
Companies	4 286 119	4 284 300
Individuals	3 623 514	3 185 990
Legacies and bequests	3 387 002	7 276 160
Shipping levies	998 500	1 025 750
Trusts	5 325 698	6 761 582
Call centre	100 532 459	89 793 767
Members Contributions	1 403 600	1 372 540
Events	2 261 386	1 781 911
Investment income	3 185 288	2 380 447
Sundry income (insurance claims, manuals, cards, cash discounts, etc.)	1 306 506	657 396
Surplus on sale of assets	1 922 085	2 899 972
Total income	138 756 899	130 950 952
Expenditure	(124 185 269)	(101 733 454)
Surplus for the period	14 571 629	29 217 498

DETAILED INCOME STATEMENT

for the year ended 31 December 2017

R	2017	2016
Expenditure		
Employee costs	22 746 537	18 118 911
Office expenditure	3 090 768	2 618 187
Information communication technology	1 666 212	2 011 480
Insurance	1 109 136	1 069 510
Property expenses	3 960 501	3 005 938
Depreciation: Property, Plant & Equipment	25 687 275	16 820 617
Travel and accommodation	4 466 838	3 001 680
Marketing expenditure	4 148 640	4 194 695
Professional fees	1 060 639	782 319
Banking costs	2 060 922	1 541 563
Call centre	44 519 508	37 992 430
Station expenditure	3 268 971	3 925 549
Boat running	5 941 747	6 650 575
Fair value change in derivatives	457 576	—
Total Expenditure	124 185 269	101 733 454





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Company Reg. No: 1967/013618/08 NPO Reg. No. 002-870 | Company Secretary: Chris Wilson

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