



**INTEGRATED
ANNUAL REPORT
2018**



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WATERFRONT CHARTERS

HELICOPTER TOURS BOOKING OFFICE

HELICOPTER TOURS

SEA RESCUE

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CONTENTS

ABOUT THIS REPORT	2
NSRI IN NUMBERS	4
OUR ORGANISATION	6
» Who we are	6
» How we add value	8
» Sea Rescue as a volunteer rescue organisation in South Africa	9
» Our business model and capitals	10
» Our material issues	12
» Our company structure and governance	12
» Our capital trade-offs	14
OUR PURPOSE – SAVING LIVES	16
» Education and skills development	16
» Primary prevention	18
» Secondary prevention - Rescue	23
THE CONTEXT WE OPERATE IN	26
MESSAGE FROM OUR CHAIRMAN	28
REPORT FROM OUR CEO	29
HOW WE AIM FOR EXCELLENCE	34
ENGAGING OUR STAKEHOLDERS	42
» Who our stakeholders are	43
» How we engage	45
» From a volunteer point of view	51
OUR FUNDERS	52
OUR PEOPLE	56
OUR BENEFICIARIES	60
OUR INFRASTRUCTURE	64
OUR TECHNOLOGY	67
FINANCIAL REVIEW	68
BEING ACCOUNTABLE	70
» Members of the Board	70
» Corporate governance	74
» Risk	82
ANNUAL FINANCIAL STATEMENTS	84
CORPORATE INFORMATION	BACK COVER



ABOUT THIS REPORT



HOW TO NAVIGATE OUR INTEGRATED REPORT



This icon signifies related information elsewhere in this report



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

→ OTHER SOURCES OF INFORMATION AVAILABLE ONLINE

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

- » A risk register
- » Annual Financial Statements for 2018
- » A King IV compliance register.

Assurances of our business practices, governance and financial information are provided through compliance with audit and oversight from a large number of regulatory organisations, of which the most important ones can be viewed on page 76.

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 2018 to 31 December 2018. 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. Management has prepared and verified the information in the report, ensuring an accurate, balanced and comprehensive overview of our organisation. All financial information in this report has been extracted from the audited financial statements. Our financial information has been audited by our independent auditors, Cecil Kilpin & Co.

Our selection of information for this report is informed by what our donors and volunteers, as well as our Board and management, tell us is important to them. 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 IV Report on Corporate Governance for South Africa 2016 (King IV), the Supplement for Non-Profit

Chartered Secretaries Southern Africa Integrated Reporting Awards 2017: Megan Hughes and Colin Maroveke from Sea Rescue proudly holding their award



Organisations included in King IV, and the International Integrated Reporting Council's (IIRC) International <IR> Framework, to prepare this report.



Julian Longson of Pole Star, sponsor of the IMRF Innovation and Technology award, shaking hands with Sea Rescue's Andrew Ingram

We are very proud to be recognised for our live-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 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.
- » International Maritime Rescue Federation (IMRF) INNOVATION AND TECHNOLOGY AWARD Winner 2018 for our Pink Rescue Buoy.
More information about this award can be found on: <https://www.nsri.org.za/2018/11/nsri-pink-rescue-buoys-win-international-award-for-innovation-technology/>
- » NSRI spokesman, Craig Lambinon was nominated Knight in the Order of Maritime Merit by the French Government for his work for the NSRI in assisting foreign Nationals and their families during emergency incidents along our coastline. His insignia was awarded to him by His Excellence M. Christophe Farnaud, Ambassador of France in South Africa on 19 November 2018.

Regular communication, engagement and feedback is a cornerstone of building relationships with our stakeholders. We are therefore also 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:** Chartered Secretaries Southern Africa Integrated Reporting Awards – Category NPO
- » **Merit 2015:** Chartered Secretaries Southern Africa Integrated Reporting Awards – Category NPO
- » **Merit 2016:** Chartered Secretaries Southern Africa Integrated Reporting Awards – Category NPO
- » **Winner 2017:** Chartered Secretaries Southern Africa Integrated Reporting Awards – Category NPO



BOARD RESPONSIBILITY STATEMENT

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

The Board of directors of the NSRI (“the Board”) acknowledges its responsibility to ensure the integrity of this report and confirm that this integrated annual report addresses all material matters and provides a balanced overview of the organisation and its prospects. The Board has therefore approved the 2018 Integrated Report for publication.

NSRI IN NUMBERS



1 138

RESCUE
OPERATIONS



1 620

PEOPLE RESCUED



51

ANIMALS RESCUED

300

PINK
RESCUE BUOY
INSTALLATIONS



20

LIVES
SAVED



1 261

VOLUNTEERS



2 327

OPERATIONAL HOURS



4 482

TRAINING HOURS



INCOME

R143 016 705



EXPENSES

R126 915 741

106

RESCUE CRAFT



90 000

DONORS



494 384

CHILDREN TAUGHT





OUR ORGANISATION

WHO WE ARE

The National Sea Rescue Institute is a charity staffed by volunteers who are on call, at all hours, every day of the year. We have rescue bases along the coast and on inland dams. Our rescue crew are not paid and neither do we charge the people whom we rescue. Our goal is to prevent drowning through education, through preventative measures and through rescue. Year after year we update and improve on our skills and techniques and we continuously investigate new technologies to achieve this aim.

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

Our charity is funded through a broad support base where 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



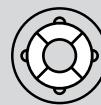
FAMILY

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

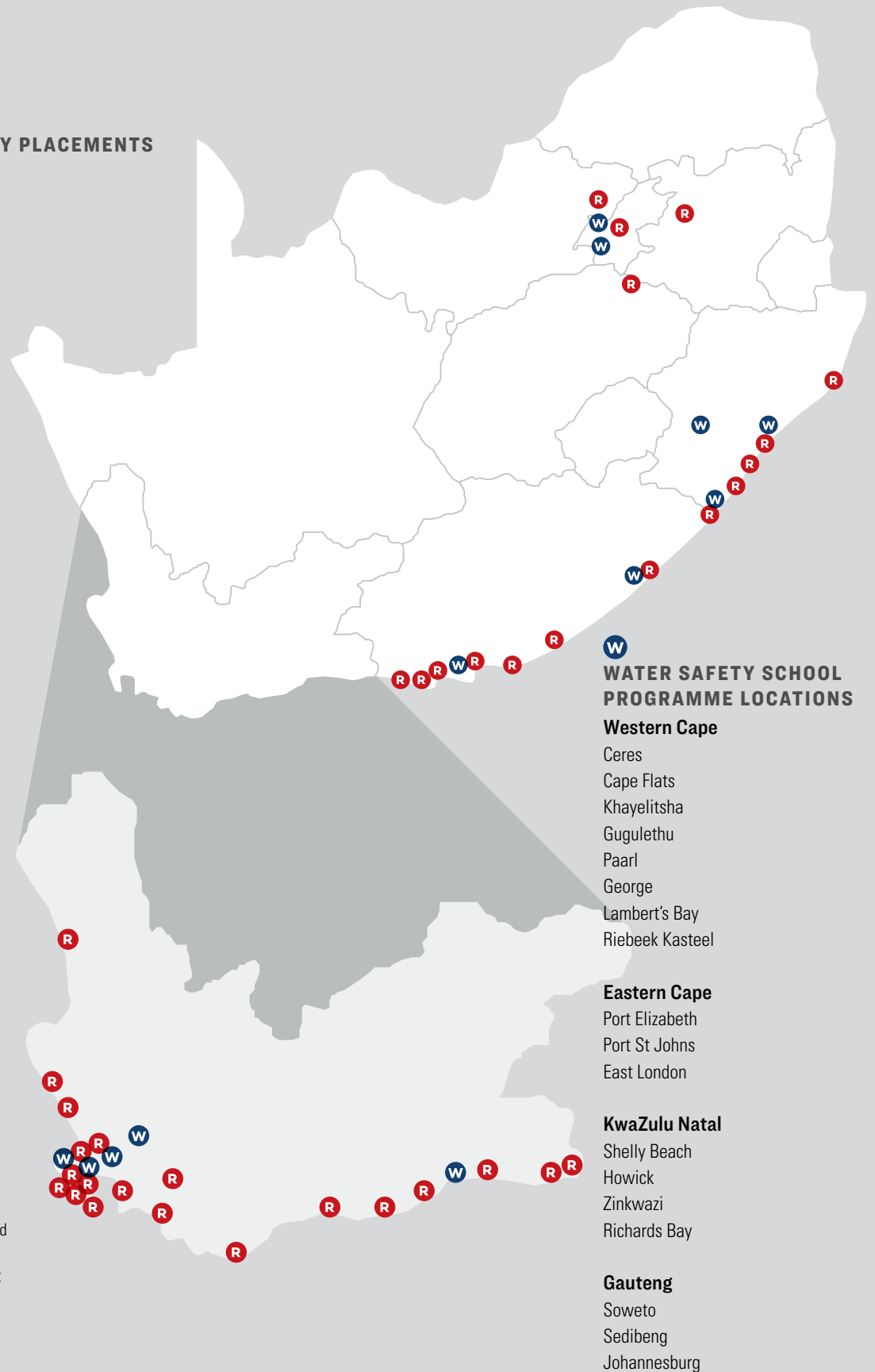
We value the safety of our crews, the safety of the children we teach and the safety of the people and animals we rescue

OUR OPERATIONS



RESCUE BASE & PINK BUOY PLACEMENTS

STN	BUOY	NAME
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
40		St Lucia
41		Ballito
42		Kleinmond
43		Port Nolloth
		Rhodes University
		Western Cape Camp
		Goudini Spa
		Cape Vidal
		Waterfall Estate - Midrand
		Haygrove Heaven - Farm
		Champagne Sports Resort
		Ceres - Farm Dams
		HQ - Demo (standard)
		HQ - Demo (lite)
		St Helena Bay



WATER SAFETY SCHOOL PROGRAMME LOCATIONS

Western Cape

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

Eastern Cape

- Port Elizabeth
- Port St Johns
- East London

KwaZulu Natal

- Shelly Beach
- Howick
- Zinkwazi
- Richards Bay

Gauteng

- Soweto
- Sedibeng
- Johannesburg



HOW WE ADD VALUE



SEA RESCUE AS A VOLUNTEER RESCUE ORGANISATION IN SOUTH AFRICA

Non-profit organisations (NPOs) play an increasingly important role in South African society. They play a leading role in providing a locus of the ethical and moral compass for what should be happening in terms of service to communities.

NPOs are therefore funding public programmes that ideally should be supported financially by the state, making our role that more important.

Our traditional role is one of providing assistance to persons and vessels in trouble in the seas around the South African coast, as well as on a number of inland waters, and assisting in various terrestrial emergencies. In addition, Sea Rescue provides an invaluable service measured by the impact it has on fatal drowning in the country. Current statistics seem to indicate that the fatal drowning rate is remaining consistent at just above 3/100 000 population. We rescue a thousand people from drowning every year and prevent drowning for many others, through our education and training programmes. Every life is unique and has an unquantifiable value.

The economic value of 4 285 fatal drownings over 15 years in Australia has been calculated as \$18.6 billion or, in South African terms: R186 billion - a huge R12 billion per annum. As Australia's fatal drowning rate is lower than ours, the economic impact in South Africa is likely to be higher. While we do need to complete our own research and calculations, this does illustrate the economic value of

the primary and secondary prevention of drowning. In a struggling economy, every Rand counts.

In execution of our mandate, we are expanding our footprint of rescue stations along the coast and adding to our educational and training capacity and scope. Our rescue services are expanding to incorporate lifeguarding in the inshore zone and in the sphere of education, we are adding swimming skills to the scope. Awareness and education are not enough.

Despite teaching 494 384 children this year, we need to do more - we need to reach 1 million children each year, in collaboration with other organisations, we believe it is doable.



For more information about *Our rescues*, please refer to page 62 and more about *Our educational efforts*, please refer to page 16.




OUR BUSINESS MODEL AND CAPITALS

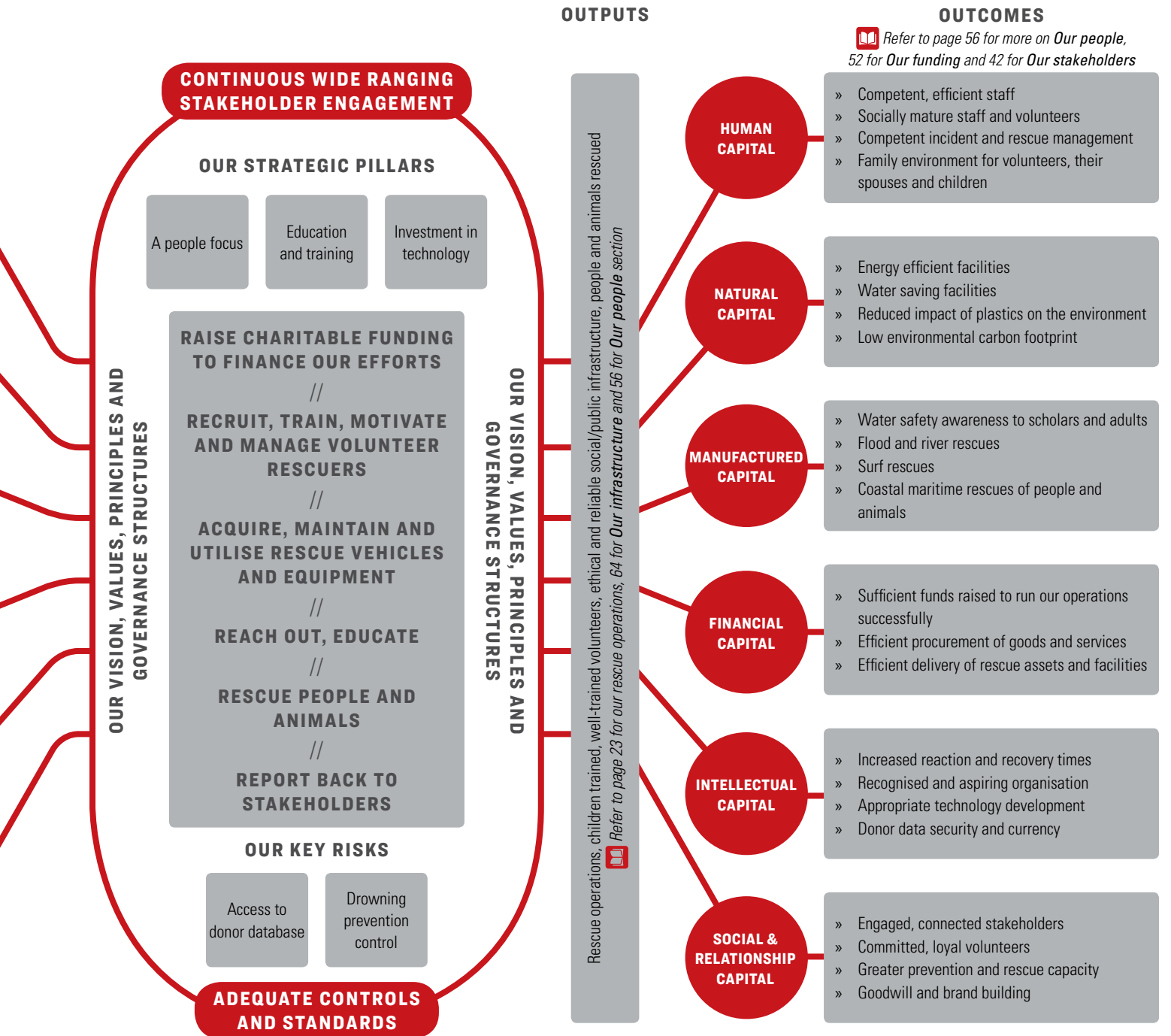
Our business model is simple – we depend on the goodwill and support of over 90 000 individuals and organisations to provide the financial capital to fuel the engine of our vast organisation and the crucial work we do. We provide our services where it matters – equitably and without fear or favour. Most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

OUR ENABLERS

ACTIVITIES

 Refer to page 56 for more on *Our people*, 52 for *Our funding* and 42 for *Our stakeholders*





Refer to page 82 for more on Our risk management and page 34 for more information on our Aiming for excellence strategy

The culture within the organisation has its evolution in our volunteers and the ethical climate is maintained by their influence. We recognise that culture eats strategy for breakfast every day, making our volunteer culture and ethos a primary strategic asset.

The obvious passion and impact 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. This ensures that Sea Rescue is not dependent on a single source of income, and reduces the 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. In 2019 we will remove cash from our donations to capitalise on digital opportunities, maintain agile and flexible fundraising solutions and most importantly, assure our donors that their donation, however small, ends up being deployed in the right place and at the right time.

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. Feedback is the fertiliser of initiative and innovation.

Being exposed to the sea and natural elements, we have heightened awareness of natural capital. 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.

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 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 our risk universe.

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.

Our key material issues include:

SUSTAINABLE FUNDRAISING

 Refer to page 52 for more detail on our sources of income

SUSTAINABLE QUANTITATIVE AND QUALITATIVE VOLUNTEER CAPACITY

 Refer to *Our people* section on page 56

MODERN AND EFFICIENT RESCUE ASSETS

 Refer to page 64 for more on *Our infrastructure*

REPUTATION AND INTEGRITY – STAKEHOLDER AND DONOR COMMUNICATION

 Refer to our *stakeholder engagement* on page 42

COMPETENT LEADERSHIP, MANAGEMENT AND ADMINISTRATION

 Refer to the *corporate governance* section on page 74

EFFECTIVE BUSINESS SYSTEMS

 Refer to *Our technology* on page 67


RESPONSIVE AND EFFECTIVE RESCUE SERVICES AND EDUCATION AND SKILLS DEVELOPMENT SERVICES

 Refer to page 62 for more on *Our rescues*

OUR COMPANY STRUCTURE AND GOVERNANCE

A STRONG VOLUNTEER MODEL


The Sea Rescue business model incorporates a professional management and fundraising component with 28 full and 24 half day staff, which constitutes a mere 4% of all the people involved in our efforts. The remainder is made up by our vast volunteer service component of 1 261 crew at the rescue stations. In 2019, Sea Rescue will also be adding 82 full-time call centre staff to its establishment and will take over the retail store in the V&A Waterfront, Cape Town with its three staff.

 For more information about *Our people*, please refer to page 56.

A NON-PROFIT STRUCTURE

Our business model capitalises on the efficiency of a very large volunteer and 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 employing a paid workforce. The non-profit context also ensures that we can deliver services independently and in collaboration with others.

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 and ensure safety. Funds that would have been deployed in remuneration are directly deployed in delivery programmes, thereby achieving better outcomes.

 Refer to *Our capital trade-offs* on page 14 for more information.

RELIABLE PARTNERSHIPS

Our volunteer service is activated through an emergency call; either as a direct call to a Station Commander or 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, which monitors a boat's journey and alerts emergency contacts nominated by the user should they fail to return to shore on time). Such emergency calls are routed to the Maritime Rescue Coordinating Centre in Cape Town, which in turn dispatches calls through to Station Commanders in the 41 stations. In practice, direct calls to Station Commanders remain the most frequent route of emergency activation.

In 2019, the NSRI will establish its own Emergency Operations Centre (EOC) in Cape Town to provide a single point of emergency access through which stations can be dispatched and assisted. In some measure, this will decrease the administrative and operational load on stations.

The Sea Rescue head office provides financial, logistic and training support to stations to enable the management and operations of each station to be conducted independently, efficiently and safely by Station Commanders. These Station Commanders have delegated authority to make independent emergency decisions to ensure immediate response and action to save lives, as well as to decide on crew safety. They 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. They make operational decisions independent of any outside interference or influence.



*For more information about **Our rescue stations**, please refer to page 7.*

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 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 the 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.



*Refer to page 6 in the **Organisational overview** for **Our values**.*



STRONG GOVERNANCE

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 the King IV Report on Corporate Governance 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.



*For more information about **Our governance**, please go to page 74.*

EFFECTIVE 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, 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 expenditure**, please go to page 68.*



“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.”

OUR CAPITAL TRADE-OFFS

Sea Rescue's vision is one of saving lives, changing lives and creating futures. In order to achieve this, we are constantly reviewing the use and allocation of the resources available to ensure maximum effectiveness. On the right are a few of the primary trade-offs that we have made in the past and our reasoning behind our decisions.

FULLY PAID VERSUS VOLUNTEER WORKFORCE

Insight into the trade-off

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

How this worked for us in 2018

As an organisation, we have a strong focus on our people and the development of leadership training, including core skills such as strategic thinking and planning, effective interpersonal communications, social literacy, time management, delegation and control aspects. Volunteers bring a uniquely positive culture, passion and enthusiasm to the organisation.

Main outcomes

We rescued 1 620 people and 51 animals in 2018 through the selfless dedication of our volunteers and the commitment of donors.

INDEPENDENT STATION COMMANDER MANAGEMENT VERSUS CENTRALISED MANAGEMENT

Insight into the trade-off

The distribution of stations along 3 000 kilometres of coastline provides a management challenge, however the distributed model currently in operation provides for independent operational management with central support for logistics, capital procurement and systems.

How this worked for us in 2018

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

Main outcomes

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

SWIMMING VERSUS CRAFT IN SURF RESCUE

Insight into the trade-off

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

How this worked for us in 2018

Our rescue swimmer / lifeguarding model is working well in the newly established Sea Rescue lifeguarding operations.

Main outcomes

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



OUTSOURCED VERSUS INSOURCED CALL CENTRE

Insight into the trade-off

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

How this worked for us in 2018

The purchase of the business gives Sea Rescue direct management control over the operations of the call centre and creates a more direct relationship with donors. Further synergies are expected in respect of the fundraising function.

Main outcomes

Expenses in 2019 are expected to be substantially reduced from those of 2018, creating a surplus available for capital expenditure.

LEASED VERSUS OWNED PROPERTY FOR BASES

Insight into the trade-off

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

How this worked for us in 2018

Sea Rescue purchased property in St Lucia and Lamberts Bay in 2018 in order to construct new rescue bases.

Main outcomes

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

CONTAINERS VERSUS BRICK AND MORTAR BUILDINGS FOR LIFEGUARDING

Insight into the trade-off

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

How this worked for us in 2018

Containers, converted to provide the basic facilities necessary to a lifeguarding operation, have been deployed at multiple beaches with short lead times and within a limited budget. The containers can be removed for maintenance in winter at a central location.

