

28 January 2018

## CHAIRMAN'S ANNUAL REPORT TO MEMBERS FOR 2018

### Overview

2017 was a difficult year for most South African enterprises and SANEA was not exempt from this situation. We had a very conservative budget for membership subscriptions but we still struggled due to several members resigning and other simply defaulting. The team recovered just on 85% of budget, which was 5% better than last year. This shortfall in revenue was largely offset by very good performance on both the Energy Risk Report and Thinking Energy projects. The end result shows the business has performed very close to budget. There has also been an encouraging growth in our reputation which bodes well for the sustainability of the Association.

### Membership

Clearly SANEA exists because of how its members perceive value in belonging to the SANEA community. During 2018 we lost some important corporate members due to companies looking very carefully at discretionary expenditure. We also suspended and cancelled a number of memberships for failure to pay their fees. We need to grow the top end of sustaining and senior corporate members if we are to continue to be credible and viable.

I urge every member of SANEA to encourage others to join our organisation and to make a relevant and credible contribution to the development of the South African energy sector.

The membership fees have remained quite stable with no significant real increase since 2008. The growth in the business, and the value to members, has been achieved through creative management.

Furthermore, through strategic management of member numbers the Association is now relatively secure with membership income showing a healthy diversity across all categories.

### Energy Rendezvous

Our monthly evening events continued to be our core activity and ten were held during the year. During 2018 we had a mix of panel discussions and lectures. Attendance, which has averaged between 30 and 40 delegates; was well below where we would like it to be.

### Events

One "Thinking Energy" event was held during 2018 and one was deferred to 2019. Kiren and her team must be commended for organising a topical programme on e-Mobility with credible speakers. Sadly the delegate numbers did not do credit to the quality of the deliberations.

The SANEA Awards attracted interesting nominations across the five "public" categories and the adjudication panel was hard pushed to decide on the winners. The Awards Evening was "the best ever" and we appreciate the support of many of our corporate members. Thanks also to Sarita Cronje and her team for their enthusiastic delivery of a "Value-Added" event.

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#### Directors:

BA Statham (Chairman), DW Wright (Secretary General), V Basson (British), P Gosai, K Maharaj, W Poulton, P Reddy, R van Tonder

Secretary: J Reyneke

Section 21 Company | Company Registration Number: 2001/019721/08 | NPO Number: 026-696 | VAT Number: 4950211252

### **African Energy Indaba**

The 2018 Africa Energy Indaba was the tenth annual event which is now becoming firmly positioned in the energy calendar. It was the biggest event to date and delegates provided very positive and constructive feedback.

Putting our professional weight behind this event is helping promote SANE A, its profile and its work.

### **Publications**

During the last quarter of 2017 a team of SANE A members came together under the leadership of Wendy Poulton to compile a report on **Energy Risks** for South Africa. SANE A partnered with the Institute of Risk Management – South Africa and a summary of our work appeared as the Energy Chapter in the 2018 IRMSA report. The full SANE A report was published in February 2018. This is a valuable contribution from SANE A and the Board is grateful for the intense effort of the team, particularly Wendy who led the project. Sponsorship of the publication made a helpful contribution to 2018 revenue. The Board decided to make this an annual project and the 2019 report will be published in February 2019.

### **Business Performance**

2018 was a very tough year for the South African economy and this affected SANE A in three ways:

- A number of members resigned or simply defaulted to save the cost of membership fees
- We struggled to get attendance at events because people could not afford to be away from their workplace and sponsorships were very hard to find.
- Directors struggled to allocate time to SANE A projects because of the pressure of their normal work.

Dave, Kiren and Wendy picked up a disproportionate share of the workload and deserve our thanks. The Marketecture team of service providers also did their best to support us.

It is pleasing to report that through the diligence of everyone the 2018 financial result, while still negative, is very close to the budget.

The Board has presented a very tight budget for 2019 and the aspiration is that the new blood on the Board will stimulate an improvement in the year-on-year results.

### **Governance**

The Board has met ten times during the year and had an additional full-day facilitated strategy review session. The average attendance was 83% which is indicative of the considerable commitment of the directors, in spite of their normal business commitments.

We owe a debt of gratitude to these members who give of their time to ensure that SANE A remains on course and achieves its objectives. Much of this work is done in their private time as all Board meetings took place in the evenings or over weekends. Kiren Maharaj, Wendy Poulton, Dave Wright, and myself, has been especially engaged with 100% attendance.

Board members have also been ready to provide support, opinion and share their expertise and I am pleased to report that Board meetings are lively events with many views being exchanged and debated. This commitment contributes towards the business health of SANE A.

The pressures of business and family are intense and at the end of 2018 Vicky Basson and Rentia van Tonder indicated that they would not be available to serve in 2019. On behalf of all SANE A members I wish to thank them for their contributions over the past years.

### **Service Providers**

With effect from 1 April 2017 SANE A has been working with a new consortium of service providers operating under the banner of Marketecture TMS and that contract runs out on 31 March 2019.

After some discussion the Board decided to mandate a team led by Kiren Maharaj to negotiate a new contract with Marketecture. At the time of writing these negotiations are well advanced but not yet concluded and further feedback will be provided at the Annual General Meeting.

### **World Energy Council**

Dave Wright and Kiren Maharaj represented SANE A at the Milan Executive Assembly in October 2018.

SANE A is actively engaged with WEC, contributing to many of its programmes and exchanging views. Surprisingly, relatively few SANE A members take advantage of this member benefit – the opportunity to network internationally and to be involved in the wide range of Knowledge Networks that WEC supports.

### **Appreciation**

After some 20 years in a leadership role, firstly as Secretary-General and then as Chairman of SANE A, the time has come for me to step down and resign as a director. I wish to express my appreciation to the members of SANE A. Your fellowship and obvious commitment to energy have been a constant source of encouragement.

My fellow directors have also provided support and advice during the years and have made my task easier. The smooth functioning of any business relies on a constructive relationship between its leaders. I have been very fortunate to have Dave Wright in the position of Secretary-General. Dave's extensive experience in the energy sector has been invaluable. Dave and I have had a very constructive working relationship and his robust, and at times uncomfortable, counsel has provided much appreciated guidance to me.

I wish the new Board, under the leadership of Kiren Maharaj, every success and I hope they find the experience as rewarding as I have.

Finally, to my wife Kate who spends more time on SANE A and WEC business than I have a right to expect and who is always willing to engage in one more round of discussion; "Thank You".

Yours Faithfully

A handwritten signature in black ink, appearing to read "Brian A Statham".

**Brian A Statham**  
**CHAIRMAN**