Main outcomes

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



OUR PURPOSE – SAVING LIVES



“In 2018, our water safety team of instructors reached 494 384 children and broke through the magical 2 million mark, having reached a total of 2 094 006 children since the inception of the programme in 2006.”

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

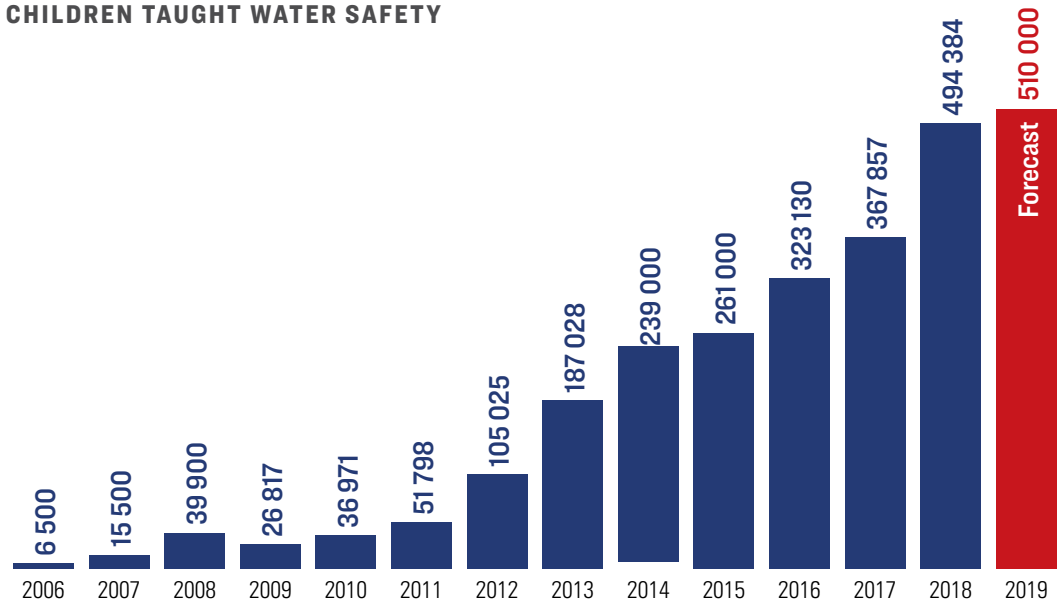
- » our water safety lessons in schools, and
- » our public eLearning portal.

WATER SAFETY LESSONS IN SCHOOLS

Our team of 18 water safety instructors operate around South Africa, from Richards Bay to Lamberts Bay and Port St Johns to Soweto. Our instructors visit children in their school classrooms and specifically target poor communities where access to information is limited and the need for water safety education is great. Statistics show us that these are the children most likely to be at risk of drowning.

The Sea Rescue 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 bystander CPR.

CHILDREN TAUGHT WATER SAFETY





NSRI's Nicole Anthony teaching CPR



CASE STUDY

CPR SAVES A CHILD'S LIFE

EOUDIA ERASMUS, NSRI INSTRUCTOR TELLS THE STORY

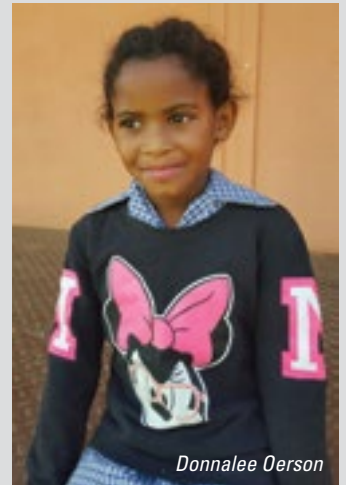
"The principal at Eselfontein Primary, Mrs De Wee, related the following:

A little girl (Donnalee Oerson – 8 years old) and her friends went swimming on Friday 26 October in a farm dam near the school. They were enjoying the water - some other children were on the other side of the dam, when suddenly Donnalee disappeared under the water.

Donnalee's friend managed to get her out of the dam and put her on the side. Some children in the group ran away, but 3 boys ran to them and started doing CPR. Waylen Malan (aged 16), Gabriel Filander (aged 13), Keanen Jansen (aged 18) and Westley Storm (aged 10) remembered what they had been taught in our water safety lessons a couple of years ago. They took turns to give chest compressions and even did rescue breaths. After a few minutes, Donnalee started coughing and vomiting. In the meantime, other children had run for help and one of the parents phoned for an ambulance. On arrival, the paramedics told them that the boys had saved her life.

I went to Ceres Secondary to visit Waylen, Gabriel and Keanen. They told me the same story. They said they were in primary school when I explained CPR to them.

For me, this story is the best I have ever heard. It not only made my day but also confirmed that we must never ever stop doing what we do. I found myself thinking over and over that our workshops and training empowers ordinary children to learn a skill that really does save children's lives. It really is an inspiring reminder of the real value of what we do.



Donnalee Oerson



Click here for link to a video on the story:

<https://youtu.be/xhDjvLKjYCE>

Waylen Malan, Gabriel Filander and Keanen Jansen



PRIMARY PREVENTION



“With community buy-in, with everyone watching out for our Pink Buoys, and checking that they are not being misused, we can save even more lives together.”

RESCUE SWIMMING, LIFEGUARDING, SAFETY SIGNS, PINK RESCUE BUOYS

Sea Rescue’s drowning prevention strategy is to partner with other organisations to raise the profile of water safety in South Africa.

Our drowning prevention strategy is driven by a need to understand who is drowning, where, when and why it happened, and then to put measures in place to mitigate this.

To this end, Sea Rescue partnered with several organisations to 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.



Dibana Logistics transported our water safety container to Clanwilliam Dam at no charge.



Rescue swimmer/beach safety patrol at Elands Bay

In 2018, pilot projects from 2017 were wrapped up and some new initiatives were launched including:

- » An emergency signage pilot - complete
- » A Pink Rescue Buoys pilot – completed and continuing to develop and grow. The focus is now on expansion, awareness campaigns, municipal partnerships and technological advancement
- » Rescue swimmer/beach safety patrol on Lamberts Bay and Elands Bay beaches as well as Clanwilliam Dam. This a new project and aims to proactively patrol and educate beachgoers.
- » Survival swimming programme development – a new project in development
- » Expanding lifesaving / rescue swimming programme
- » Rolling out of Yamaha WaveRunners and All-terrain vehicles (ATVs) for mobile lifeguarding units

We received the following funding for our lifeguarding projects:

LIFEGUARDING

SPONSOR	2017	2018
Western Cape Disaster Management	–	R400 000
Companies, trusts and foundations	R124 500	–
Individuals	R1 000	R2 000
Total	R124 500	R402 000

OUR PINK BUOYS

The NSRI started rolling out Pink Rescue Buoys in November 2017. Rescuers worldwide use torpedo buoys as flotation – these buoys are affordable and effective. The idea behind our 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 for 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 easily be spotted on the water and this colour is unique to NSRI. After use, they should be put back on their hook so that they can save another life.

The Pink Buoy project has received huge support from communities, many of whom have taken ownership of the ones in their area. Theft of the buoys in 2018 was measured at 24% with about one in four stolen, being returned. In 2018, we received the following funding for our safety sign and Pink Rescue Buoys:

SAFETY SIGNS AND PINK RESCUE BUOYS

SPONSOR	2017	2018
Companies, Trusts and Foundations	R82 335	R320 914
Individuals	R241 871	R101 779
Total	R324 206	R424 711

The Pink Buoy is produced by a South African company, through a process called blow moulding. This process allows for faster cycle times, more cost effective production costs and a much higher capacity (approximately 1 300 units in 24 hours) than the conventional rotational moulding previously used. The buoys are made of High Density PolyEthylene (HDPE).

We identified hot spots, found sponsors and a pilot project was launched. 12 months later, we have 300 installations around the country and, as at 31 December 2018, 20 lives were saved, of which 8 were children. Our Pink Buoy project team was recently recognised by the International Maritime Rescue Federation (IMRF) when the Pink Rescue Buoys won their Award for Innovation and Technology at a prestigious gala dinner in Norway. Andrew Ingram, Head of NSRI Drowning Prevention was there to receive the award and said that “it is a great honour for our team to be recognised by the IMRF”.



“It’s often the simple things that save lives, in this case, the simple act of placing a Pink Rescue Buoy in proximity to a water risk”.

RESCUE SWIMMING AND LIFEGUARDING

CEDERBERG MUNICIPALITY WATER SAFETY PROJECT

The Cederberg project started off in September 2018 with the appointment of Nicole Anthoney in Lamberts Bay as a water safety instructor. In the last quarter of 2018, Nicole taught 11 702 children in the municipal area about water safety.

In late October, the Cederberg Municipality asked if NSRI could facilitate water safety teams at Lamberts Bay, Elands Bay and Clanwilliam Dam. With funding from the municipality and the Western Cape Government, we managed to supply teams of trained beach patrollers and rescue swimmers at all three venues by 19 November 2018. This was something of a record and was achieved by having a management team, including Sea Rescue coxswains Stewart Seini and Rico Menezies working with Nicole, to ensure the success of the teams. The project received widespread acclaim when it was closed on 15 January 2019 with no drownings in any of the waters that we protected.

EXPANDING OUR LIFESAVING / RESCUE SWIMMING PROGRAMME

Lifeguard coordinator Stewart Seini, developed a rescue swimmer level one course which is similar to Lifesaving SA’s Lifeguard award. The major difference is that

although the fitness requirements are equal to the Lifeguard award, we put more emphasis on the use of craft, such as jet skis and use all-terrain vehicles (ATV). In 2018, we expanded our lifeguarding operations to add Jeffrey’s Bay to the already established Melkbosstrand unit. We also have qualified lifeguards on station at Strandfontein and East London.



Click here for link to a video on the story:
<https://youtu.be/jAcJaKAYzsl>

ROLLING OUT OF YAMAHA WAVERUNNERS AND ATVS FOR MOBILE LIFEGUARDING UNITS

This rescue swimmer / mobile lifeguard model is being run from Station 14 Plettenberg Bay, Station 16 Strandfontein and Station 18 Melkbosstrand. High powered Yamaha WaveRunners and specially converted ATVs make for a highly trained, quick response team who can reach areas where and when they are needed. The rescue swimmers, jet skis and ATVs are housed in a converted shipping container which can quickly be moved and deployed where needed.



For more information, refer to the Report from our CEO, page 29

CASE STUDY

ANOTHER LIFE IS SAVED

ALAN STILWELL, NSRI PORT EDWARD DUTY CONTROLLER TELLS THE STORY

“At 12:32 on Wednesday, 24 October, NSRI Port Edward duty crew were activated following reports of a drowning in progress at Silver Beach, Port Edward. The sea rescue jet-ski Rescue 32 Bravo was launched and NSRI rescue swimmers responded to the scene in our rescue vehicle. Police Search and Rescue, Med-Evac ambulance services and Paracore Ambulance Trust ambulance also responded.

We found that a 19-year-old male was having difficulty in the surf when a bystander, believed to be in his 20’s, went into the sea to try to assist, but then he got into difficulty himself.

We could see that another bystander, using the NSRI Pink Rescue Flotation Buoy, had gone in to assist the 19-year-old and had reached him. They were about 350 meters off-shore in the surf line and they appeared to be heading back towards the shore using the Pink Rescue Buoy for flotation.

Our sea rescue craft went to the aid of the man in his 20’s, reached him, rescued him and brought him to the beach safely. By that time the 19-year-old and the good Samaritan had already reached the beach. The good Samaritan, whom



we realised then was our local car assistant, Amos Dlezi, was already heading up the beach to return the Pink Buoy to its pole. Amos, who also helps out at the local boat club from time to time, was commended for his effort in saving the life of the teenager. Treatment for non-fatal drowning symptoms was administered to both patients on the beach and they were transported to the hospital by Paracore Ambulance Trust ambulance in a serious, but stable condition.”

CASE STUDY

A SUCCESSFUL RESCUE USING THE PINK RESCUE BUOY IN WILDERNESS

Jaden Delpont, 16 and his dad Henrico, 51 from Centurion were on holiday with family in Wilderness in October 2018. They were at the beach on Friday the 5th when Jaden noticed someone being swept out to sea by a rip current. Jaden immediately responded by rushing into the surf and swimming towards the teenage girl. His dad, concerned for the safety of both his son and the girl, grabbed an NSRI Pink Rescue Buoy positioned at the entrance of the beach and ran into the water after the two of them.

By that time, Jaden had reached the girl and found her to be exhausted from fighting against the current and struggling to stay afloat. He tried pulling her towards the shore, but the rip current was too strong. Henrico arrived and passed her the Pink Rescue Buoy. While holding onto the strap, he helped to pull her towards the shore where she was reunited with her family.

As this rescue started to unfold, a member of the public, Casey, aged 27 from Cape Town, called the emergency number on the Pink Rescue Buoy signboard. NSRI commend Jaden, Henrico and Casey for the tremendous effort to save this girl’s life.





Extract from our school water safety programme. Artist: Megan Bird

TESTIMONIAL

HOME MADE RESCUE BUOY

“Our family have been members of NSRI for many years. My father-in-law joined in the late ‘60s and became a Coast Watcher for False Bay at that time. In due course, my husband joined, and now our son Matthew is an active member.

After reading the article “Pink Rescue Buoy Project” in the August 2018 magazine, I was prompted to share our story with you:

Home Made Rescue Buoy

In the early 1970’s I completed the freshwater lifesaving certificates at school in Johannesburg and was awarded my Gold Medal Certificate.

Just over 15 years later, my CPR skills were put to the test when I had to resuscitate my 2-year-old son who had fallen into our pool. He recovered fully and is now an active member on one of Cape Town’s 8 stations.

With three children aged seven, five, and two, I was very anxious about pool safety and began there and then to do

elementary lifesaving with the children. We created our own “pink buoy” by attaching a used pool chemical bottle, slightly weighted with a little water, to a nylon rope, with the other end secured to a hook on the wall next to the pool.

The children and friends loved practicing throwing the buoy to others in the water and hauling them to the side. I also taught them how to bounce and turn their friends out, from the side. I even taught my maid, a non-swimmer, the technique of throwing the buoy.

I’m pleased to say that we did not have another incident in our pool.

My children became water safety conscious and learnt to be observant of others around them in the water. Some years later the same “baby” and his older brother rescued a little boy from the bottom of a very busy public pool in the summer holidays. Another life was saved.”

Barbara Bottome
Fish Hoek

SECONDARY PREVENTION – RESCUE

In 2018, the footprint of NSRI grew by five rescue stations and with more than 200 volunteers. We are now in eight of the nine provinces of South Africa and have a station in every coastal province.

Because of this presence, our ability to serve communities has grown, and our impact has increased. For every life saved, there is a knock-on effect for a family and community that has retained a breadwinner (economic), and children and spouses who will continue to receive the nurture and love that would not have been there if we did not exist (social).

Key to achieving our vision of saving lives is to create the “habit” of continual training and development on stations, another is the care for our assets.

A great rescue is not a project or a moment of brilliance. It is built in the hours and years that NSRI crews have habitually spent together, forging their knowledge

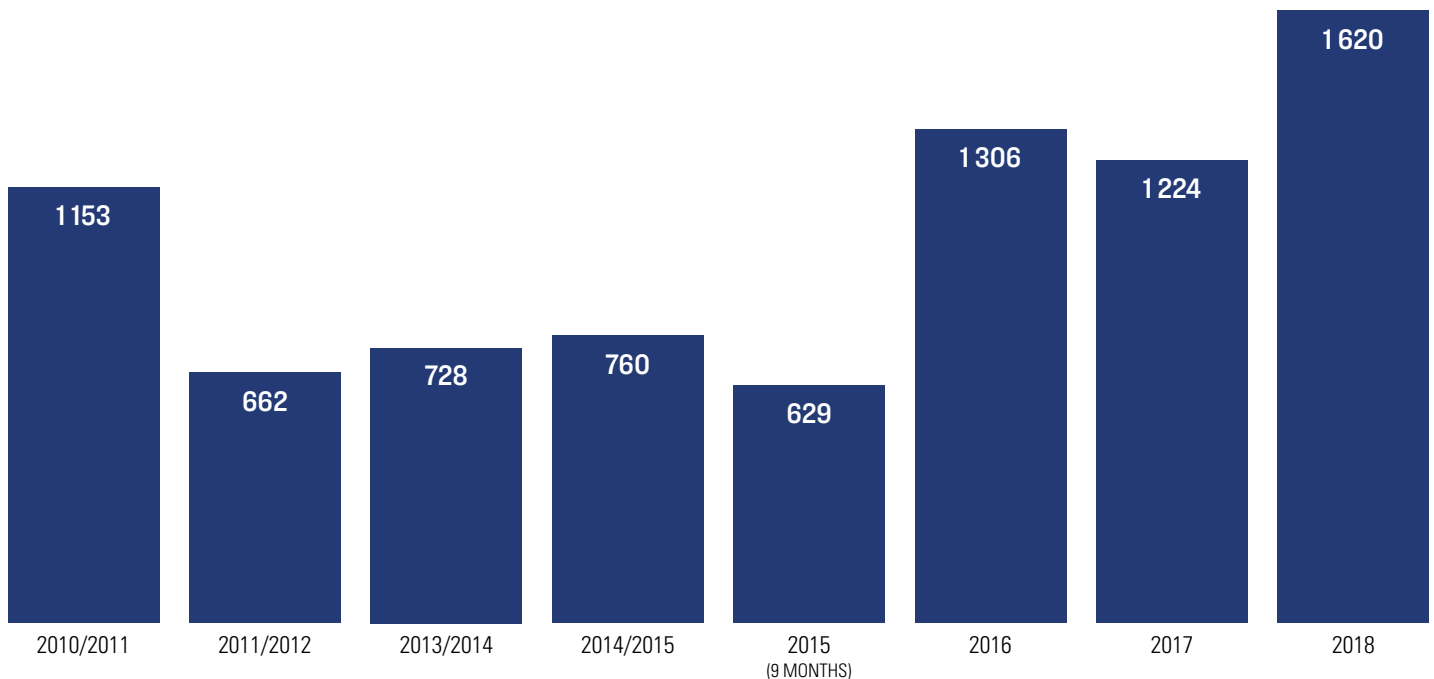
and skills in austere training conditions, growing and sharing experience and building camaraderie in both formal and casual interactions. This foundation has benefits for the rescue crew themselves, learning life lessons and experiencing things that few others do, as well as for the recipients of our service – the people whom we rescue and whose futures we have given back when they thought it had gone.

A group of people with no tools can rescue someone, but the best-equipped rescue boat with no people can do nothing. Better yet, people, with the best training and equipment can conduct rescues more safely, more effectively and for the greater good of us all.



*More information about **Our rescues** can be found in the **Our Beneficiaries** section on page 62.*

NUMBER OF PEOPLE RESCUED





CASE STUDY

BOAT CAPSIZES – ALL 11 CREW, A LOCAL SKIPPER, SIX DUTCH AND FOUR GERMAN TOURISTS RESCUED

Jerome Simonis, NSRI Knysna station commander, said:

“At 13h21, Wednesday, 4 July, NSRI Knysna duty crew were activated following a report from the restaurant staff at East Head Cafe who witnessed a boat capsize in the Knysna Heads, just North of Island Rock. Our sea rescue craft was launched and we arrived on the scene within seven minutes of being activated. Sea conditions were three to four meter swells.

NSRI shore crew, including two NSRI station doctors, responded to our sea rescue base to stand-by. ER24 ambulance services, WC Government Health EMS, SA Police Services, Knysna Fire and Rescue Services and SA National Park rangers had also been activated.

All 11 people on board the capsized charter 8.9-meter rigid inflatable boat of Knysna Rib Adventures, were rescued onto our Sea Rescue craft. They were brought safely to shore and to our Sea Rescue base where our medical crew treated them – only two were found to be in need of medical care (a husband and wife, from The Netherlands, were treated for non-fatal drowning symptoms). The husband who also has a pre-existing medical condition, along with his wife, was transported to the hospital as a precaution.

The remaining eight tourists and the local skipper, were not injured and transported to their various respective lodgings in Knysna.

The casualty boat was not recovered and SAMSA (South African Maritime Safety Authority) was investigating the capsizing.”



THANK YOU LETTER

“Dear Simon,

First of all the best wishes for 2019, for you and your family. My wife Ida (secretary Department Orthopaedics) and me, (physiotherapist/manual physical therapist) both retired after working in the local hospital, always wishing and looking forward to visiting your country.

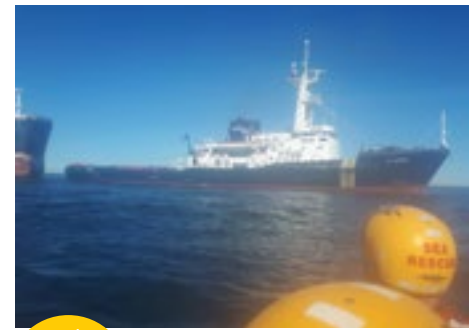
We were taking a three weeks bus tour from Johannesburg to Cape Town with a Dutch travel agency.

The plan was to watch whales, but due to the high waves, the trip was cancelled. So it was stupid of us to go with the rib boat, was our conclusion afterwards!

The day of the accident the rib returned in the morning together with high waves. Luckily one person from our group didn’t dare to go in the afternoon and my wife stayed with her. The big wave, four meters high came against my side of the rib and with a loud “bang” the rib was turned over. From that moment it was a struggle to survive and trying to reach the surface. How long I was underwater, I don’t know. It felt like more than 1 minute. I’m glad that I’m a good swimmer, aged 69 years old. Unfortunately the next day I got a heart attack due to the hypothermia.

It helped me a lot to see our savings from your video, dear Simon. We have seen your video several times, but it’s still scary.”

Respectfully yours,
Wim and Ida



CASE STUDY

VESSEL ASSISTED AT SEA OFF ST FRANCIS BAY

Sarah Smith, NSRI St Francis Bay Station Commander, said:

“At 19h30, Friday, 4 May, NSRI St Francis Bay duty crew were alerted following reports of the Tug Boat AHT Carrier reporting that while towing the MT Order to Maputo, the towing rope had separated and the rope had fouled the tug boat’s one motor, tethering her to the casualty boat. They were unable to recover the tow rope to re-attach a towline to the casualty vessel and both the tug boat and the casualty vessel were drifting shore wards in the currents. At that stage, they were still at least 15 nautical miles off-shore.

The Transnet National Ports Authority (TNPA), NSRI St Francis Bay, NSRI Jeffrey’s Bay and NSRI Port Elizabeth were placed on alert and, while no lives were in any immediate danger, the Sea Rescue stations remained on high alert to respond if an emergency developed.

The tug boat investigated all possibilities to detach herself from the casualty vessel and to re-attach a towline.

It was confirmed that there were 14 crew on board the tug boat AHT Carrier and no crew on board MT Order. At 05h00 NSRI learnt that they were now at least close to four nautical miles off-shore and that the SA Amandla salvage vessel had been activated, but they were only due to arrive on the scene at 14h00.

At 05h10, Saturday, 5 May, NSRI made the decision to activate an emergency and the NSRI St Francis Bay Sea Rescue craft Spirit of St Francis II and the NSRI Jeffrey’s Bay Sea Rescue craft Eddie Beaumont II launched.

On arrival on the scene, we found both vessels approximately five nautical miles off-shore and in the current drift, they were approximately two hours from

running aground. All crew on board the tug were safe but they were helpless without a tender boat to recover their towline from the water and with rope fouled around one motor. On investigation we found a cable lying in the water off the stern of the casualty vessel.

The Sea Rescue craft manoeuvred around the ship. We followed the cable lying over her stern into the water and we found a chain attached to that cable and then thick rope attached to the chain.

The thick and very heavy rope was hauled with great difficulty but successfully by our NSRI rescue crews onto the Sea Rescue craft. They then rigged a patent line, using NSRI normal towing rope and were able to feed that patent line that we had rigged to the crew of the tug boat. The tug boat recovered their towline and stern to stern, on one motor, the tow rope’s integrity was sound and the tug boat was able to hold the casualty ship by using her one operational motor. Sea Rescue craft remained on the scene and only returned to re-fuel.

The tug boat, with her one motor operational and tow-line rigged stern to stern, was able to gently head further out to sea. NSRI met the SA Amandla on her arrival at around 13h00 and she took over the tow of the casualty vessel from AHT Carrier. We returned to base and later in the afternoon we were requested to take the salvage divers out to the AHT Carrier. At this stage, SA Amandla was towing the casualty ship further out to sea and no further NSRI assistance was requested.

During the operation, Telkom Maritime Radio Services assisted with communications and Disaster Risk Management was placed on alert. SAMSA (South African Maritime Safety Authority) assisted with coordinating the operation.

NSRI St Francis Bay, NSRI Jeffrey’s Bay and all involved are commended for averting a disaster at sea that day.”



THANK YOU LETTER

“I would like to forward my deepest and sincere appreciation and thanks to the NSRI teams – Rescue 21 St Francis and Rescue 37 Jeffrey’s Bay and their base support teams that came out to give support and medical standby during the time of the bridle wire recovery and tow connection. We had on this occasion had to work as close as five meters from the bulbous bow of the MT ORDER to recover the very short bridle pennant on deck. It was comforting and morale uplifting to all on board to have the rescue teams in close standby should any immediate evacuation of the crew be required.

I take my hat off to those guys who offer their time and life for the preservation of life to all connected with the seas.

Well done to all... give them all a Bells from us.”

Kind regards
The Master, Officers and crew
Russel Duse
Master – m.t. “SA Amandla”



THE CONTEXT WE OPERATE IN



“Sea Rescue has expanded its sale of retail items to continue increasing the scope and diversity of fundraising streams and, from 1 May 2019, will take over the operation of the branding clothing store in the V&A Waterfront.”

ECONOMIC CONTEXT

In 2018, South Africa slipped into a recession, foreign debt reached record levels, State Owned Entities teetered on collapse, unemployment was the worst it has ever been, fuel prices reached record highs, the Rand continued its volatility and equity markets struggled.

Not an ideal environment within which to deliver humanitarian services and there was an unquestionable impact on our ability to raise necessary capital from particularly, government and corporates. Individuals remain our economic foundation, donating the bulk of our fundraising in R50 amounts and it is only by the grace of our 90 000 donors that we are able to sustain our rescue service at the levels we do.

Safety through technology comes at a cost, driven largely by imported content and fuel prices; these are major cost drivers. The expense of the necessary construction of some boats overseas was partially controlled by taking forward cover, thereby reducing the impact of the depreciation of the Rand on our capital programmes and securing a local builder for the future, to further reduce construction costs.

GEOPOLITICAL CONTEXT

Economic optimism has evaporated within the context of very real socio-economic issues in South Africa and the 2019 elections mean that the focus will be on elections rather than the economy for the immediate future. We can only hope that, whatever the political structure, those in office do not repeat the mistakes of others. Internationally there is no question that the fate of the Rand and subsequent impact rests in some measure on the United States of America. We live in interesting, yet unpredictable times.

ENVIRONMENTAL CONSIDERATIONS






Rising sea levels, coupled with unpredictable weather, remain top of mind as we plan coastal and inland resources, having to consider maritime, inland dams and swift water rescues. Recent hurricane winds on the Vaal Dam have illustrated the possible impact of extreme weather on a larger scale. Training now includes swift water rescues to assist during flooding, as happened recently in Durban.

We retain our water scarcity approach and initiatives, supporting energy efficiency and a strong anti-plastic lobby in the context of marine pollution. We continue to engage on issues that cause entrapment and injury of marine mammals.

CARBON FOOTPRINT

Sea Rescue is committed to decreasing our carbon footprint and supporting local business at the same time.

NSRI ANNUAL CONSUMPTION

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

** Through active monitoring of consumption and the installation of LED energy saving lighting and devices sponsored by LEMS, we are achieving savings in electricity usage.*

TECHNOLOGICAL DEVELOPMENT

Technology is always dependent on people and artificial intelligence does not exist in a tangible form currently, as we discovered with the local application of the international maritime Automatic Identification System (AIS). The Transnet National Port Authority (TNPA) shut down the terrestrial AIS network in South Africa, and overnight a significant safety and rescue system was unavailable to the maritime community and rescue services alike. It raises the issue of dependence on technology, redundancy and always having a plan B. We are dependent on so many systems outside of our control and we should always be constructing 'what if' scenarios to be able to function when systems go down. Imagine trying to navigate without a GPS in 2018.

The next current discussion is the Internet of Things (IoT) and how we can integrate data from various devices, each with its own proprietary system which does not 'talk' to any other system across the internet. Every outboard motor has a Central Processing Unit (CPU): how do we extract the data and use it intelligently without having to create and pay for duplicate systems?

Drone technology is currently under investigation for use in search and rescue and Sea Rescue is exploring the application in a variety of environments.

SOCIAL ENVIRONMENT

2018 saw increasing levels of social unrest related to service delivery and local politics, which in some instances such as Hout Bay, directly impacted on the service's ability to respond to emergencies. Crew living in communities paralysed by conflict are unable to respond, which impacts our human capacity.

Economic drivers are increasing the numbers of opportunistic fishermen who fish largely at night, under austere conditions, at great risk, and Sea Rescue is often called to respond to incidents involving these individuals. A huge effort is expended in searching for missing fishermen, which often takes days.

The other great social challenge is influencing culture around water safety on small craft and around water: getting people to wear appropriate lifejackets, abstain from alcohol on beaches and boats, maintain close supervision of children, not crossing flooding rivers, staying away from rip currents, knowing what emergency numbers and applications to use and generally behaving responsibly around water.



CASE STUDY

We love our planet and the idea of recycling the things we no longer use was the perfect solution for paying it forward and giving back. For this project we partnered with Themba Training who offer entrepreneurial training, paired with practical skills such as sewing classes, to equip people with the skills needed to become small business owners and enter the formal or informal job market. They turned our pre-loved wetsuits into laptop bags, Christmas decorations and drawstring bags. Some of the other products they supply us with are pencil bags from old jumpsuits, a range of other bags and our much loved stuffed Brave Turtle. These Brave Turtles (and our whales) are made of tshwe-tshwe fabric and inside they have a heart made from the recycled wetsuits that were worn by our rescuers when saving lives. Tshwe-tshwe is printed fabric widely used in traditional South African dresses – it is known as the tartan of South Africa.

We are also pleased to have entered into partnership with local businesses like Quiver Outdoor Gear who supply our rescue crew with quality personal protective clothing. These items of clothing need to be manufactured to withstand the rough elements out at sea. When out on a rescue boat for a nine-hour callout, it's essential that our crew stay warm and dry, so our foul weather gear undergoes rigorous testing to maintain high quality and standards. The Quiver Outdoor Gear team says: "We are extremely proud to be able to supply an organisation like the NSRI with gear. South African businesses supporting other South African businesses is something we want to see more of."





MESSAGE FROM OUR CHAIRMAN

“Operationally the diversity of our activities, both in Primary Prevention and Rescue is continuously increasing and I am humbled by the passion and commitment by volunteers and staff who take on additional work every year.”

The Chairman's principal role within a company structure is to lead the governance of the company in line with the principles and practices outlined in the King IV Report on Corporate Governance. I have worked with large corporate structures my entire life and appreciate the hard work and effort that goes into achieving substantial compliance with the prescripts.

It is therefore particularly satisfying for me to see the reported compliance performance of Sea Rescue as benchmarked against King IV practices. For a non-profit organisation to achieve the reported performance and aspire to the levels of ethical leadership and operation is absolutely fantastic. Every volunteer, Station Commander, coxswain, manager and employee makes the work of the Chairman and Board of directors so much easier by living the culture necessary to our achieving success in saving lives.

During the year under review, Eddie Noyons retired and resigned from the Board and Deon Cloete stepped down as director. I would like to thank them for their contribution and wish them well for the future. Eddie Noyons and Rob Stirrat were appointed as Honorary Life Governors in June 2018.

We live in an era of change and economic challenge, the context of business in South Africa is a complex one, no less so for non-profit organisations. What determines the success of a business is its ability to respond and adapt

with flexibility and innovation to those challenges. I find within our volunteers and personnel the willingness to take the pain, roll with the swell and do what is necessary to ensure that we meet our mandate.

The biggest change on the business side has been the insourcing of the call centre from 1 January 2019, which provides us with direct control over our entire revenue generating suite and brings the cost structure to within internationally benchmarked norms. In 2019, the call centre operations will function as a ring-fenced business within Sea Rescue to allow stabilisation and orientation to occur.

The other revenue and fundraising streams remain challenging and much effort is required just to sustain current donors, never mind solicit new ones. The fundraising team have a strategically diverse range of loyal donors from individuals to government and are commended for the work they do in an austere economy!

We are conscious of the necessity to achieve the right balance within our volunteer capacity. Unlike a for-profit company that just adds resources, we operate within the constraints of volunteerism and have to be sensitive to the balance between what volunteers do for us (and the public) within the context of their personal, family and working lives.

Overall this report once again underlines the incredible contribution made by the members of the Institute to South African society in changing people's lives, saving lives and ensuring that the futures of those people are bright.

This report carries enthusiastic endorsement from myself and the Board of directors; jointly we are humbled and incredibly grateful to all our stakeholders, donors, volunteers, partners, who collectively ensure our success.

Ronnie Stein





DEVOTED
commitment or dedication to a
purpose



REPORT FROM OUR CEO

I have been the CEO at Sea Rescue since 2013, five years, and so it is probably an appropriate juncture to reflect on five years past and into the future. The narrative of the last five years is an excellent continuation of the positive culture embedded in a volunteer organisation, which has benefited from the selfless contribution of thousands of South Africans and over fifty years of service.

The management and volunteer components have increasingly professionalised and the organisation has become more corporate in its style and culture. Sea Rescue is no longer a small fledgling NPO/NPC but a mature corporate citizen, delivering a unique service of advocacy for drowning prevention and water-related rescue.

Transformation and change undoubtedly bring challenges and tensions, old vs new, volunteer vs professional, expansive vs static, technology vs tradition and young vs old, signs of a healthy engaged community in service of humanity.

Fundraising is never easy, it is hard work, requiring effort, resources and funding in itself. In 2013 there was one dedicated, full-time fundraiser employed by Sea Rescue; we now have a department of sixteen people in Fundraising and Marketing that raise funds through events, State Owned Enterprises, trusts, memberships, individual donations, corporate donations, sponsorships and legacies. In 2019, Sea Rescue is acquiring the call centre business with an additional 82 personnel at an annual cost of R18 million.

In five years, the NSRI has more than doubled its income from R65 million to R143 million. The additional income has allowed us to broaden our reach, with a matching growth in expenditure and gradually increasing commitments to capital projects. Internationally the cost of fundraising averages less than 20% of revenue. Our own efforts to minimise our cost structure resulted in the

strategic decision to insource the call centre operation and we are happy to report that our costs will be approaching international benchmarks in 2019.

THEN AND NOW

	2013	2018
Revenue	R65 million	R154 million
Number of children educated in water safety	187 028	494 384
People rescued	728	1 620
Number of volunteers centrally trained	12 (2014)	302
Number of rescue bases	30	41
Volunteers	901 (2014)	1 261
Fundraisers	1	16
Capital expenditure	R4.2 million	R14.8 million

OUR RESCUE OPERATIONS

The number of rescue operations reached 1 138 in 2018, with 1 620 people rescued. The ratio of training to operational hours has remained consistent at 5:1. The type of rescue operation shows wide diversity. Medical evacuation of sick or injured seamen is consistent at approximately 75 annually. Helicopter availability has significantly diminished, demanding that operations are done by boat, at high risk.

As formal fishing has declined, subsistence and illegal fishing have accelerated without the accompanying levels of safety equipment and training. There are fewer controls by the Department of Agriculture, Forestry & Fishing and the SA Maritime Safety Authority (SAMSA) in this sector and the result is a greater incidence of safety issues and rescues.

Mass casualty operations remain a concern, such as that to the Thandi in 2017, and safety standards in the



**More
stations, more
volunteers,
more people
rescued in
2018, than
ever before**



HSH Princess Charlene of Monaco.
Source: Howard Cleland

Over 2 million children have been trained since inception

ferry industry are lacking, creating ongoing risk in Durban, Cape Town, Port Elizabeth, Plettenberg Bay, Kleinbaai and on a multitude of freshwater estuaries and dams where passenger pontoon boats quietly ply their trade.

Whale disentanglement and marine animal rescues (turtles, dolphins, and penguins) continue consistently, mainly in the Western Cape.

VOLUNTEERING

The numbers of volunteers: crew and coxswains, have increased by 129 to 1 261 personnel over the past year. Sustaining volunteer and coxswain capacity is a key strategic risk. As the public view and reputation of the service has improved, so has the expectation and demand, not only for Sea Rescue services but for other adjunct services, such as fire and medical. The public expects a professional service with little consideration of the volunteer nature of the personnel. We pay the price, in expectation, for the positive and effective marketing through our visible tangible service.

The training of Sea Rescue volunteers has been professionalised and the numbers of personnel trained centrally have increased markedly with the appointment of full-time training officers in 2015. Twelve people were trained as coxswains in 2014, with this number increasing to 302 in 2018 across a widening range of courses, including coxswain certificates, surf rescue, rescue swimmer, VHF digital selective calling, electronic navigation, maritime extrication and maritime emergency care. All cognitive training content is now performed via eLearning, which includes online assessments. The increased volume and quality of training has been a major success.

The community pressure exerted on Station Commanders and crew, particularly in small towns, has been noted and through the right support, this load can be mitigated. Reducing the scope of service was discussed, e.g. Emergency Medical Services (EMS) response, but this is work the local community expect and which the stations like doing. Sea Rescue needs to provide greater support and evolve relationships with partners in EMS to achieve a balance.

A strong effort has gone into compliance management and audits, which has placed a considerable burden on our Station Commanders in the recent past, but with their whole-hearted cooperation we have achieved a significant level of compliance and initiatives to automate processes which will reduce the burden on Station Commanders.

The lifeguard component of our services, because of the time demands (>12 hours/day), may well require a different volunteer model applied or even be paid. The appointment of regional multi-skilled personnel may assist in coordinating these functions regionally. Lifeguard services are planned to be incubated and initiated at head office level but then handed over operationally to stations in a flexible agile model that adapts to the local society and their demands.

There has been an acceleration in the professionalisation of volunteer crews over the last five years and in many respects, these volunteers deliver a more professional service than paid counterparts.

WATER SAFETY AND DROWNING PREVENTION

The NSRI water safety programme, teaching children water safety awareness and basic CPR, trained 6 500 children in 2006. In 2018 we trained 494 384 children in the Western Cape, Kwazulu-Natal, Eastern Cape and Gauteng.

We recognise, as has the international community, that education and awareness alone is insufficient to prevent drowning and that we need to evolve a survival swimming programme that has been validated to guarantee competence after a defined number of lessons on defined skills. To this end, we are developing a new programme and have already trained several of our water safety educators as a start. We will work with like-minded colleagues locally and internationally to evolve the programme. Once we have a strategy and lesson plan in place, with input from our partners PCMFSA, we will have the programme academically ratified. The Sea Rescue survival swimming manual launch date is planned for summer 2019 / 2020.

We are very proud to announce that H.S.H. Princess Charlene of Monaco became a patron of Sea Rescue's water safety programme in 2018.

eLEARNING PORTAL – BRAVOBRAVO

In 2018, Sea Rescue launched our online public learning platform, which includes a new and improved version of our Skippers and Navigation Training Guide. This manual provides the theoretical content to aid students undertaking their South Africa Maritime Safety Authority (SAMSA) Skippers course, as well as for anyone looking to bolster their general maritime knowledge.

As at end of December 2018, we had over 1 500 enrolled users and feedback so far has been valuable and positive.

The attraction of eLearning is that it reduces the required classroom time for students, enabling them to get the theory component out of the way at their own pace, in their own time and place, with as many repetitions of the quizzes as is necessary to master the subject. This approach frees up the limited time available with instructors for practically mastering the required skills on the water.

LIFEGUARDING

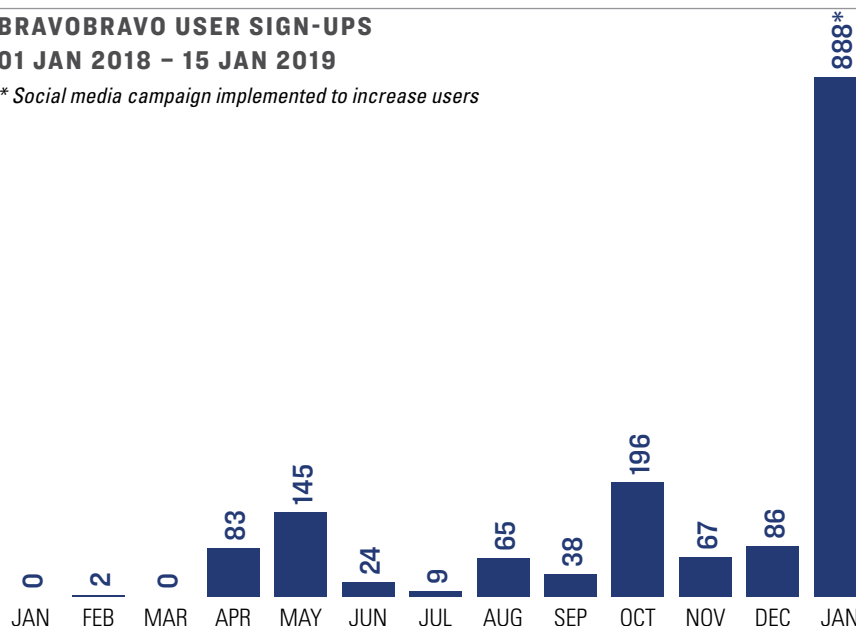
Our philosophy with respect to lifeguarding is different from our local colleagues, in that we are focusing on beaches outside of 'the flags' by deploying a model that includes ATVs, water craft (jet skis) and surf rescue technicians (higher skill level). We think that this model covers larger areas with greater efficiency and safety. Our model needs to be agile and flexible for deployment invariably complex areas.

COLLABORATION EFFORTS

The sustainability of the drowning prevention component requires partnerships and collaboration with a variety of organisations, municipalities, churches, departments (agriculture, sport, local government, and disaster management) and community groups. Sea Rescue has become progressively more active as a drowning prevention advocate and in 2017 the Western Cape Drowning Prevention and Water Safety Strategy was published with the active involvement of the NSRI. The strategy could become a national document and needs to be operationalised. We continue to lobby SAMSA and the SA Search & Rescue Organisation (SASAR) on water safety and to collaborate to drive greater levels of activity. We are engaging with the Coastal Disaster Management Forum in respect of drowning prevention and are improving relationships with the Coordinated Inland Water Safety

**BRAVOBRAVO USER SIGN-UPS
01 JAN 2018 – 15 JAN 2019**

** Social media campaign implemented to increase users*



Project of the Department of Water Affairs & Sanitation to ensure that we impact on water safety on some 250 inland dams. There is no doubt that the Sea Rescue brand is very strong in communities where it is communicated along the coast. Brand awareness and exposure is probably much less inland and in poorer communities. The initiative to market the NSRI brand through the water safety educators is an attempt to increase awareness in these sectors. Every child should know who the NSRI is and what we do.

PINK RESCUE BUOYS

As more funding becomes available, the area that we reach with the Pink Rescue Buoys is extending. All signage installation requires approval from local municipalities and 75% of the signs and buoys are sponsored by local companies and individuals. We are increasingly visible in the beach safety realm as well and our recent Pink Rescue Buoy project has exploded beyond our expectation. This project clearly addresses a gap in public communication, awareness and resources previously provided by municipalities. We propose that the project continues because it provides an excellent public interface, satisfying both service and communication objectives. Beach signage is another area where we have significant impact and relationships with authorities are improving, resulting in improved signage.

 Please refer to page 19 for more detail on our Pink Buoy endeavour.



“The transformation of Sea Rescue has accelerated in the past five years, supported by a brave vision, good planning, improved organisational structure and capacity, governance and management continuity, consistency, positive volunteer culture, stakeholder engagement and donor recruitment.”



TRANSFORMATION

The Social Literacy training project within Sea Rescue has to date reached 11 stations and has been well received. We plan to include a social literacy curriculum on our eLearning platform and ensure that all stations and crew have the same understanding of the concepts related to transformation before we continue a series of engagements and implement the toolkit identified.

The lifeguard component presents the most immediate opportunity for transformation and having appointed a lifeguard coordinator to train lifeguards within our system, we think that this initiative will make a significant contribution and introduce greater numbers of youth to the service. The NSRI Junior Academy (12-16yrs) has been introduced in some stations but, with variable capacity available, has not developed significant momentum. We plan to initiate ‘holiday camps’ which cover the crew level skills in the anticipation that these will facilitate recruitment at stations.

Community-level transformation is a challenge but we are aware that we reach a very small percentage of the South African community through our communications. The WaterWise sub-brand previously disguised the NSRI in those communities where programmes were taught. As mentioned earlier, we have aligned the branding and water safety lessons are now clearly identified as those of the NSRI and not WaterWise. We will also broaden our communication in a greater variety of languages through

print and social media. Videos on CPR and rip currents, for example, will be produced in IsiXhosa, Afrikaans and isiZulu.

Transformation of the executive team is a medium-term objective through natural recruitment, while Board presentation of greater than 50% of black non-executive directors was achieved in 2018.

REVENUE SUSTAINABILITY

The NSRI took over the call centre operations previously delivered by WinDirect from the beginning of 2019 and we need to introduce the new business within the Sea Rescue structure. Management currently is of the view that an integrated model has economic benefits but it is recognised that we will understand the business better over time. We foresee that it will take the next five years to consolidate the business within Sea Rescue and explore the best options for facilitating donations through individuals and corporates by telephone or face-to-face engagements.

We will continue to pursue diversity within our funding streams. The proposal is that all retail sales initiatives be brought in house. We have an agreement with the current service provider to take over the V&A retail store from the 1st of May 2019. The delivery of Sea Rescue events is proposed within partnerships so that effort and cost are reduced. Excellent examples like the DHL and Grindrod golf days exist and we will continue to nurture those relationships.

OUR KEY STRATEGIC ISSUES OVER THE NEXT 5 YEARS

SHORT TERM

**VOLUNTEER
SUSTAINABILITY/GROWTH**

//

**VOLUNTEER OPERATIONAL
MANAGEMENT**

//

**EFFECTIVE ORGANISATIONAL
STRUCTURE**

MEDIUM TERM

PROFESSIONALISATION

//

DROWNING PREVENTION

//

**INFORMATION &
COMMUNICATION
TECHNOLOGY, EMERGENCY
OPERATIONS CENTRE AND
THE INTERNET OF THINGS**

//

**LEADERSHIP AND
MANAGEMENT SUCCESSION**

LONG TERM

**OPERATIONAL SCOPE AND
FOOTPRINT**

//

**PROPERTY OWNERSHIP AND
CONSOLIDATION OF HEAD
OFFICE FUNCTIONS IN A
CENTRAL FACILITY**

//

**REVENUE SUSTAINABILITY/
GROWTH, FINANCIAL
MANAGEMENT, FUNDRAISING
AND MARKETING**


//

TRANSFORMATION

We are pursuing a reality video production series as both a fundraising and marketing initiative. This project is in its early stages and is possible that revenues from this could be earned in Dollars. There is an unrelenting demand for real content.

CAPITAL EXPENDITURE

The world is becoming more digital and NSRI is keeping pace to improve our service and continuously improve safety. Greater commitments have been made to Information & Communication Technologies (ICT), in order to institute Microsoft NAV and CRM programmes, install fibre connections at head office, replace the servers which are housed at Vodacom, improve connectivity with stations, create universal desktop hardware and suites at a minimum specification, institute eLearning and create a public skipper training portal.

 *More detail on our information technology infrastructure projects is available in the **Our technology** section on page 67.*

Completing capital projects have remained challenging, with delays stemming from securing leases, municipal processes and decisions on design and construction of offshore vessels. We have nevertheless made significant progress with new building projects, refurbishments and investing in own infrastructure and equipment.



*More detail on these projects is available in the **Our infrastructure** section on page 64.*

STRATEGIC PLANNING

We take a 5-year view in our strategic planning, carefully considering our immediate as well as our longer term needs and aspirations. A series of detailed action plans are developed for each strategic initiative.



*For more detail refer to **How we aim for excellence** section on page 34.*

ADDITIONAL SERVICES

The one identified gap in our rescue system is that of emergency medical capacity. Sea Rescue generically delivers emergency medical care at a first aid level, although for specific medical evacuations we use the services of professional paramedics and occasionally doctors.

OUTLOOK

In looking back, we have made great progress in the past five years to broaden our reach and impact on society, improve safety among children as well as our own volunteers and diversify our sources of funding. However, much remains to be done towards preventing 2 000 fatal and 20 000 non-fatal drownings each year.

Dr Cleeve Robertson



HOW WE AIM FOR EXCELLENCE

“Sea Rescue is in the business of courage and commitment. Our aim is to assist others at their most vulnerable. We do that through offering our time and through inspiring others to offer funding. The sincere goodwill of those who volunteer and those who donate have sustained this organisation for more than 50 years.”

Our key strategic pillars to achieving excellence are:

- » People focus
- » Education and training, and
- » Investment in technology, and setting clear goals and objectives to measure ourselves by.


PEOPLE FOCUS

The outcome of what we do is saving lives, changing lives and creating futures and at every level and at each engagement, operational rescue, fundraising, marketing, administration or just social contact, the relationship between people inside and outside the organisation is key to achieving the best possible result. The passion, commitment and enthusiasm of Sea Rescue people, donors, volunteers, supporters, coast-watchers, controllers, lifeguards, rescue swimmers, cleaners, storemen, accountants, clerks, fundraisers and event organisers, is what drives excellence in what we do.

4 482 hours were spent in 2018 in training operations.


EDUCATION AND TRAINING

Education and training provide the cognitive and psychomotor tools for people in Sea Rescue to achieve objectives at the highest level. We invest substantially, both time and funds, in teaching and training people inside and outside the organisation. We have stretch targets which, while grounded in reality, inspire people to perform and achieve excellence.

 For more information about *Our people*, please refer to page 56.

INVESTMENT IN TECHNOLOGY

People, process and technology complete the triad towards excellence. We realise that with the best people, culture, intent, education and training we cannot achieve excellence without quality systems and technology. We pride ourselves on delivering the best equipment and technology possible to enable our operational volunteer rescue and support personnel to achieve our ambitious targets, while remaining safe.

 For more information about *Our technology*, please refer to page 67.

OUR GOALS AND OBJECTIVES

Each year our directors, managers and regional representatives construct goals and key performance indicators into an activity matrix. This document ensures focus and tracks performance, and is updated and circulated quarterly.

The implementation of these goals and strategies serve the dual roles of mitigating our risks to ensure continued sustainability and moving our organisation and our mission forward in our drive for excellence. The table below depicts examples of the relationship between our strategies and risks:

OBJECTIVES	RISKS WE ADDRESS
Advocacy and prevention	We do not prevent drowning through educating our target audience
Quality rescue services	Public unable to reach NSRI in emergencies
Transformation as a strategy for sustainability	Not having enough volunteers to deliver the service
Quality corporate governance, management and administration	<ul style="list-style-type: none"> » Reputational damage resulting in disinvestment » Incompetent management making poor decisions » Inefficient services and resources
Fundraising	<ul style="list-style-type: none"> » Diminishing take-up on competitions negatively influence income » Corporate income decreasing year on year » We do not receive all corporate donations budgeted for in a timely manner » Income from all debit orders is not directed to us via WinDirect
Marketing and communication	We do not have direct and complete access to the donor database
Additional activities achieved but not planned	Unauthorised access to key data

During 2018, the NSRI set 122 activity targets across five key result areas. A Monitoring and Evaluation (M&E) tool is used to track progress during the year and to maintain focus on agreed strategic and operational activities. This tool is useful for reporting purposes at a governance and operational level.

We successfully completed 82% of the planned activity targets and completed an additional 24 (additional 20%) unplanned activities. In 16% of planned activities, progress

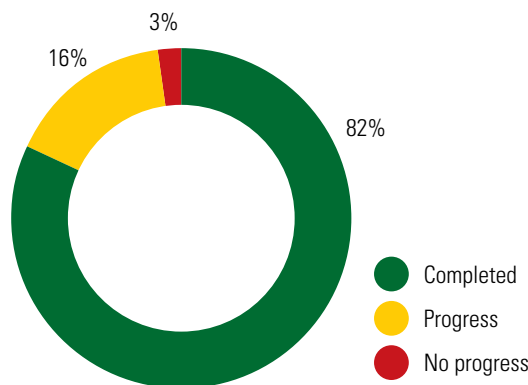


was made but the activity was not completed and in 3% of the cases, no progress was made. Examples of incomplete activities include appointing EOC (Emergency Operations Centre) agents, appointing a call centre transition team and evolving partnerships with Scouts and Sea Cadets.

Activity creep remains a challenge and the final M&E assessment accounts for the achievement of unplanned activities so that without changing the denominator the completion of activities is actually 92% of those planned. Sea Rescue is an emergency service and by its nature has to be flexible, responsive and adaptable and we accept that activities over and above what is planned must be completed.

Our goals and key performance indicators are listed overleaf:

NSRI OBJECTIVES PROGRESS 2018



OBJECTIVE	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 3 educators	Red	Green	Green	Green
			Establish partnerships to present water safety education	Yellow	Green	Green	Green
			Get water safety into the Basic Education curriculum through a train the trainer programme	Yellow	Yellow	Yellow	Yellow
			Operationalise eLearning Small Craft Manual	Yellow	Green	Green	Green
			Develop a 'learn to swim' programme	Yellow	Yellow	Yellow	Yellow
			Expand the pink torpedo buoy signage	Yellow	Yellow	Green	Green
	Sector collaboration, partnerships and cohesion	Drive sector collaboration, partnerships and cohesion by constructive, persistent and consistent engagement.	Cooperate with the Drowning Prevention Strategy Development	Green	Green	Green	Green
			Partner with scouts	Yellow	Red	Red	Red
			Partner with sea cadets	Red	Red	Red	Red
			Partner with Health Department in antenatal clinics	Red	Yellow	Yellow	Yellow
	Delivery models	Develop life guard and surf rescue technician tools	Consolidate Melkbos lifesaving	Yellow	Green	Green	Green
			Meet with City of Cape Town iro lifesaving	Yellow	Yellow	Green	Green
			Appoint a lifeguard trainer	Red	Red	Green	Green
			Locate lifesaving containers	Yellow	Yellow	Green	Green
			Expand lifeguarding footprint	Yellow	Yellow	Green	Green
QUALITY RESCUE SERVICES	Emergency access	Ensure emergency access by the public by facilitating call flows via the shortest possible route.	Expand SafeTRX users	Yellow	Yellow	Green	Green
			Create single point of access	Yellow	Yellow	Yellow	Yellow
			Implement Call Taking, Information and Dispatch Tool	Yellow	Yellow	Yellow	Yellow
			Collaborate on Council of Scientific Industrial Research / South African Weather Service operations at Sea Application	Yellow	Yellow	Yellow	Green
			Appoint 2 Maritime Rescue Coordination Centre Controllers	Red	Red	Red	Red
	Geographic access	Provide national access to services by progressively increasing service footprint	Operationalise Rocky Bay	Yellow	Green	Green	Green
			Operationalise St Lucia	Yellow	Yellow	Yellow	Green
			Operationalise Ballito	Yellow	Yellow	Yellow	Green
			Coordinate activities with Department of Water Affairs and Forestry and Cooperative Inland Waterways Safety Programme	Red	Yellow	Yellow	Green
			Liaise with SADC partners	Red	Yellow	Yellow	Green
			Investigate Port Nolloth	Yellow	Yellow	Yellow	Green
	Quality leadership	Creating the leadership at all levels within the NSRI necessary to achieve outcomes.	Introduce mentoring as a tool to individual development	Yellow	Yellow	Yellow	Yellow
Implement online conference call application, hold regional conferences			Red	Red	Green	Green	

OBJECTIVE	STRATEGIC OBJECTIVE TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD				
				Q1	Q2	Q3	Q4	
QUALITY RESCUE SERVICES	Quality crew	Recruiting, training and developing crew to meet service demands	Achieve Health and Welfare Section Education and Training Authority accreditation for Emergency Care	Yellow	Yellow	Yellow	Yellow	
			Appoint Training Administrator	Red	Red	Green	Green	
			Appoint Theory Training Officer	Red	Red	Green	Green	
			Appoint Practical Training Officer	Red	Red	Green	Green	
			Achieve Rope Access Accreditation	Yellow	Yellow	Yellow	Yellow	
			Evolve competence criteria for psychomotor skills	Yellow	Yellow	Yellow	Green	
			Ensure Statcom feedback after crew training	Red	Yellow	Yellow	Green	
			Swift Water Rescue training, SRVHF training, Maritime Extrication training, Pilot Ladder training, Maritime Extrication training	Yellow	Yellow	Yellow	Green	
			Crew eLearning Completions	Yellow	Yellow	Yellow	Green	
			ASR Rescue Swimmer	Yellow	Yellow	Yellow	Green	
			ENS Course	Yellow	Yellow	Yellow	Green	
			Training as a Succession Tool in Stations	Adopt Coxswain career pathing	Yellow	Yellow	Green	Green
				Class 1 Coxswain training	Yellow	Yellow	Green	Green
				Class I. & III Coxswain training	Yellow	Yellow	Yellow	Green
				Class I & II. development	Yellow	Yellow	Yellow	Green
	Leadership course	Yellow		Yellow	Yellow	Green		
	Crew safety	Ensuring personnel safety at all costs	Provide wind shell jacket	Red	Green	Green	Green	
	Patient safety	Ensuring patient safety at all costs	Meet with Airports Company South Africa and evolve aircraft ditching plans	Yellow	Yellow	Yellow	Green	
			Meet with Port Captains//Maritime Rescue Coordination Centre and evolve Mass Rescue Operations plans	Yellow	Yellow	Yellow	Green	
			Meet with South African Airforce (SAAF) Command	Red	Red	Red	Green	
Apply a SAAF/Helicopter currency standard			Yellow	Yellow	Green	Green		
Meet with South Africa Police Services regarding body recovery support			Red	Red	Yellow	Yellow		

OBJECTIVE	STRATEGIC OBJECTIVE TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
QUALITY RESCUE SERVICES	Quality bases	Building appropriate purpose orientated rescue bases to meet service needs	Fuel store for Station 4	Red	Red	Red	Green
			Fuel piping Station 5	Red	Red	Green	Green
			New base Station 9	Red	Yellow	Yellow	Yellow
			Station 10 ORC modifications	Red	Yellow	Yellow	Yellow
			Station 14 slipway	Red	Red	Green	Green
			Station 17 new base	Red	Yellow	Yellow	Yellow
			Station 19 ORC base modification	Red	Yellow	Yellow	Yellow
			Station 32 staircase	Red	Yellow	Yellow	Green
			Station 24 new base	Red	Red	Red	Green
			Consolidate Head Quarters and Stores in a single property	Red	Red	Red	Yellow
	Invest in green technologies to reduce carbon footprint and respond to global cooling	Install 1000 litres of water storage from rain at each station.	Red	Yellow	Green	Green	
		LED lighting, solar geysers on all new buildings	Yellow	Yellow	Green	Green	
	Procure property for bases to secure tenure and reduce operational risk		Red	Red	Yellow	Green	
	Deliver preventative maintenance programme for bases		Yellow	Yellow	Yellow	Green	
	Quality boats	Procuring safe purpose built boats to ensure crew and patient survival under austere conditions.	Invest in four stroke motors (Greening)	Yellow	Green	Green	Green
			Station 7 6.5m	Yellow	Green	Green	Green
			Station 2 SL Console, Deliver SL	Yellow	Green	Green	Green
			Yamaha Waverunners 37,32	Yellow	Green	Green	Green
		Bring the Capital Boat Building Programme Forward	Deliver Station 5 ORC	Yellow	Yellow	Yellow	Yellow
			Station 10 ORC hull, deck and bulkheads	Yellow	Yellow	Yellow	Yellow
Quality vehicles	Procure safe rescue vehicles to fulfil the land based support function.	ORC Mould	Red	Yellow	Yellow	Yellow	
		Fundraising vehicle	Green	Green	Green	Green	
		8 Station rescue vehicles, 8,14,16,19,20,24,31, Operations Manager	Yellow	Green	Green	Green	
		3 All Terrain Vehicles 9,14,16	Yellow	Green	Green	Green	
		Station 24 tractor	Green	Green	Green	Green	
		Station 23 launch dolly	Green	Green	Green	Green	
TRANSFORMATION FOR SUSTAINABILITY	Transform the Board	Engage social literacy change agents	Complete social literacy survey	Yellow	Green	Green	Green
			Targets for Board Representivity	Red	Red	Yellow	Green
	Transform the staff		Construct transformation roadmap	Red	Yellow	Yellow	Green
			Report quarterly on diversity	Yellow	Yellow	Green	Green
	Transform operations		Provide a toolkit of transformation to the stations	Red	Yellow	Yellow	Green

OBJECTIVE	STRATEGIC OBJECTIVE TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
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	Red	Red	Yellow	Green
			Complete quarterly Board meeting	Red	Yellow	Yellow	Green
			Complete quarterly Committee Meetings	Yellow	Yellow	Yellow	Green
			Complete annual strategy session	Red	Red	Green	Green
			Complete King IV gap analysis	Red	Green	Green	Green
			Revise the Memorandum of Incorporation, Board Charter and Committee Terms of Reference	Red	Red	Red	Green
			Appoint Internal Auditor and Complete next Internal Audit cycle	Green	Green	Green	Green
			Revise policies & upload to eLearning	Red	Red	Yellow	Green
			Circulate CVs of Directors to members before the Annual General Meeting	Red	Red	Yellow	Green
	Effective management	Institute effective management to achieve organisational outcomes	Operationalise Microsoft NAV	Green	Green	Green	Green
Integrate NAV and Microsoft Dynamics			Red	Red	Yellow	Green	
Appoint an integration team to ensure Human Capital Management of the WinDirect Community			Red	Red	Red	Red	
Implement new Remuneration structure			Green	Green	Green	Green	
Validate the Fleet Management model			Green	Green	Green	Green	
FUNDRAISING	Effective and efficient fundraising	Institute effective and efficient fundraising to raise the annual budget of the NSRI.	R10m grant funding	Yellow	Yellow	Yellow	Yellow
			R3.3m legacy funding	Yellow	Yellow	Yellow	Green
			R21m donations funding	Yellow	Yellow	Yellow	Yellow
			R114m call centre funding	Yellow	Yellow	Yellow	Green
			R1.2m shipping levy funding	Yellow	Yellow	Yellow	Yellow
			R2m event funding	Yellow	Yellow	Yellow	Green
			R1m investment oncome	Yellow	Yellow	Yellow	Green
			R2m retail business	Yellow	Yellow	Yellow	Yellow
			R3m sale of assets	Yellow	Yellow	Yellow	Yellow
	Diversify funding streams		Solicit International Trust Funding	Red	Yellow	Yellow	Yellow
			Penetrate donor markets like stokvels and churches	Red	Red	Yellow	Yellow
			Implement online crew clothing sales	Red	Red	Green	Green
			Trial a second hand store	Red	Red	Red	Red
			Produce a children's book	Red	Red	Yellow	Green

OBJECTIVE	STRATEGIC OBJECTIVE TITLE	STRATEGIC OBJECTIVE: STATEMENT	ACTIVITY	DASHBOARD			
				Q1	Q2	Q3	Q4
MARKETING AND COMMUNICATION	Effective marketing and media communication	Institute effective, comprehensive marketing and communication to influence positive public and donor behaviour toward the NSRI.	Communicate in multiple languages through video	Red	Red	Yellow	Green
			Communicate to broader communities	Red	Red	Yellow	Green
			Incorporate the volunteer label into communications to emphasize the nature of the organisation	Red	Red	Green	Green
			Adapt role of bequest officers into guest speakers	Yellow	Yellow	Green	Green
			Ensure consistent communication content and quality across all programmes	Yellow	Yellow	Yellow	Green
			Transform drowning prevention branding towards Sea Rescue	Yellow	Yellow	Green	Green
			Maintain media communication including video material	Yellow	Yellow	Green	Green
ADDITIONAL ACTIVITIES ACHIEVED BUT NOT PLANNED	Over and above activities achieved 2018		Lifeguarding services Elands Bay				Green
			Lifeguarding services Clanwilliam				Green
			Lifeguarding services Lamberts Bay				Green
			Jetski operations manual				Green
			Level one manual rescue				Green
			Learn to swim instructor Course - 5 Instructors				Green
			Water Safety Patron – HSM Princess Charlene of Monaco Foundation (PCMF)				Green
			IMRF rescue buoy award				Green
			Lifeguard PFD Disruption				Green
			Integrated report award				Green
			Establish 5 new stations				Green
			Gift in kind donations				Green
			Full time crew courses				Green
			Two Lawhill bursaries				Green
			Rip current videos in isiXhosa and isiZulu				Green
			Additional office space created at head quarters				Green
			Internet of Things Investigation				Green
			Rescue Technology Committee				Green
			6000 Safetrx users				Green
			4 Step audit process				Green
			Asset register completion				Green
			Part time trainer deployment				Green
			Online store and Shopify				Green
Crew clothing range and access				Green			
Discord online conversations				Green			
Life Saving South Africa Conversation and Relationship				Green			

Vessel classes: Class I (over 9 metre under 25 gross tons, inboard diesel driven)

Class II (over 9 metre under 25 gross tons, outboard petrol driven)

Class III (under 9 metre boat, twin engines)





ENGAGING OUR STAKEHOLDERS



“Our crew and our donors GIVE because they feel part of something quite WONDERFUL. Our role is to show sincere APPRECIATION and due RECOGNITION and pursue every opportunity to engage.”

INTRODUCTION

We make every effort to engage with our stakeholders. Sea Rescue produces an outstanding magazine that acts as a marketing and communication tool; it has won a number of PICA (Printing Industry of the Carolinas) Awards, held annually to celebrate the excellent publishing and editorial work within the South African magazine industry.

Our rescue reporting through TV news, radio and print media, is the envy of many emergency organisations; the key is the factual, accurate and immediate nature of the information shared.

Social media exposure increases daily and visual content holds the most appeal. The secret is again promptness and the fact that the media team maintain content currency. As incidents happen, reports and pictures follow almost immediately.

Our integrated annual report has improved year on year, twice winning the NPO category and twice achieving the merit award in the Chartered Secretaries’ prestigious Southern Africa Integrated Reporting Awards. The report is a useful reference and provides positive assurance for existing and future donors, with increasing disclosure requirements from King IV.



WHO OUR STAKEHOLDERS ARE

PROCESS OF IDENTIFICATION OF STAKEHOLDERS

In 2017, we implemented a new electronic Customer Relationship Management (CRM) system through which all funders and supporters are managed. Since the programme's successful implementation, we are able to use the Dynamics CRM platform for the following:

- » Management of donations from our corporate and individual donors
- » Production and storage of non-profit documentation relating to donations
- » Data management and clean up to provide a 360° view of our donors
- » Tracking of rescue buoys and status reason (stolen, deployed, etc.)
- » IT asset tracking & assignment
- » IT cases for support, cell phones and projects
- » Tracking and authorisation of purchase orders through the queue for the procurement system
- » Management of IT activities against each user.

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



MEASUREMENT OF QUALITY OF RELATIONSHIPS

We conduct a series of anonymous surveys annually to gauge the opinions of our volunteers. Each survey ends with an open invitation to note any complaints, concerns or compliments. These observations provide an important feedback channel.

Our CEO also has an open-door policy and invites anyone to contact or visit him should they wish to do so. Ongoing support from our donors indicates their satisfaction that our service provides tangible benefits, while invitations by government and industry bodies to consult and collaborate provide evidence of their regard for the value added by the NSRI.

METHODS OF ENGAGEMENT

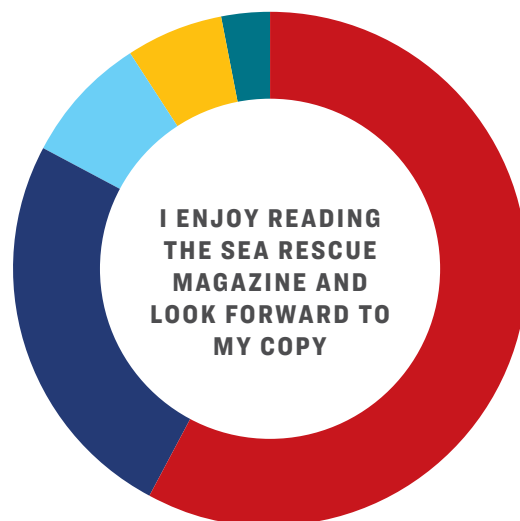


“Although I like the magazine, will NSRI save money by going the digital route (but I realise some people will still want a magazine)? And the plastic cover around the magazine is essential but also hazardous to the environment. I am happy to receive the digital version for this reason. I know you still need designers and coders for the digital version, just less printed copies and less plastic.”

EFFECTIVENESS OF STAKEHOLDER MANAGEMENT

In addition to centralising the donor information on a CRM program, we have also centralised our suppliers on an accounting system, MS NAV (NAV), and have started including them in our magazine mailer. In the autumn issue of our Sea Rescue magazine, published in August 2018, we included a reader survey that went out to our database and via our social media channels. Donors could complete the survey online or manually. We received an overwhelming response which helps us to get to understand our donors, what they enjoy reading and the type of communication they would like to receive. The valuable feedback enables us to improve our methods of communication to our stakeholders and includes more of their preferences in our magazine.

On the right are some of the results:
The survey included a comments section and we received some very useful feedback:



Yes	58%
I read it from cover to cover	25%
I pass it on to friends	8%
I am usually too busy to read it - I just scan the pictures	6%
No, please remove me from the mailing list	3%

“Already looking forward to the next issue!”

“I will read the magazine online and save printing & postage costs”

“The magazine is an insightful journal into the lives/rescues of your volunteer group and I value this as a type of report back system for the donations I contribute to your essential service. Keep up the hard work.”

“Very well written pieces. More info on environmental issues a la National Geographic; more action photos a la Red Bulletin and a culture section – relevant book/film reviews and stories would be great!”

“My magazine sometimes arrives very late... I only received it on 9 May 2018... I was about to contact the office when it finally arrived, I was so relieved!”



Rescue stories	32%
General interest article	23%
Updates on your boats and equipment;	12%
The Photographs	12%
Kids Section	12%
The Letters Page	9%
News Items/Social Pages	9%

“Well done, the magazine is a great and uplifting read!”

“Brilliant magazine. Would love more rescue accounts though! I read it from cover to cover, and often re-read the rescue accounts.”

HOW WE ENGAGE

Sea Rescue raised R143 million in 2018. While our 1 261 unpaid volunteers were put to sea to save the lives of strangers, our challenge was to manage the fundraising, marketing and communication effort, to ensure that our rescue crew, lifeguards and educators had the very best training, equipment and support.

We use the simple art of storytelling to foster national pride, to engage in a dialogue and to recruit new supporters. We pride ourselves on transparency and an open book policy, always accountable to our 90 000 funders. We enjoy good relations with the media, both locally and internationally, through open and honest reporting, yet always mindful of the privacy required when families face trauma.

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

Our method in communication is to take every opportunity and turn dialogue into a story and every broadcast into a conversation. Every rescue report received is engaged through our media spokesman who writes up a media release, includes the media promptly with up and coming media releases and gives interviews on request. We aim to report promptly, accurately and honestly and include all emergency services in our rescue reports and correct any errors as quickly as possible. Discretion and the privacy of the people we rescue is very important.

Our Sea Rescue magazine is published at no cost to us by The Publishing Partnership three times a year. Each issue covers general interest stories and rescue stories. It features our crew, our programmes, announcements and feedback on events and fundraising projects, as well as recognition of some of our donors. Our extensive letters page, where readers have the opportunity to share their own thoughts and experiences, is invaluable. This magazine is posted to our 90 000 funders and is available online at no charge.



Visit our website for online versions of our magazine.

We are proud to have launched and published our children's book in October 2018 called "The Brave Turtle", written by B. D. Harris and illustrated by Megan Bird. This is an illustrated children's chapter book of family, bravery, and with great respect for our country's wild waters. Children are taught about water safety and sea creatures in a fun and engaging way.

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

Our CEO, directors and managers make an effort to visit as many stations as possible and attend a wide range of functions during the year, again providing an opportunity to communicate.

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.



Social media continues to provide 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.

The 2018, global NGO technology report, an annual research project that seeks to gain a better understanding of how NGO's use technology, mentioned that "it has taken

a decade for NGO's to learn how to use social networks effectively for branding and advocacy". The statistics below show that the NSRI takes full advantage of its platforms and effectively uses it – specifically note the increase in monthly average page views on the website, the substantial hike in Facebook reach, the doubling in numbers of the Instagram followers and the high increase in YouTube views. Social networking does indeed form an integral part of Sea Rescue's communication and fundraising strategy.

		2013-2014	2014-2015	2015	2016	2017	2018
 WEBSITE	PAGE VIEWS - MONTHLY AVERAGE	–	36 864	31 702	30 283	25 879	40 395
	MINUTES PER VISIT	–	02:29	02:19	01:37	01:24	01:41
 FACEBOOK	LIKES	5 979	9 350	11 295	18 997	26 832	38 943
	REACH	–	16 526	30 399	65 004	164 794	777 619
 TWITTER	FOLLOWERS	1 786	4 225	5 302	6 038	6 947	7 319
 YOUTUBE	VIEWS	1 273	2 426	10 569	89 626	43 639	67 800
 INSTAGRAM	FOLLOWERS	–	149	423	756	1 104	3 101

OUR INTERACTIONS

DONORS/FUNDERS

ISSUES RAISED

- » Donor confidence
- » Donor fatigue
- » Sustainability



*Refer to page 52 for more on
Our funders*

OUR STRATEGIC RESPONSE

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

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Loss of donors

OPPORTUNITY

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

SUPPORTERS

ISSUES RAISED

- » Knowing our supporters
- » Growing our support base

OUR STRATEGIC RESPONSE

Seek out opportunities to engage with diverse groups, active media and social media presence/campaigns, actively manage reputation.
In 2018 we created an online shop which increased our supporter base.

KEY RISK/OPPORTUNITY IDENTIFIED

RISK

Decreasing supporter base

OPPORTUNITY

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

MEDIA

ISSUES RAISED

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

OUR STRATEGIC RESPONSE

Media engagement through dedicated spokesman, prompt, accurate and honest reporting after each rescue, actively building good relationships, welcoming media to contact us or meet with us.

KEY RISK/OPPORTUNITY IDENTIFIED


RISK

Negative media reporting might impact on the NSRI's reputation

OPPORTUNITY

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

BENEFICIARIES

ISSUES RAISED		OUR STRATEGIC RESPONSE	
<ul style="list-style-type: none"> » Emergency activation » Water safety consciousness » Bystander response 		<p>An ongoing publicity campaign to promote emergency contact number, schools programme to teach water safety, media and social media campaigns regarding education and emergency signage with contact numbers at high incident areas.</p> <p>Creation of a Bravo Bravo IT programme – a public platform for free skippers training.</p> <p>SafeTrx free mobile application – take the search out of sea rescue.</p>	
 <i>Refer to page 62 for more on</i> Our rescues			
KEY RISK/OPPORTUNITY IDENTIFIED			
RISK		OPPORTUNITY	
Insufficient engagement may lead to lost opportunities in terms of education and life-saving tips		<ul style="list-style-type: none"> » Positive feedback from beneficiaries is used in communication to strengthen the case for donations. » Real-life rescues provide powerful and compelling training material to educate about water risks. 	

VOLUNTEERS

ISSUES RAISED		OUR STRATEGIC RESPONSE	
<ul style="list-style-type: none"> » Safety » Time commitment » Volunteer fatigue » Diversity 		<p>Provide safe rescue boats, quality personal protective gear and ongoing training.</p> <p>Volunteer appreciation.</p> <p>Engagement and consultation.</p>	
 <i>Refer to page 56 for more information</i>			
KEY RISK/OPPORTUNITY IDENTIFIED			
RISK		OPPORTUNITY	
Insufficient action is taken to combat volunteer fatigue		<ul style="list-style-type: none"> » Strong engagement and feedback loops lead to well-motivated and enthusiastic volunteer corps. 	

EMPLOYEES

ISSUES RAISED		OUR STRATEGIC RESPONSE	
<ul style="list-style-type: none"> » Recruitment and retention of staff » Manage attrition » Diversity » Health » Social security 		<p>Market-related compensation.</p> <p>Training and personal development.</p> <p>Career path planning.</p> <p>Engagement.</p> <p>Employee benefits.</p>	
KEY RISK/OPPORTUNITY IDENTIFIED			
RISK		OPPORTUNITY	
Negativity in employees may lead to disruption of operations and unproductive behaviour.		Well-motivated and trained personnel improve the organisation's performance.	





THANK YOU LETTER

To Dr Cleeve Robertson, I just want to thank you and the NSRI for awarding me with Honorary Life Membership of the NSRI. It was a great surprise to receive the certificate from Deon at our AGM last Friday. I really feel very humble.

It is wonderful being associated with NSRI and in particular with Station 17.

Thank you very much again
Yours sincerely

Marion Spencer
Secretary of the Fundraising committee for Station 17
Hermanus



TESTIMONIAL

"It has taken me a while to write this letter but at least I can now report a spot of progress. Well, it should have been my sixteenth cycle tour but unfortunately, this wasn't to be. Some 67 k's out I somehow collided with a couple of other riders, badly injuring my right leg. As luck would have it, your Kommetjie station was only a few hundred metres down the road and they quickly brought me in on their quad bike and applied first aid. Jamie Mel and his crew were so good to me and kept me comfortable till the ambulance eventually arrived.

I must have been a member of NSRI just about since inception though never an active crew member. There was however a close association and in the days of Sue Sperry running your Port Elizabeth office, I used to sell vast quantities of your Christmas cards. Now in my old age, I am a member of your "Life Boat Club".

In all my years of fishing, diving and yachting I have never required your services before and now dash me if I didn't need you on land! The ambulance took me to the Constantiaberg Mediclinic where I underwent plastic surgery - I have been a semi-cripple ever since. My local doctor eventually sent me to a plastic surgeon for a second opinion and I am pleased to say that he was happy with the way it was healing and I need no further treatment. Well, I'm beginning to shuffle around a bit and can drive again so now it's just a matter of time.

Please pass on my sincere thanks to Jamie and crew at Kommetjie and also thank them for looking after my bike which my son picked up later that day. Please also pass onto them my small donation in appreciation of their help. Many thanks and I hope I don't need you again next year!"

Chris Handley



THANK YOU LETTER

"Hi

The Hout Bay NSRI team attended to our runners on Sunday 25th February, after they had been hit by a car that ramped the pavement. All three ladies survived, one was discharged with bruising, one had a knee operation and will only be back running after 9 months, and the third lady is still in ICU but getting stronger. I would like to send the biggest and loudest shout out and thank you to the Hout Bay team - they responded immediately and were absolutely amazing in rendering critical assistance and calming the situation. Their presence made a marked difference to a traumatic experience. I have been supporting NSRI for many years and I am proud to continue to do so. Words cannot ever express the gratitude of our runners. Please pass this message on to the team that assisted.

Thank you so so so so very much!"

Nicole Griffith (Sunday Stars running)

FROM A VOLUNTEER POINT OF VIEW



TESTIMONIAL

“Something I find intriguing is the many phases of the NSRI journey and how each is critical in ensuring the day-to-day function of the Institute. There’s the wide-eyed trainee phase, where many things seem difficult and unfamiliar. There’s the qualification, which is a proud moment and, in reality, the start of the hard work. There’s coxswain training, a period of intense technical focus, and there are other training and mentorship, which is uniquely challenging but most rewarding.

Throughout each of these phases came new insight into the Institute and what is required to make it tick. Each one is characterised by its own key challenges and frustrations.

Despite this, common to all of them is ultimately a sense of accomplishment and community which keeps me coming back, again and again.”

Marc de Vos
STATION 3 TABLE BAY



TESTIMONIAL

“The dedication and drive I have towards my work at NSRI have quite a few people questioning the monetary remuneration I get from it. It is always thrilling to correct and inform them that it’s a voluntary organisation that they can also be part of.

People often don’t understand how one can do something without monetary gain and still enjoy it. I believe that NSRI is a family you can’t lose, as every station I have visited made effort to see to it that I have the best experience ever. Making it one of the reasons why I enjoy my time at the NSRI, it’s the respect we have amongst each other.

When I first joined, I asked myself how I’d fit in and get the time for all the training and the events we assist in. I’ve learnt a lot and I am still growing with NSRI, as every day offers a different challenge and exciting experience. The intense training and laughter equally make the experience unforgettable. Training has opened a different world for me, it isn’t just about getting on a vessel and saving a life. It’s the respect, teamwork, communication and understanding of the particular incident, how it’ll be dealt with, the crewman you are working with, the weather and distance of the incident. Every callout and rescue is huge and taken seriously, from a paddler stuck in rocks, kite surfer off their kite, jet ski out of fuel, fishing trawler burning, or an injured crewman on a cruise ship. No training nor rescue is taken lightly and funny enough, I still believe that one will always be a trainee, as we always learn and grow from each other. It’s the rank badge that changes but we’re all still trainees.”

Njabulo Dlungel
STATION 5 DURBAN CREWMAN



OUR FUNDERS



“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.”



Vusi September – Office of the CEO representing SAMSA at the certificate handover

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. The income from these companies totalled R4.1 million in 2018.

Our Platinum Partners contributed R1.1 million in 2018. They are companies who understand our business needs and pledge their contribution to 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 platinum partners are:



OUR GOLD PARTNERS CONTRIBUTED R831 394

These are:

- » Africa Bunkering & Shipping
- » A&M Logistics
- » AMSOL
- » Atlasware
- » Cargill SA (Pty) Ltd
- » De Beers Marine Pty Ltd
- » Denso SA (Pty) Ltd
- » Denys Edwardes
- » Duxbury Networking
- » Freddy Hirsch Group
- » Habot Marine Services
- » Hoegh Autoliners
- » Kelp Products (Pty) Ltd
- » Lusitania Marketing Services
- » Macs Maritime Carrier Shippin. (Pty) Ltd
- » Marlyn Vulindlela (Pty) Ltd
- » Mix Telematics International (PTY) LTD
- » N C S Resins
- » Peregrine Equities
- » Press Spinning & Stamping Co
- » R F Design
- » Richards Bay Coal Terminal
- » Robertson and Caine
- » Ruwekus Fishing (Pty) Ltd
- » Stamatis Fishing cc
- » Store Maintenance and Installation Specialists (Pty) Ltd
- » Viking Fishing Co (Pty) Ltd

We also have amazing partners like DHL, that have been brand partners with us for the past five years and we have several things in common - red and yellow, connecting people, getting things done quickly, taking care of precious cargo and making the world a better place.

DHL has been incredibly generous and, more importantly, they make a point of being personally involved in our partnership. We know them by name. Their annual sponsorship includes all our courier requirements – moving essential lifesaving equipment around the country to ensure that our rescue crew have what they need, when they need it. They also sponsor the costs of shipping specialist equipment such as helmets and harnesses from other continents.

For the past three years, they have sponsored the cost of our integrated annual report. This report is a key document when seeking funding from companies,

OUR SILVER PARTNERS CONTRIBUTED R65 179

These are:

- » Apex Shark Expeditions
- » Boardman Bros (Pty) Ltd
- » Caylash Fishing CC
- » Checkpoint Development
- » Conrite Walls (Pty) Ltd
- » CPS Chemicals (Coatings) (Pty) Ltd
- » Jorika Fishing (Pty) Ltd
- » Khwezi Financial Services
- » Mainport Africa Shipping (Pty) Ltd
- » Mufasa Fishing CC
- » Rafiki Fishing Company (Pty) Ltd
- » Squid Packers (Pty) Ltd
- » Trados Fishing Company (Pty) Ltd
- » Umgibe Fishing Company (Pty) Ltd

OUR BRONZE PARTNERS CONTRIBUTED R7 985

These are:

- » Admiral Powercats
- » Aska Property Group
- » Lessons Online (Pty) Ltd Trading As Heights & Safety Training
- » Westons Group

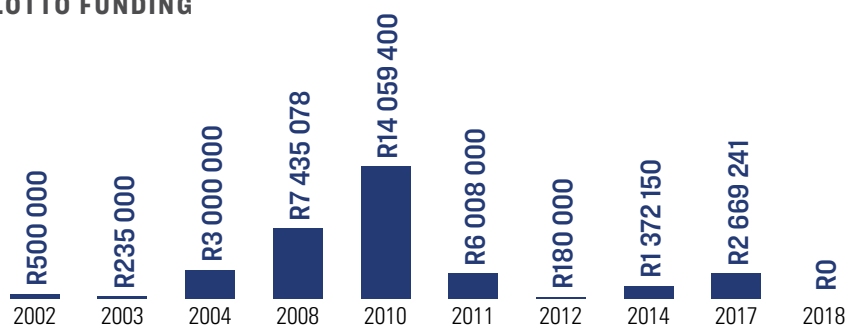
government departments, trusts and foundations – and their support of this specific project unlocks many doors for us.

Our big events for 2018 included the 23rd Rotary Wine Auction hosted by the Newlands and Table Bay Clubs, contributing R322 000, and our golf days contributing R1 million. The single biggest contributor to this total was a whopping R420 000 from the annual golf day arranged by Island View Shipping in aid of Station 19 Richards Bay. We remain grateful to all those who help with the planning, preparation and hosting of these days, as well as those who stay behind and quietly clean up once all the fun is over.

The Government and State-Owned Enterprises are important role players. Traditionally they contribute approximately 10% of our annual revenue. In 2018 their collective contribution was R6.7 million (excluding Lotto), which translated into 4.5% of our revenue for the year.



LOTTO FUNDING



Lotto has funded Sea Rescue projects over the years to the tune of R35.4 million. Their funds enable us to equip our volunteer rescue crew to save lives. We did not receive Lotto funding in 2018.

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 and we invite these supporters to become part of our Life Boat Club and keep regular contact. Our public relations guest speakers are active in the community, hosting teas and tours, presenting talks about Sea Rescue in general, presenting a water safety programme at their local schools and hosting events at respective rescue bases. They invite our Life Boat Club members and friends to engage and talk about the importance of their contributions to the continued work of Sea Rescue. Income from bequests in 2018 amounted to R4.9 million, some 3.4% of our annual income.

Our funders are given the opportunity to specify which project they would like to support and below are the amounts specifically allocated for our water safety lessons in schools programme:

SEA RESCUE GOES CASHLESS IN 2019

A Clean Audit of a Company, in this case the NSRI, means that the financial statements are free from material misstatements, there are no material findings on the annual performance report and lastly, there are no material findings on non-compliance with key legislation.

It is very important for the NSRI to be able to assure its donors that as a company it has taken all possible steps to ensure that donations are secure and end up being deployed for the purpose for which they were meant, saving lives! We therefore removed all cash collection mechanisms by the 31st of December 2018.

Sea Rescue is a responsive, flexible and agile emergency service and charity, we listen to our stakeholders and so in 2019 we plan to go cashless because:

- » Going digital we can respect every donation and make sure it ends up in our bank account in the right place and against the right objective
- » We value our donor security, not carrying cash improves donor safety
- » Digital offers a greater opportunity to process donations
- » Digital secures donor information and ensures donor privacy
- » Digital ensures less of a donation is spent on administration, more goes to operations.

In 2019 we also plan to roll out donor contribution collection facilities as appropriate to each Rescue Station or event; such as:

- » Point of sale merchant machines (credit card machines)
- » Yoco credit card devices
- » SnapScan and Zapper codes
- » GivenGain application
- » Donation applications (App)

SCHOOL EDUCATION PROGRAMME

SPONSOR	2012/2013	2013/14	2014/15	2015	2016	2017	2018
Princess Charlene of Monaco Foundation SA				R214 970	-	-	R150 000
TNPA	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	-
Company Donations	R1 300	R3 588	R62 375	R32 530	R172 016	R145 960	R209 700
Individual Donations	R1 100	R7 250	R2 506	R500	R28 800	R38 309	R1 300
Santam					R350 000	R250 000	R440 000
Kouga Wind Farm						R123 235	-
Saldanha Bay Municipality							R43 353
West Coast District Municipality							R43 352
Matzikama Municipality							R43 353
Berggrivier Municipality							R49 421
Cedeberg Municipality							R43 352
Swartland Municipality							R43 353
Total	R1 027 400	R1 705 644	R1 759 325	R1 937 820	R1 619 618	R2 158 951	R1 067 182

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 participates in our annual budget process and is accountable for its 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	TOTAL INCOME	TOTAL EXPENDITURE
02 Bakoven	R170 209	R883 440
03 Table Bay	R181 207	R1 120 577
04 Mykonos	R179 588	R448 384
05 Durban	R1 763 657	R1 061 334
06 Port Elizabeth	R327 792	R1 034 823
07 East London	R64 731	R586 054
08 Hout Bay	R116 408	R1 027 155
09 Gordon's Bay	R78 020	R899 834
10 Simon's Town	R309 440	R1 851 418
11 Port Alfred	R388 833	R330 264
12 Knysna	R227 532	R769 381
14 Plettenberg Bay	R922 411	R1 807 552
15 Mossel Bay	R96 571	R776 334
16 Strandfontein	R36 021	R1 474 110
17 Hermanus	R308 349	R1 310 610
18 Melkbos	R236 412	R1 280 168
19 Richard's Bay	R1 087 570	R1 230 027
20 Shelly Beach	R137 740	R1 018 471
21 St Francis	R174 625	R394 334
22 Vaal Dam	R7 307	R38 521
23 Wilderness	R44 867	R950 082
24 Lamberts Bay	R558	R1 732 079
25 Hartbeespoort Dam	R61 743	R38 149
26 Kommetjie	R225 381	R1 271 217
27 Gauteng	R46 750	R45 864
28 Port St John	R2 000	R141
29 Air Sea Rescue		R9 189
30 Agulhas	R19 522	R186 104
31 Still Bay	R147 455	R848 020
32 Port Edward	R72 246	R427 586
33 Witsand	R35 604	R666 122
34 Yzerfontein	R41 431	R109 573
35 Witbank Dam	R121 191	R164 930
36 Oyster Bay	R110 815	R187 444
37 Jeffrey's Bay	R197 998	R696 905
38 Theewaterskloof Dam	R1 471	R58 158
39 Rocky Bay	R28 541	R328 466
40 St Lucia	R3 070	R922 682
41 Ballito	R12 923	R896 081
42 Kleinmond	R53 227	R179 630
43 Port Nolloth	R0	R0
Total	R7 971 996	R27 062 820



Station 16 Strandfontein arranged a generous donation of toiletries from Vivatron Life. They spent two days packing, wrapping and dispatching the goods to local NSRI and WP lifesaving clubs.



OUR PEOPLE



“At the heart of our organisation are the volunteer operational rescuers, unpaid, but professional in every other sense, rising from a desk or bed at all times of the day and night to save lives and providing responsive competent rescue services to the broad South African community.”

Every NSRI stakeholder is a member of the Sea Rescue family and a key factor in the sustainability of the Institute. People are the essence of the organisation, the engine that drives the culture, passion and enthusiasm, which are core to achieving our vision in South Africa.

The professional staff component has expanded in response to the needs of the volunteers to be supported and trained to the best possible standard. The training division, supply chain and operational management elements have all been augmented to ensure that training is provided, vessels are procured, delivered and maintained, operational personal protective equipment is of high quality and immediately available and that Station Commanders are consulted, valued and supported.

Communication with the volunteers is important and station visits, the Social Literacy Conversation, Discord conferences online, newsletters and video messages are all mechanisms deliberate to ensuring that open constructive communication facilitates station management and operations.

The need to have volunteer input for strategic decisions involving volunteers is recognised and a commitment was made to engage Station Commanders actively for inputs on volunteer issues. The administrative and management burden on volunteer Station Commanders is recognised. The solutions discussed to deal with this overload problem include:

- » systems of recognition;
- » acknowledgement and appreciation;
- » formal management training for Station Commanders;
- » continuing with the fast track crew training course which delivers trained crew for stations who then continue the training, addressing cognitive, psychomotor and affective (culture) domain

- » development within defined career paths;
- » designing agile flexible crew structures adaptable for the range of station sizes; and
- » attaining a balance in training, taking into account its demands on Station Commanders and crew.

The plan is also to employ multi-skilled staff in regional centres to deal with training and other tasks that could reduce the load on stations. The model will need to be trialed first to assess the acceptance of stations and explore the opportunities.

The water safety educators and officers are playing an increasingly important role, both in advocacy and water safety education and drowning prevention. Maintaining currency and relevance is a focus on ensuring that we penetrate communities at risk and remediate to create a safer water-related environment. The impact of the development of these educators, the water safety programme and learn to swim programmes, will be evident in the future as their reach and scope expand.

The executives and Board complete the pyramid of human capital, there to ensure competent management and diligent oversight. The Board members are likewise volunteers who attend meetings and provide advice and guidance, at no cost to the Institute.

	EXECUTIVES	FULL-TIME STAFF	HALF DAY STAFF
Male	3	11	7
Female	1	17	17
Black	0	12	16
White	4	16	8
Total	4	28	24

**NUMBER OF VOLUNTEERS**

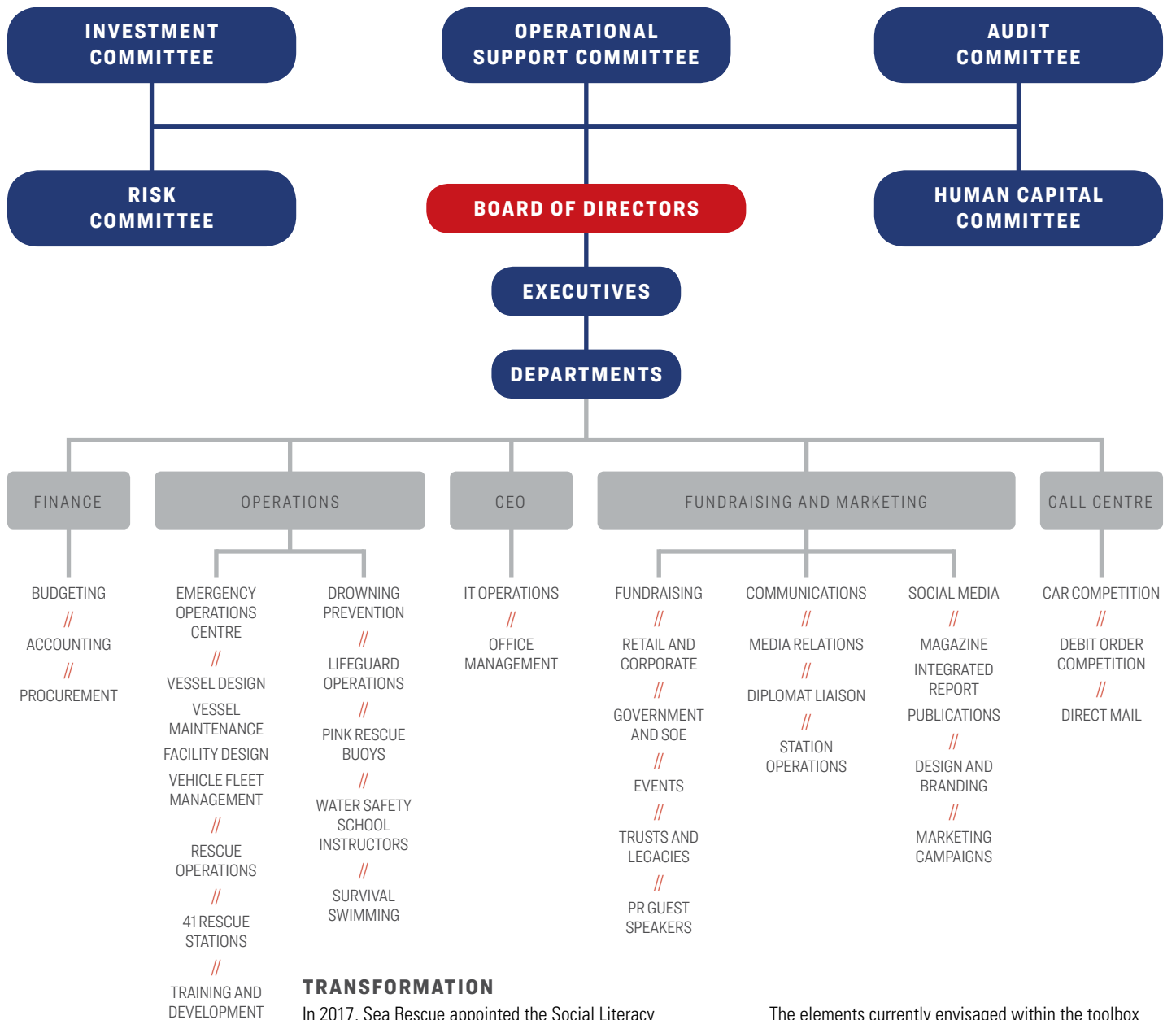
2018

	BLACK	WHITE	MALE	FEMALE	TOTAL
Volunteers	117	1144	964	297	1261
– Station Commanders	2	39	40	1	41
– Deputy Commanders	2	36	36	2	38
– Coxswain	6	174	166	14	180
– Trainee Coxswain	5	85	81	9	90
– Crew	102	810	641	271	912

MANAGEMENT TEAM

ROLE	NAME	NQF	AGE	SERVICE	GENDER	RACE
CEO	Dr Cleeve Robertson	10	59	4	Male	White
Director: Operations	Mark Hughes	6	59	6	Male	White
Director: Fundraising and Marketing	Meriel Bartlett	7	49	13	Female	White
Director: Finance	Mark Koning	7	62	17	Male	White
Drowning Prevention Manager	Andrew Ingram	6	54	7	Male	White
Operations Manager	Brett Ayres	8	37	3	Male	White
Training Manager	Graeme Harding	4	55	4	Male	White
Finance Manager	Althea Nutt	6	44	3	Female	Black
Fundraising Manager	Alison Smith	6	54	7	Female	White
IT Manager	Ben McCune	6	39	2	Male	White

FUNCTIONAL ORGANOGRAM



TRANSFORMATION

In 2017, Sea Rescue appointed the Social Literacy Conversation’s, Litha Sokotu and Dylan Campbell, to do a research project within the organisation and come up with a toolbox of initiatives to create the required diversity.

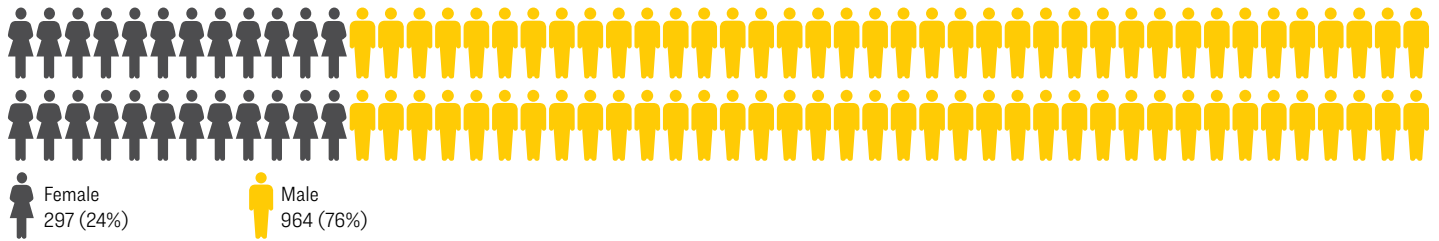
In 2018, they engaged with volunteers across the country in a series of workshops and learning opportunities and reported back to the Station Commanders conference in June. The engagements informed the creation of an online curriculum to establish a common understanding of concepts within the volunteer population and the fact that there was a need to continue workshops as well as face to face contact sessions with all the bases.

The elements currently envisaged within the toolbox include:

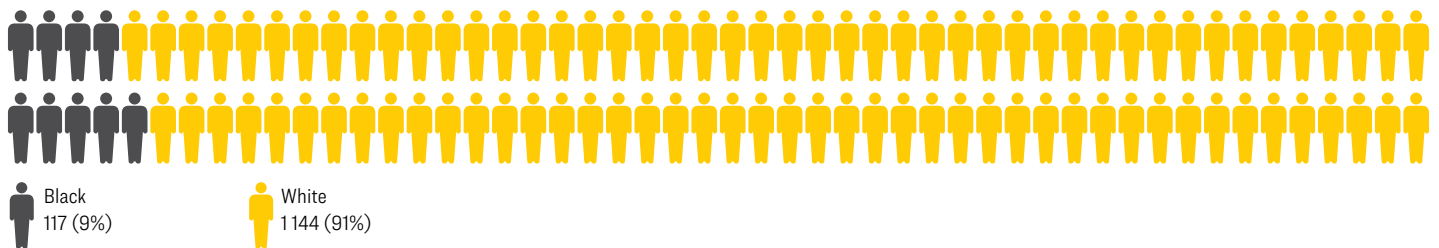
- » policies, such as a transformation, anti-sexual harassment and anti-racism,
- » corporate environment covering Board and executive diversity as well as employment equity,
- » transformation hotline, a focal point to report abusive behaviour, and
- » marketing and communication which includes communication to attract millennials, introspective communication and communicating in diverse communities and languages.

NSRI VOLUNTEERS

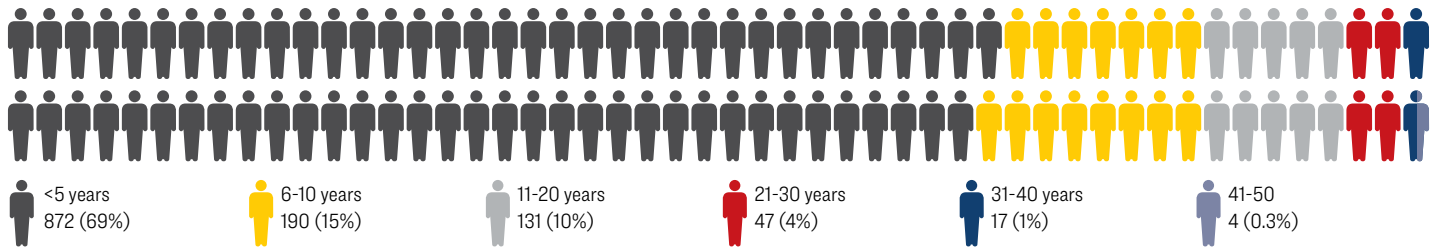
GENDER



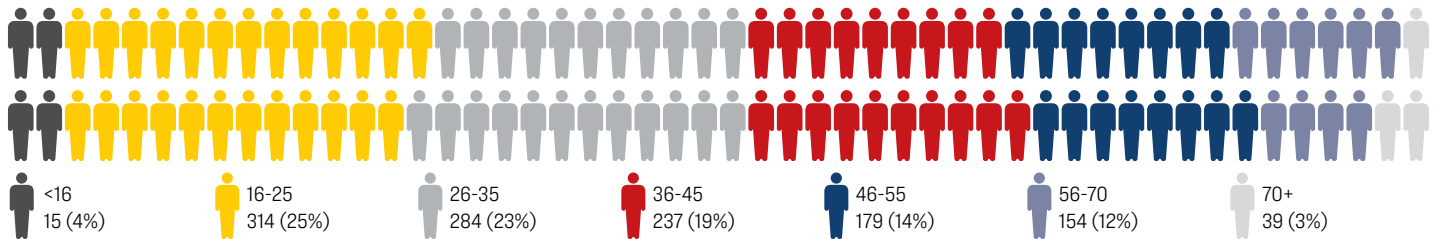
RACE



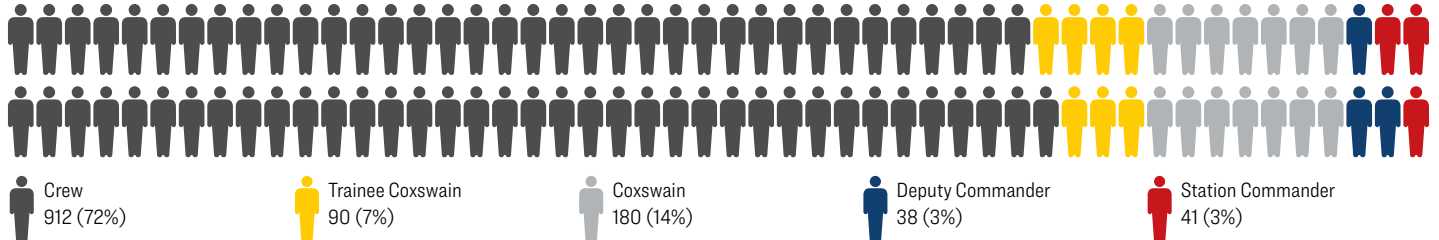
SERVICE YEARS



AGE



POSITION





OUR BENEFICIARIES



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



494 384

CHILDREN TAUGHT THROUGH
OUR WATER SAFETY IN SCHOOLS
PROGRAMME



1 138

RESCUE
OPERATIONS

51



ANIMALS
RESCUED



1 620

PEOPLE RESCUED



CASE STUDY

SEVEN TEENAGERS RESCUED FROM A COVE DURING HIGH TIDE

Alan Meiklejohn, NSRI Gordons Bay Station Commander, said:

“At 17h13, Tuesday 11 September, NSRI Gordons Bay duty crew were activated by the Transnet National Ports Authority (TNPA) following a request for assistance from the parents of a teenager reporting to be in a cove at Dappat se Gat, along the R44 towards Kogel Bay, and cut off from exiting the cove by the incoming high tide, with 6 friends.

Our Sea Rescue vehicle with NSRI rescue swimmers responded together with GB Med Security ambulance, Cape Town Traffic Department, Law Enforcement and Metro Police. WC Government Health EMS and Cape Town Fire and Rescue Services were placed on alert.

Upon arrival on the scene, we found the 7 teenagers, all aged 18, cut off by the high tide. Although they were safe in a cove, with daylight fading, efforts to get them safely out of the cove became the priority. Concerned parents had also arrived at the scene.

Our NSRI rescue swimmers used the lull in the incoming waves and waded through chest-deep water to reach the teenagers. They took safety equipment with them and set up a rope system. The teenagers were placed in life jackets and rescue helmets and one by one our rescue swimmers waded the teenagers, in relays, through chest-deep surf, again timing the incoming waves and using the lull in between the wave sets.

Once all teenagers were safely extricated from the cove, they were taken up the trail to the roadway and reunited with family. They were put into blankets to warm them up. No one was injured and no further assistance was required.



DEMOGRAPHIC BREAKDOWN OF BENEFICIARIES

	TOTAL	BLACK	WHITE	FOREIGN
Lives saved	1620	1028	499	93
Children taught	494384	491352	3032	
Total	496004	492380	3531	93

TYPES OF RESCUES

OPERATION TYPE

Aircraft ditched / emergency landing	5
Animal rescue	55
Body recovered	12
Body search assistance request	17
Child separated from parents/lost child on beach	1
Cycling accident	2
Diving incident	6
Drowning in progress *	160
Emergency flares reported	36
Emergency Position Indicating Radio Beacon activation	3
Equipment transfer request	1
Event standby	1
Fall on rocks	1
Fire	18
Land based flooding	2
Marooned person on land / cliff	6
Medical injury / illness	259
Missing crewman search continues	3
Missing person	21
Missing swimmer	8
Missing vessel	14
Man overboard	8
Mountain rescue	1
Mugging/criminal incident/serious injury	3
Onshore – missing person search	6
Paraglider stuck on cliff face	1
Person stuck on rocks, rising sea water	1
Person washed out to sea / off rocks / dollosse	16
Personnel transfer request	19
Road accident	10
SafeTx emergency activation	3
Shark incident	4
Shark spotted	2
Snake bite	1
Surfer/paddler/jet-ski in difficulty	110
Swimmers in difficulty	7
Unknown	29
Unmanned surfboard found	1
Vehicle abandoned	1
Vehicle stuck in sand	6
Vehicle submerged in water	5
Vessel abandoned unmanned	3
Vessel in difficulty, taking on heavy seas	2

Vessel in difficulty: adrift	15
Vessel in difficulty: becalmed/no radio contact	3
Vessel in difficulty: capsized	61
Vessel in difficulty: engine trouble / loss of steerage	128
Vessel in difficulty: fishing nets entangled props	9
Vessel in difficulty: grounding / washing ashore	12
Vessel in difficulty: high winds	3
Vessel in difficulty: run out of fuel	16
Vessel in difficulty: strong winds	4
Vessel in difficulty: taking on water / sinking	13
Vessel in difficulty: being towed by another boat	4
Grand Total	1138

* Sea Rescue responded to 54 fatal drownings and 29 non-fatal drownings

CASUALTY TYPE

CASUALTY TYPE	PERSONS RESCUED
Animal	2
Commercial mariner	100
Commercial fisherman	266
Cyclist	2
Diver	17
Driving / motoring (vehicle)	27
Hiker / runner- near shore	48
Hobie / dinghy sailor	15
Horse rider	2
Jet-ski	21
Kite surfer	47
Paddling / surf ski / kayak / canoe / Stand up paddler	120
Paragliding / hanggliding / flying	8
Passenger on cruise liner	1
Random citizen	204
Recreational power boater / fisherman	292
Shore angling / fishing	15
Spear fisherman	2
Swimming / bathing	298
Unknown	19
Vessel passenger	20
Yachtsman	94
Grand Total	1620







OUR INFRASTRUCTURE



“A game changer for the NSRI in 2019 will be the start of our emergency operations centre. This will be a 24/7 operations centre, staffed full time to support stations and to receive incoming public emergency calls which will be passed on to the relevant rescue stations around the country. This centre is envisioned to reduce our volunteers’ administrative burden and to streamline reporting processes.”

Sea Rescue’s footprint of services is expanding by necessity. We have purchased land in Lambert’s Bay and St Lucia to secure our commitment to the communities by having a Sea Rescue station in these towns. Building projects at these locations will be completed in 2019 to ensure functional rescue bases.

We also have plans for Ballito, Kleinmond and Noordhoek (PE) and we are investigating Laaiplek/St Helena and Port Nolloth. The Wild Coast holds particular challenges which we are discussing with SAMSA in the context of a broader drowning prevention/community training/development model. We currently have an auxiliary station in Port St Johns.

BUILDINGS

The head office functions are currently housed in a residential building in Green Point and a warehouse in Maitland. The fundraising call centre is in Milnerton. We propose that we develop a business case for the consolidation of these functions within a central facility. The sale of current assets could contribute substantially to the cost. It is also suggested that future builds consider accommodation for trainees.

Over the past few years we have been able to complete new building projects at Port Elizabeth (including the slipway), Yzerfontein, Kommetjie, Sedgefield, Hartbeespoort Dam, Agulhas and Witsand. Significant refurbishment was completed at our Durban, Wilderness, Gordon’s Bay, Mossel Bay and Bakoven stations. The East London slipway system has also been repaired.

Our plans for modification work to the rescue bases in Simon’s Town, Hermanus, Hout Bay and Gordon’s Bay are ready and we are waiting for the final approval from the Department of Public Works to begin construction.

Various other slipway projects are underway as part of a planned maintenance programme, in addition to many water harvesting and green projects taking place at various stations.

TECHNOLOGY

An ongoing and accelerating technology aspect is ever present in our endeavours, with many potential tools available to improve our operations. A collaboration between the South Africa Weather Service and the CSIR has yielded a very effective application, which provides high-resolution weather data and built-in search planning





tools. This programme will be rolled out in 2019 and we expect will prove to be a game changer for search planning.

Another collaboration, between the NSRI, the UK Space Agency and SAMSA, resulted in the distribution of free Automatic Identification System (AIS) safety beacons to subsistence fishers around the coast. This process enables all water users to have some form of distress alerting, be it with the AIS beacons or our very own SmartPhone based SafeTRX program, which is also freely available to the public.

VEHICLES

On advice from an external fleet management agency, a strategic decision was taken to replace the Sea Rescue vehicle fleet every three to four years because the sale revenue recovery is optimal at that time. The result is that we have almost completely recapitalised the vehicle fleet, most rescue vehicles are new and therefore fit for purpose and safer, with no chance of a breakdown or the inability to respond to emergencies.

Mitsubishi is our rescue vehicle provider and they provide quality rescue vehicles which are used as crew transport, remote vessel launching vehicles and as remote site radio control stations.

VESSELS

The Search and Rescue (SAR) deep rescue boat replacement programme project will yield its first fruit in March 2019 when the first French-built 14 meter SAR ORC design vessel for our fleet will arrive in South Africa. The plan is for a few weeks of testing and ensuring operational readiness before she heads to her new home in Durban.

A second hull will be given to a South African shipyard to create a mold, beginning the process of the replacement of the rest of the big boat fleet. Future builds will be in Cape Town, with a local boat builder, under license.

The rigid inflatable boat (RIB) fleet has undergone an intensive replacement and refurbishment programme and is in excellent operational condition. Gemini remains the primary builder for our RIB fleet, with a principle of ongoing continuous improvement, where each new rescue vessel is better than the previous one. We are in the process of evaluating external service providers for maintenance and replacements, to ensure we are keeping on top of costs.

We are getting closer to having our first prototype jet RIB, for near shore and surf operations, which gives an exciting glimpse into a possible future.

The range of RIBs has been standardised to 4.2m, 5.5m, 6.5m, 7.3m, 8.5m and 10.5m. Surf rescue jet skis have

Capital base project spend for 2018:

R4.5 million

Budgeted spend for 2019:

R47.4 million

Maintenance spend for 2018:

R1.6 million



**AIS beacons given to fishers:
>800**



**SafeTRX users in 2018:
6 464**

been introduced and currently operate at Plettenberg Bay, Oyster Bay, Jeffrey's Bay and Port Edward in support of lifeguard operations. The Rescue Runner fleet is ageing and will be phased out.

Construction of our rescue boats remains with a single

builder for reasons of quality, consistency and proximity. Questions are often asked why we only build boats in Cape Town and the reason is that we get quality boats and have direct input into the build process because of our proximity and oversight opportunity.

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), Spirit of Rotary EL II (5,5m)and Jacqueline (4,2m)
5 Durban	Eikos Rescuer (10m), Megan II (7,3m), Spirit of Surfski 3 (4,7m)
6 Port Elizabeth	Spirit of Toft (10m), JLT Rescuer (7,3m) and Spirit of Surfski 4 (4,2m)
7 East London	Spirit of Lotto (12m), Spirit of DHL (6.5m) 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), Mercantile Spirit (4,2m), Boetie Woltemade (3.6m)
10 Simon's Town	Spirit of Safmarine III (10m) and Spirit of Surfski 2 (6,5m)
11 Port Alfred	Lotto Challenger (8,5m) and Rescue 11A (5,5m)
12 Knysna	Eileen Medway (8,8m), 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) and Maritimus (4,2m)
18 Melkbosstrand	Rotary's Gift (6,5m), Spirit of Brenda (4,2m) and Waverunner 3 (Jetski)
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) 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 11
23 Wilderness	Spirit of Rotary 100 (5,5m), Oscars Rescue (4,2m), Clemengold Rescuer (4,2m) and Lavenia (4,2m)
24 Lambert's Bay	Spirit of St Francis (7.3), 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	Color Press Rescuer (8,5m)and Colorpress Two (4,2m)
32 Port Edward	Wild Coast Sun Rescuer (7,3m) and Jetski
33 Witsand	Breede Rescuer (8,5m) and Falcon Rescuer (4,5m)
34 Yzerfontein	Rotary Onwards (7,3m) and Sonja (4,2m)
35 Witbank Dam	Sealegs (7.1m), 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), Discovery Rescue Runner 12 and Jetski
38 Theewaterskloof Dam	Hunter's Gold Rescuer (5,5m)
39 Rocky Bay	Freemason's Way (5,5m)
40 St Lucia	Discovery Rescue Runner 9
41 Ballito	Caltex Challenger II (5,5m) and Jetski
42 Kleinmond	Jaytee III (5,5m) and Discovery Rescue Runner 1
43 Port Nolloth	Gemini Rescuer II (5.5m)

OUR TECHNOLOGY



“We now have multiple security layers in our system to prevent cyber-attack and we plan to augment these, where possible, as new solutions arise.”

There are many exciting projects in progress in the Information Technology (IT) space, all with massive impacts in terms of our service delivery to stations. Sea Rescue has committed to Microsoft Dynamics CRM and NAV as the foundation for our IT business systems. We have extended this into improving our procurement system and in 2018/19, we will integrate the two so that financial and customer data flow seamlessly between them.

We already operate Office 365 across the entire institute and most of our data and solutions reside in the Cloud. NAV and SafeTRX currently operate off our servers behind the Vodacom Firewall. The licenses of our servers expire within three years and the proposal is to shift our systems into the Cloud with Microsoft Dynamics. The head office hardware has been refreshed and the next phase is to refresh station hardware.

The next major project will be the conversion of our Management Information System (MIS) into a new location and incident-based recording system, which will link in with the introduction of our new Emergency Operations Centre. This development will ensure our operational data is effectively and timeously captured, ensuring better management reporting and tracking of strategically important information.

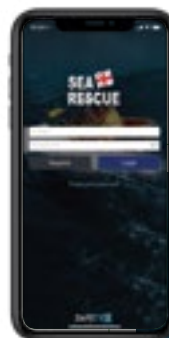
In addition to all these projects in progress, the ongoing tasks of ensuring base connectivity and software ease of use will continue. The major game changer for NSRI will be the call centre take-on, merging their very large data set into one streamlined system.

Connectivity to the internet at station level surprisingly is a challenge, but we are working with Vodacom to fill the gaps. There are currently 12 stations that have secure

connections and we need to evolve that to all 41.

Our internal ICT capacity is stretched given the complexity and speed of development and maintenance requirements and we propose that we appoint another ICT Technician in 2019.

The Internet of Things is an evolving technology and we are investigating how it would augment our operational capacity and improve efficiency. We have engaged with Vox Telecom in respect of their SigFox solution and will investigate its application within our station environment to monitor and report against functions/assets.



TAKE THE SEARCH OUT OF SEARCH AND RESCUE FOR FREE

SAFETRX
Tracking you home safely

FEATURES INCLUDE:

- An Emergency Call button which allows you to quickly make a distress call from the application
- Share your real-time track with family and friends during your trip
- Share your current position from the home screen
- Choose individual Emergency Contacts for each trip instead of all contacts

Download NSRI's free RSA SafeTrx application from the Apple App and Google Play Store.



For more info on RSA SafeTrx visit: www.searescue.org.za/safetrx/



FINANCIAL REVIEW



“Fundraising is never easy, it’s hard work, requiring effort, resources and funding in itself.”

SUSTAINABLE FUNDING

Our adequate funding has allowed us to continue to remunerate our human capital fairly and to maintain and expand our manufacturing capital adequately to continue to safeguard our volunteer base, as well as the public we rescue. Sufficient funding also allows us to continue with our efforts to educate water safety to our communities.

INCOME AND EXPENSES

In five years, the NSRI has more than doubled its income from R65 million to R142 million with a matching growth in expenditure and gradually increasing commitments to capital projects.

Gross income from fundraising activities for the last five years has been increasing steadily. Grant funding from Government and State-Owned Enterprises is suffering the consequences of ‘state capture’ with less money available from Government to distribute. Lottery funding continues to be intermittent and unpredictable, making budgeting difficult.

Cash collections totalled R731 119, a mere 0.51% of total revenue and as a result we have decided, for reasons of security, accounting and the opportunity arising from digital platforms, to go cashless in 2019.

Income from direct mail has been declining steadily over the last five years and in 2019 we will make a decision on whether mail platforms should continue, particularly given the challenges at the Post Office. We believe credit card devices, electronic funds transfers and cell phone applications, such as Zapper and Snapscan, provide exciting opportunities that can be successfully exploited.

Internationally the average cost of fundraising runs at less than 20% of revenue and in 2019 we will achieve

these levels within NSRI.

Personnel expenditure has grown from R12 million in 2013 to R24 million in 2018, a function of annual increases and additional recruitment of fundraising, water safety education and operational training personnel. In 2013 there was a single fundraiser, no operational training staff and no operational management other than the Director of Operations. The number of water safety educators has been increasing annually. In 2019 we expect the personnel budget to increase to R48 million with an additional 82 personnel from the call centre business. Personnel costs will make up 31% of revenue in 2019 and 50% of expenditure.

Operational expenditure, excluding salaries and capital expenditure, has increased from R9 million to R14 million. An uncompromising approach was taken to the provision of personal protective equipment (wetsuits, helmets, and lifejackets) and each volunteer is issued with a personal wetsuit for hygienic reasons.

The fuel spend is surprisingly low and needs to be sustained as experiential boat time, to ensure volunteers experience sufficient operational time on boats at sea to keep them engaged.

Marketing and communication expenditure remained more or less flat. The NSRI produces an outstanding magazine that acts as a marketing and communication tool. Social media investments are small but significant in personnel time and Craig Lambinon ensures that the media remain informed and that information on rescues is collected for reporting purposes.

A commitment of R1.3 million has been made to ICT in order to institute MS NAV and CRM, install fibre connections at head office, replace the servers at Vodacom, improve connectivity with stations, create



universal desktop hardware and suites at a minimum specification, institute eLearning and create a public skipper training portal.

The operational surplus in 2018 was R30.5 million, with deposits on new vessels totalling R10.9 million. Investment of surplus funds has likewise been increasing.

Since 2013, the NSRI Endowment Trust has grown from R100 million to R250 million, creating an essential future safety net to secure the service. Market crises have dampened a progression that otherwise would have seen

investments top R300 million. The reserve created secures the huge investment required to fund capital improvements, both in building and vessel infrastructure.

The cost of one 14 meter rescue vessel currently runs close to R20 million and the average base construction cost is R10 million. The investment strategy is one of diversity, with accounts with four investment houses, each with a wide diversity of investments, guided by an NSRI mandate.

INCOME	2018	EXPENDITURE	2018
Debit orders signed up through telesales	R 50 500 747	Call centre	R51 639 639
Debit orders signed up through Face2Face engagement	R 36 816 592	Employee costs	R23 980 575
Mitsubishi Car Promotion	R 23 770 218	Depreciation	R14 757 772
Grants	R 6 550 577	Boat expenditure	R8 551 911
Legacies	R 4 948 639	Marketing expenditure	R6 736 174
Trusts	R 1 878 849	Station expenditure	R5 583 756
Companies (excluding membership)	R 4 157 187	Property expenses	R3 513 091
Individuals (excluding direct mail)	R 4 420 379	Travel and accommodation	R3 234 406
Retail Business	R 953 932	Office expenditure	R1 588 994
Sale of Assets	R 733 630	Information communication technology	R1 318 064
Investment Income	R 1 279 131	Banking costs	R2 010 925
Events	R 2 334 468	Insurance	R1 179 376
Direct mail	R 501 352	Professional fees	R2 821 057
Members Contributions	R 2 059 456	Fair value loss on FEC derivitave	R0
Shipping Levies	R 913 046	Total	R126 915 741
Sundry Income	R 1 198 500		
Total	R 143 016 705		

BEING ACCOUNTABLE

BOARD COMPOSITION



RACIAL COMPOSITION



GENDER



AVERAGE AGE



NON-EXECUTIVE TENURE



MEMBERS OF THE BOARD



RONNIE STEIN (69)

CHAIRMAN OF THE BOARD

APPOINTED: 2013

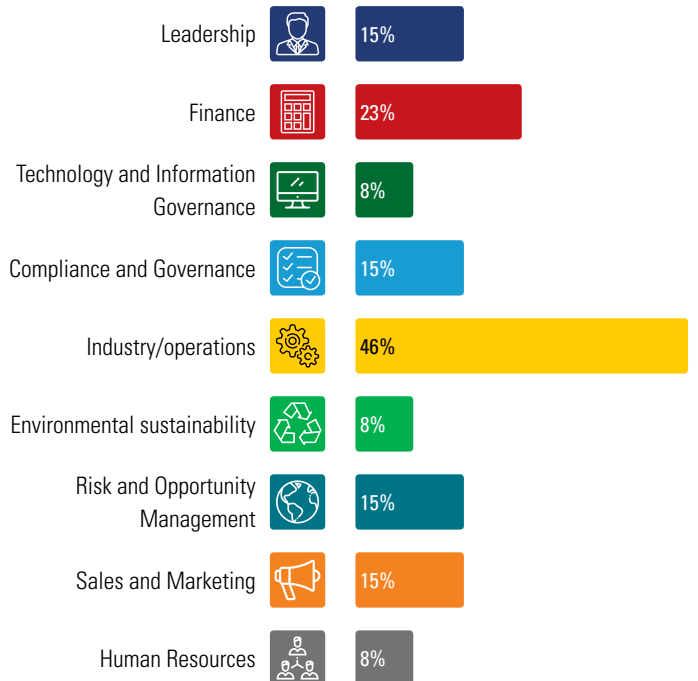
QUALIFICATIONS AND EXPERIENCE:

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

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

"I so admire our volunteers who put their lives at risk every day to help someone they don't know and will probably never know."

EXPERTISE





DR CLEEVE ROBERTSON (59)

CHIEF EXECUTIVE OFFICER

APPOINTED: 2013

QUALIFICATIONS AND EXPERIENCE:

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

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

He has led the NSRI from 2013 in his role as CEO.

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

"The ocean has always been an integral part of my life and creating the balance so necessary in a modern world. Sea Rescue has always been part of that experience where the passion and enthusiasm of the volunteers underlines the fulfilment of service in the interest of humanity!"



MARK HUGHES (59)

EXECUTIVE DIRECTOR: OPERATIONS

APPOINTED: 2011

QUALIFICATIONS AND EXPERIENCE:

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

Mark has held various positions while on Station, 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 KwaZulu Natal.

"I have grown up around the sea and must have salt water running in my veins. Seeing a Rescue boat and crew in the 70's for the first time, I knew that was something I wanted to do. Going to sea in little red boats to test your skills in rough weather to save somebody's life is one of the greatest things I have done in my life, it's the best adrenalin rush you can ever have!"



MERIEL BARTLETT (49)

EXECUTIVE DIRECTOR: FUNDRAISING AND MARKETING

APPOINTED: 2005

QUALIFICATIONS AND EXPERIENCE:

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).

"Embrace what other people have to say and how they say it. We can all learn something if we pause and listen."



MARK KONING (62)

EXECUTIVE DIRECTOR: FINANCE

APPOINTED: 2003

QUALIFICATIONS AND EXPERIENCE:

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

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

"Since joining, everyday has been constantly fulfilling and exciting. It's awesome to be part of the NSRI family. Our value system and culture is unique and for me it is a great privilege to contribute to the collective."





MARK MACLEAN (46)

INDEPENDENT NON-EXECUTIVE DIRECTOR

APPOINTED: 2018

QUALIFICATIONS AND EXPERIENCE:

Mark is currently the Assistant General Manager (AGM) of Cape Town International Airport, a position he has held since 2012.

He is responsible for the overall operations at the airport.

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

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

Mark holds a BSc degree in Electrical Engineering from UCT.

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

"I am an Aquarian and have a natural love for water. I was a club swimmer throughout my schooling and I love water and the ocean. I believe that water safety remains critically important in our country and that there is a lot of work to do to ensure that the majority of our young children have basic water safety skills, especially in lower income communities."



VIOLA MANUEL (47)

INDEPENDENT NON-EXECUTIVE DIRECTOR

APPOINTED: 2013

QUALIFICATIONS AND EXPERIENCE:

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

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

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

"There can be no greater gift than that of giving one's time and energy to help others without expecting anything in return." – Nelson Mandela



BRAD GEYSER (64)

INDEPENDENT NON-EXECUTIVE DIRECTOR

APPOINTED: 2018

QUALIFICATIONS AND EXPERIENCE:

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

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

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

"NSRI has been and still is much of my life, my immortality assured by the fact that my entire family of four children currently serve in NSRI as Crew and Coxswains."



RANDALL TITUS (52)

INDEPENDENT NON-EXECUTIVE DIRECTOR

APPOINTED: 2015

QUALIFICATIONS AND EXPERIENCE:

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

"I was drawn to the National Sea Rescue Institute because of the respected Sea Rescue brand. It is a well-known fact that the NSRI, a non-profit organisation with volunteer rescue crew, has saved countless lives in our waters. I know that, undoubtedly, these volunteers must very often place themselves in harm's way to rescue others. For their selfless courage, they have my respect. It is indeed Sea Rescue's humanity to others that I find most appealing about the organisation; particularly within the context of present day South Africa. When the opportunity therefore arose to join the NSRI team, I did not hesitate to raise my hand and, perhaps in a small way, offer my own contribution to the Sea Rescue story."



KARL OTTO (64)

INDEPENDENT NON-EXECUTIVE DIRECTOR
APPOINTED FROM SAMSA
APPOINTED: 2016
QUALIFICATIONS AND EXPERIENCE:

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

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

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

"I've been involved in the maritime industry for over 44 years and whatever input I can make to improve the safety of Seafarers and Fishers at sea. The NSRI is a very suitable channel in which to contribute".



DAVE ROBINS (64)

INDEPENDENT NON-EXECUTIVE DIRECTOR
APPOINTED: 2008
QUALIFICATIONS AND EXPERIENCE:

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

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

"The Institute has grown over the years and is in great shape, my appreciation and congratulations to the executive team."



ROB STIRRAT (67)

INDEPENDENT NON-EXECUTIVE DIRECTOR
APPOINTED: 1991
QUALIFICATIONS AND EXPERIENCE:

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. In 2018 Rob was awarded Honorary Life Governorship.

"I am passionate about saving lives and assisting water users."



CHRIS WILSON (44)

COMPANY SECRETARY
APPOINTED: 2013
QUALIFICATIONS AND EXPERIENCE:

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

"I am an avid boater and I enjoy providing my time on a pro-bono basis to an Institute that has strong governance principles."

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

Governance is provided through a Board consisting of eight independent non-executive directors, four executive directors, two appointed non-executive directors and a pro bono company secretary. The Annual General Meeting (AGM) of members is responsible for electing Board members and approving formal resolutions that guide the company. The Board elects the Chairman annually, with the current Chairman being Ronnie Stein. The Board 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 on at each full Board meeting. The Board meets quarterly to consider issues of governance 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 independent and that control of the company is vested primarily through the members in AGM, the Board and the executive.

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

The directors participate in Board committees and all meetings are recorded and actioned against minutes

monitored. The committees hold the executive to account to 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 offer themselves for re-election or are 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

A bi-annual Board effectiveness evaluation is undertaken via a survey questionnaire sent out by the company secretary. The survey results are reported to the Board for attention and remedial action if necessary.

Scores improved year-on-year from 2017 to 2018 in respect of the performance of the Board, its members and its structures.

The action by the Board in 2018 included ensuring that the Social Literacy Conversation engaged with the Board, the Station Commanders and the volunteer personnel in seeking to achieve organic evolution of the diversity of race, gender, language and thought at all levels in the organisation. The Board endorsed social literacy curriculum development within our eLearning platform to ensure universal access to learning material and concepts in creating the context and toolbox for change.

The decision was taken to create a peer volunteer committee to provide oversight and reference with respect to creating appropriate diversity, specifically within the volunteer segment of the organisation.

In responding to the ethical climate of the organisation, the executive has created a structure to review business decisions against an ethical reference, providing the opportunity to reflect on whether particular decisions and activities satisfy ethical benchmarks.

The Board ensured that comprehensive due diligence was conducted on the call centre business before the purchase of the business was completed. Webber Wentzel completed legal due diligence, Deloitte and Touche completed financial due diligence and Gluepoint completed an ICT due diligence, all requiring substantial investment to ensure sustainability of the business after transfer.

The Board is satisfied with the participation in its evaluation and the fact that it has addressed identified areas for attention. The principal focus for 2019 will be the consolidation of the call centre within the NSRI and ensuring that the centre transitions smoothly.



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

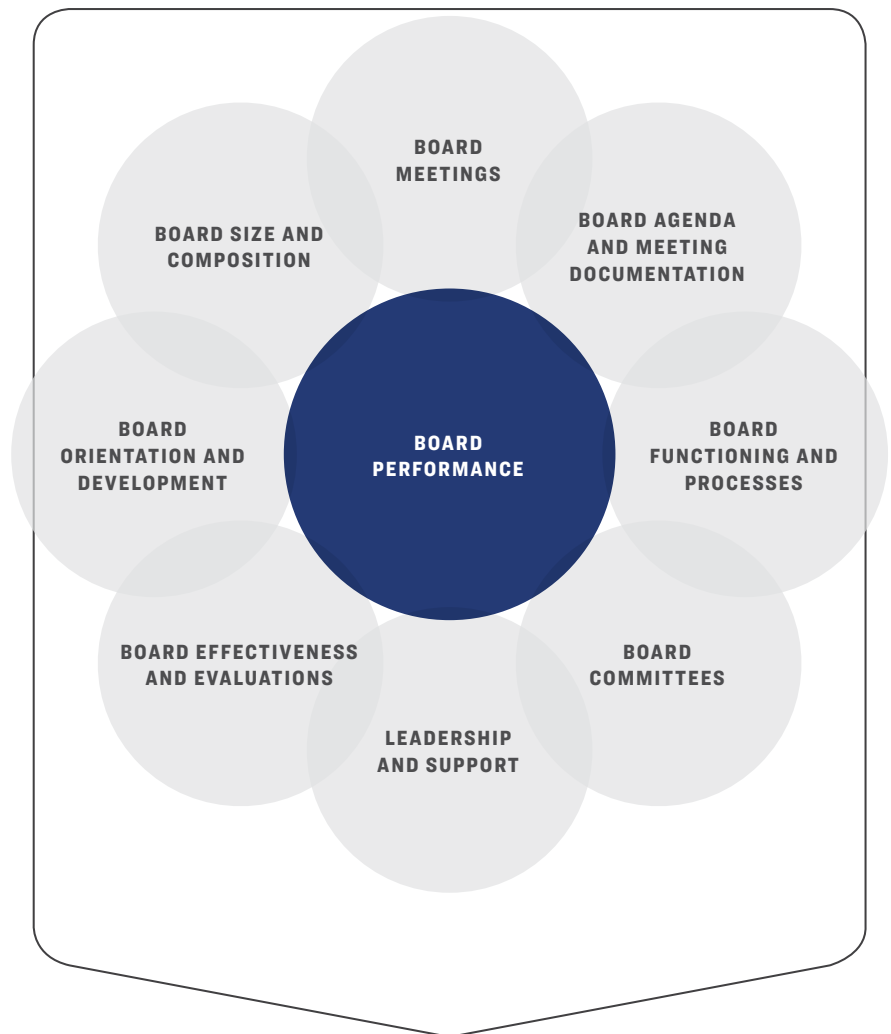
BOARD COMPOSITION

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

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

The Board will recruit two further independent directors in 2019 to improve the diversity of race and age, recognising that millennials bring different insights.

COMPONENTS OF BOARD EVALUATION



Two issues were identified for attention from the survey in 2017 for action in 2018:

- » The composition of the Board with regards to transformation - the Board set targets for representativity on the Board and as a result achieved a 50% black representation of non-executive directors.
- » Themes from Board members included transformation, the call centre, sustainability and Board member communication at Board meetings.

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:

COMPANY	ASPECTS MONITORED
Averile Ryder and Associates	Remuneration structures
Bagraims Attorneys	Disciplinary process
Cecil Kilpin & Co	External Auditors
Eikos Risk	Marine vessel risk and insurance
Exact Earth	Automatic Identification Systems
Moore Stephens Risk	Internal Audit
NMG Consulting	Pension Fund
Phoenix Risk	Crew personal injury and life insurance
The Civil Aviation Authority	Drones/Pilot Licences
The Companies and Intellectual Properties Commission	Company and Director Registration
The Council for Scientific and Industrial Research (CSIR)	Weather data systems
The Department of Environmental Affairs	Whale disentanglement licensing and EIAs
The Department of Health	Emergency medical care and medical rescue
The Department of Labour	Employment equity, labour relations
The Department of Social Development	Non-profit body registration
The Department of Transport	Maritime rescue services
The Direct Marketing Association	Data-driven marketing
The Health Sector Education and Training Authority (SETA)	Approval of first aid education and training
The Health Professions Council of South Africa	Registration of medical professionals
The Independent Communications Authority of South Africa	Radio licencing
The International Maritime Rescue Federation	International maritime rescue standards
The Nation Lotteries Commission	Lotteries regulation
The National Regulator for Compliance Standards	Equipment standards compliance
The South African Institute of Chartered Secretaries	Corporate governance
The South African Maritime Safety Authority	Water safety
The South African Revenue Services	Tax compliance
The South African Search and Rescue Organisation	Maritime search and rescue
The South African Whale Disentanglement Network	Whale disentanglement standards


IT GOVERNANCE

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

The most sensitive data within the ICT stable is the donor database. The NSRI assures personal data security and compliance with the Protection of Personal Information Act (POPI) through the implementation of Microsoft CRM and NAV programmes, up to date threat protection software and diligent attention to secure access through limited system users and passwords. The structure ensured that, during the reporting period, MS NAV and the CRM were integrated, connectivity with stations was improved, a new contract with Vodacom was negotiated, hardware was refreshed, policies were reviewed, the call centre contracts were transferred and the ICT due diligence was completed on the call centre.

The ICT Steering Committee is satisfied that the NSRI is making substantial progress in the delivery of systems necessary to the business and operations.

In 2019, the NSRI will examine compliance with POPI more closely and attend to the risks related to the security of the donor database.

 Refer to page 67 for information about **Our technology.**

 The ICT Steering Committee report is available at <https://www.nstri.org.za/about-us/governance/>

INDUCTION

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

SUCCESSION

The CEO is appointed on a full time basis with a contractual notice period of one calendar month. He is

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

REMUNERATION OF DIRECTORS AND MEMBERS OF COMMITTEES

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

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 Kilgerty Statutory Services (Pty) Ltd, is responsible for ensuring compliance with relevant legislation and regulations. He is further responsible for continually updating the Board on legislative and/or regulatory developments. The Board also has independent non-executive directors who serve/have served on Boards of listed public companies and have a strong awareness of corporate governance practices and requirements, as a result.

NOMINATIONS AND APPOINTMENTS

The members in the Annual General Meeting ("AGM") are responsible for the 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 of the AGM. Nomination as a director is in writing and is signed by the nominee and any voting member of the company and accepted in writing by the signature of the candidate in question.

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

RISK MANAGEMENT

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

INTERNAL AUDIT

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

- Operational stations
- Drowning prevention
- Brand reputation
- Income
- Information Communication and Technologies
- Compliance (King IV and legal)

Findings are identified with each audit, management is 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 104 risks in three risk levels across five risk areas (Operations, Finance, Human Resources, Compliance and Information and Communication Technologies). 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, 7% moderate, 45% minor and 40% insignificant.

Internal Audit costs are balanced by risk-benefit.

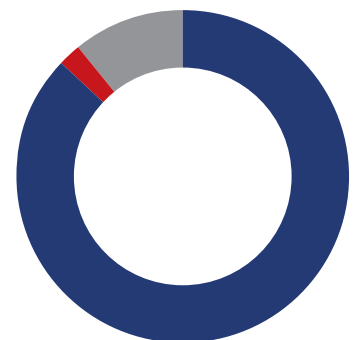
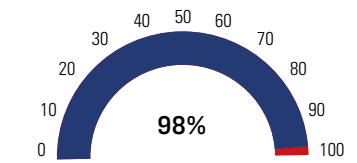
KING IV™ MANAGEMENT REVIEW

The Board is committed to the governance outcomes as set out in King IV. An assessment was conducted against the 405 practices covered in the 17 principles in March 2018. The Board is satisfied that the company is aligned with the principles and it continues to oversee the application of the relevant practices.



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

KING IV™ MANAGEMENT REVIEW



Practice count

■ Satisfactorily applied	353
■ Not applied	9
■ Not applicable	43

BOARD COMMITTEES AND ATTENDANCE

THE BOARD

Chairman	Meetings
Ronnie Stein	●●●●

Members

Dr Cleeve Robertson	●●●●
Viola Manuel	●●○○
Mark Koning	●●●●
Mark Hughes	●●●●
Meriel Bartlett*	●●●○
Randall Titus	●○○○
Deon Cloete	●●○○
David Robins	●●●●
Chris Wilson	●●●○
Karl Otto	●●○○
Mark MaClean	●○○○
Brad Geysler	●●●○
Rob Stirrat**	●●○○

* Resigned February 2019

** Retired as a director in June 2018

HUMAN CAPITAL COMMITTEE

Chairman	Meetings
Viola Manuel	●●●○

Members

Dr Cleeve Robertson	●●●●
David Robins	●●○○
Mark Koning	●●●●
Karl Otto	●○○○

Key Responsibilities

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

Initiatives undertaken in 2018

- » Cost analysis on personal injury and loss of income cover
- » Anti-racism and sexual harassment policies approved
- » Ten-notch system with performance awards adopted for 2019
- » Remuneration matrix presented for 2019 approved
- » Appointment of additional staff for 2019 approved
- » Job evaluation and remuneration implemented
- » Social Literacy Curriculum initiated
- » Social Literacy Programme continued
- » Policy oversight and access via Sharepoint
- » Personnel financial disclosure oversight
- » Board transformation targets met
- » Executive incentives approved
- » Change of retirement age to match pension fund
- » Employment Equity monitored
- » Orientation of new Board members

Future focus

- » Organisational development study
- » Succession review
- » Volunteer major incident support

INVESTMENT COMMITTEE

Chairman	Meetings
Bernard Osrin	●●○○

Members

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 Board on the extent and timing of investments related to cash flow. It also advises on forward cover for capital payments in foreign currencies.

Initiatives undertaken in 2018

- » Investment funding decisions: both internally, where cash is generally deposited in money market or fixed income accounts, and externally, where the NSRI transfers funds to the NSRI Endowment Trust which independently invests funds on the NSRI's behalf (the NSRI is the sole beneficiary)
- » The NSRI transferred R2 million to the NSRI Endowment Trust in 2018 and borrowed R43 million from the Trust
- » Property was acquired for bases
- » Investment income from equities has averaged 4.3% since inception of the Trust

RISK COMMITTEE

Chairman	Meetings
Deon Cloete/Mark MaClean	●●●●

Members

Dr Cleeve Robertson	●●●●
Mark Koning	●●●●
Mark Hughes	●●○○
Meriel Bartlett*	●●○○
Rob Stirrat	●●○○
Mark MaClean	●●○○

Key Responsibilities

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

Initiatives undertaken in 2018

- » Monitored the risk register with the Audit Committee and incorporated matters identified by the Internal Audit (Moore Stephens Risk) into the register
- » Updated the risk register
- » Offshore payments secured through forward cover
- » DPW leases pursued for bases' construction but risk of not obtaining long-term leases accepted and authorisation to build in the absence of leases approved
- » Pilot ladder and ferry mass evacuation risks communicated to SAMSA
- » Aircraft ditching plan process initiated with ACSA
- » Pink Rescue Buoy losses accepted
- » Risk of banking debit order software considered

OPERATIONAL SUPPORT COMMITTEE

Chairman	Meetings
Brad Geysler	● ● ● ●

Members

Dr Cleeve Robertson	● ● ● ○
Clifford Ireland	● ● ● ○
Mark Hughes	● ● ● ●
Deon Langenhoven	● ● ● ●
Eddie Noyons	● ● ○ ○
Justin Erasmus	● ● ○ ○
Meriel Bartlett*	● ● ● ○
Hennie Niehaus	● ● ● ○
Michael Saunders	● ● ● ○
Rhine Barnes	● ● ● ●

Key Responsibilities

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

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

AWARDS COMMITTEE

Chairman	Meetings
Brad Geysler	● ● ● ●

Members

Rob Stirrat	● ● ○ ○
Eddie Noyons	● ● ○ ○
Mark Hughes	● ● ● ●
Clifford Ireland	● ● ○ ○
Rhine Barnes	● ● ● ●
Dave Roberts	● ○ ○ ○
Howard Godfrey	● ● ○ ○

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 51st AGM awards were issued for long service and gallantry.

AUDIT COMMITTEE

Chairman	Meetings
Ivor Sindler	● ●

Members

Dr Cleeve Robertson	● ●
Mark Koning	● ●
David Robins	○ ○
Randall Titus	● ●
Mark Koning	● ●

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 addressed one of the reasons for qualification and approved a plan to eliminate the second one
- » Oversight of the call centre financial due diligence process
- » Approval of the budget and AFS
- » Oversight of Internal and External Audits and approval of audit plans and timetables
- » Initiation of Policy on Assets
- » Impact of GDPR and POPI noted

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 are assured in some measure by their efforts. The Board is also satisfied that the Operations Support 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 Board meeting to provide independent oversight on, amongst other matters:

- » The effectiveness of the NSRI's assurance functions and services, with a 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. The two issues which previously qualified the NSRI Audit, namely the valuation of assets and the completeness and accuracy of certain donations have been addressed. The valuation of assets at fair value has been completed and is included in the 2018 Annual Financial Statements. The second issue is being addressed within a comprehensive plan with an aspiration to achieve a clean audit for 2019.

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

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

is satisfied with the performance of the Chief Financial Officer and has sight of his annual performance plan as monitored by the CEO. It is satisfied that internal controls show continuous improvement and sophistication and that these prevent any financial losses, fraud or theft from the institute. Examples of initiatives to improve controls include introduction of Yoco mobile card reader devices, station credit cards, the improvement of Supply Chain Management Systems and Procedures, integration of MS NAV and Microsoft Dynamics CRM, financial delegations, remuneration structure review 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. All foreign payments in respect of the construction of the ORC rescue craft being built in France have had Reserve Bank approval.

The Audit Committee oversaw the call centre business due diligence process and was satisfied that all suspensive conditions in the sale agreement were met.

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.



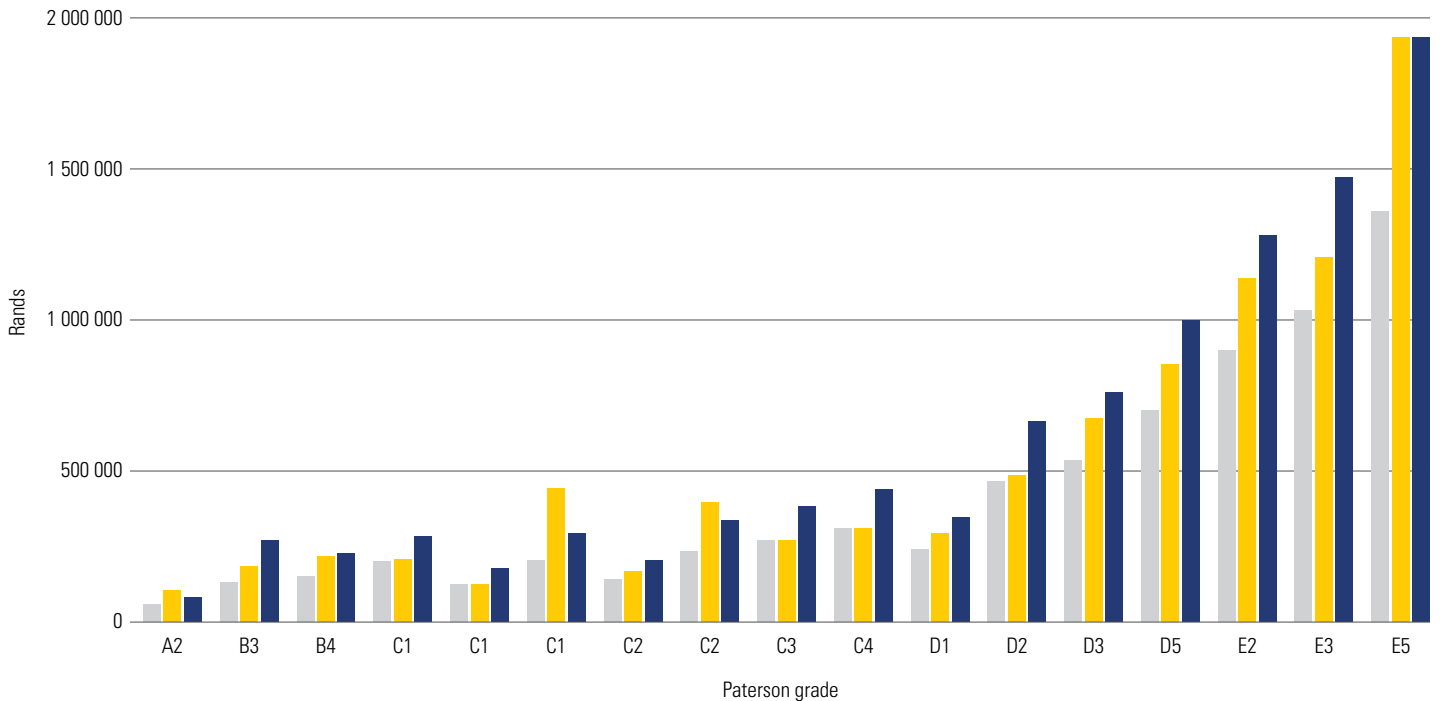
The NSRI Human Capital Committee resolved to remain at 50% of the NPO market and the remuneration matrix was approved by the Human Capital Committee. All job grades are remunerated at the 50th percentile, including executives. 2019 will be the first year that the HR Committee considers notch progression for staff within the Paterson Grades based on performance and the HR Committee has been directly involved in executive

performance evaluation for the 2018 year. The below graph depicts NSRI's salary scale:

The gross annual salary includes 13 cheques. 7% pension and 50% medical aid premium are optional and 1% Unemployment Insurance (UIF) is deducted. Benefits over and above the annual amount can include contributions from the company of 8% pension, 50% medical aid 1% UIF as well as death and disability cover.

Minimum
 Actual
 Maximum

NSRI REMUNERATION ACROSS PATERSON GRADES



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 is individually scored. The more likely and bigger the consequence, the higher the risk score. Risks that score more than nine are categorised as key risks and are discussed at a governance and management level. Management is responsible for mitigation measures to reduce likelihood and consequence. In 2015, 13 key risks existed, 11 in 2016, 8 in 2017 and 8 in 2018. Two risks are considered to be in the significant range and six in the major range.

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

KEY RISKS

In 2018 the top identified risks included the following;

PRIORITY		PRIORITY RISKS
1	20	We do not have direct and complete access to the donor database
2	16	We do not prevent drowning through educating our target audience
3	12	We do not receive all corporate donations budgeted for in a timely manner
4	12	Income from all debit orders is not directed to us via WinDirect.
5	12	Corporate donation income decreasing year on year.
6	12	Unauthorised access to key data
7	12	Diminishing take-up on competitions negatively influence income
8	10	Public unable to reach NSRI in emergencies

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

Of note in 2018 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 for 2019.

It has also submitted an Employment Equity Plan in 2018 in compliance with the Employment Equity Act.

Moore Stephens Risk continues for another three-year term to complete Internal Audit within the NSRI.

The NSRI will develop a policy on stakeholder engagement in 2019 which will include the risks and opportunities per stakeholder.

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.nstri.org.za



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 set out on pages 8 to 23, which comprise the statement of financial position as at 31 December 2018, 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 matter 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 2018, 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, street collections, collection tins and boats, functions and events, prior to their initial entry in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

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 annual 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 as set out on pages 24 to 26. 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 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 88 to 91.

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

R Stein
Sea Point

C Robertson

STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

R	2018	2017 Restated*
Assets		
Non-Current Assets		
Property, Plant & Equipment	90 373 714	84 544 006
Investments	19 256 260	19 446 805
Current Assets		
Trade and Other Receivables	81 285 719	21 477 417
Cash and Cash Equivalents	3 949 533	2 626 013
Total Assets	194 865 226	128 094 241
Equity and Liabilities		
Capital and Reserves		
Accumulated Funds	146 189 330	125 811 081
Non-Current liabilities		
Other Financial Liabilities	0	457 576
Current liabilities		
Other Financial Liabilities	45 000 000	—
Trade and Other Payables	3 675 896	1 825 584
Total Equity and Liabilities	194 865 226	128 094 241

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2018

R	2018	2017 Restated*
Gross Income	142 884 277	138 756 899
Surplus for the period	22 378 249	32 764 213
Transfer of Accumulated Funds	(2 000 000)	(40 000 000)
Transfer (to)/from Special Funds	—	8 386 696
Special Project Fund	—	8 386 696
Retained (deficit)/surplus for the period	20 378 249	1 150 909
Retained surplus at beginning of period	125 811 081	124 660 172
Retained surplus at end of period	146 189 330	125 811 081

DETAILED INCOME STATEMENT

for the year ended 31 December 2018

R	2018	2017 Restated*
Income		
Grants	6 610 577	10 514 741
ACSA Contract Fees	3 157 264	2 978 551
National Department of Transport	2 451 000	2 316 000
National Lottery Distribution Trust Fund	—	2 669 241
Transnet National Ports Authority	—	1 560 682
Western Cape Department of Local Government	400 000	414 000
Fuel Companies	60 000	145 000
Public Bodies	542 313	431 267
Donations and bequests	16 258 100	17 650 833
Companies	4 097 187	4 306 119
Individuals	4 420 379	3 633 514
Legacies and bequests	4 948 639	3 387 002
Shipping levies	913 046	998 500
Trusts	1 878 849	5 325 698
Call centre	111 588 910	100 532 459
Members Contributions	2 059 456	1 403 600
Events	2 334 468	2 241 386
Investment income	1 279 131	3 185 288
Sundry income (insurance claims, manuals, cards, cash discounts, etc.)	2 152 432	1 306 506
Surplus on sale of assets	601 202	1 922 085
Total income	142 884 277	138 756 899
Expenditure	(120 506 027)	(105 992 686)
Surplus for the period	22 378 249	32 764 213

DETAILED INCOME STATEMENT

for the year ended 31 December 2018

R	2018	2017 Restated*
Expenditure		
Employee costs	23 980 575	22 746 537
Office expenditure	1 588 994	3 090 768
Information communication technology	1 318 064	1 666 212
Insurance	1 179 376	1 109 136
Property expenses	3 513 091	3 960 501
Depreciation	8 347 507	7 145 425
Travel and accommodation	3 234 406	4 466 838
Marketing expenditure	6 736 174	4 148 640
Professional fees	2 821 057	1 060 639
Banking costs	2 020 927	2 060 922
Call centre	51 639 639	44 519 508
Station expenditure	5 583 756	3 268 971
Boat running	9 000 035	6 291 013
Fair value change in derivatives	(457 576)	457 576
Total Expenditure	120 506 027	105 992 686





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