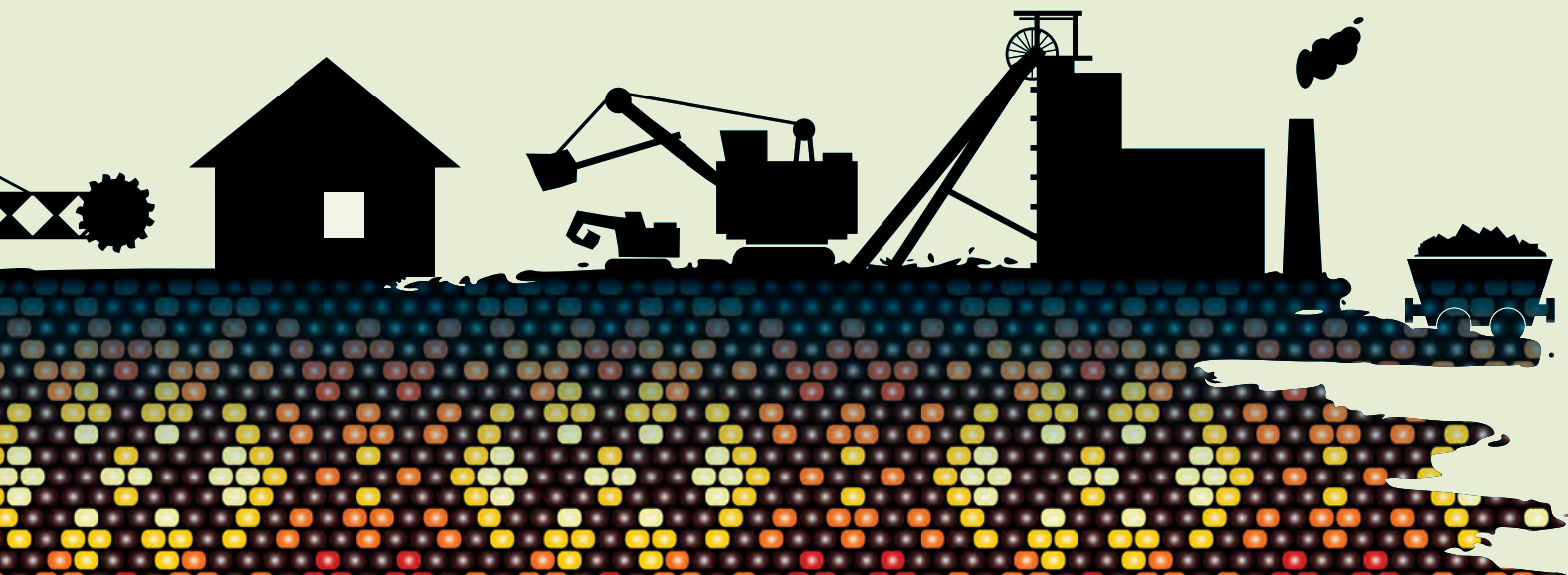


2018

ANNUAL REPORT



Annual conference and AGM participants.



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VISION | MISSION | VALUES

VISION

Bench Marks Foundation's vision is to be on every company's agenda and to become a household name by holding multinational corporations accountable to the common good.

MISSION

The Bench Marks Foundation is committed to providing leadership and advocacy on issues regarding the benchmarking of good corporate governance and ethical and socially responsible investment, as well as linking people and institutions committed to these ideals.

VALUES

The Bench Marks Foundation positions itself as a key role player and authoritative voice on investment and investment impacts by analysing corporate social responsibility (CSR) and sustainable development. It embeds itself in the community and produces evidence-based research, challenging the present CSR and sustainability paradigm. It is well positioned to influence how investment shapes development, especially in mining. It is embedded in the churches, promoting values that are pro-poor and in favour of equitable development, human dignity and promoting a philosophy that has the integrity of creation at its core. In this way it presents a prophetic voice of the church, one that is rooted in the concept of the common good.

OUR PEOPLE

Board of directors



JT Seoka (Chairperson)



PJ Beukes



H Smith



N Magwaza



MB Moshoeshoe



AE Wentzel



Z Majodina



J Capel

Staff



John Capel
Executive Director



Moses Cloete,
Deputy Director



Busi Thabane,
General Manager



Malebo Rammekoa,
Communications
Officer



Simo Gumede,
Office and Logistics
Administrator



David van Wyk,
Lead Researcher



Bobby Marie,
Education Specialist



Brown Motsau,
Programmes
Coordinator - Africa



Eric Mokuoa,
Monitoring School
Coordinator



Hassen Lorgat,
Strategic Advisor



Jeremy Daphne,
IPSS Project Manager



Chris Molebatsi,
Research Officer/
Community Organiser



Olebogang Motene,
Community
Coordinator -
Rustenburg



Mmathapelo
Thobejane, Community
Coordinator - Limpopo



Susan Boledi,
Community
Coordinator -
Mpumalanga



Joseph Magobe,
Rustenburg Field
Worker

Community facilitators



Elton Thobejane



Motshabi Selowa

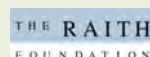
DONOR PARTNERS

We would like to thank our donor partners, with whom we share a commitment to social justice, even if the views we advance are our responsibility. They include our donors who provided core support: Christian Aid, SARWatch, Bread for the World – Protestant Development Service, Diakonia Sweden, Bread for All – Switzerland, Raith Foundation, Norwegian Church Aid, Church of Sweden and Steelworkers Humanity Fund.

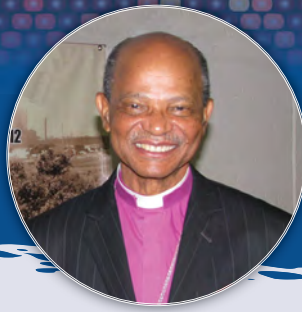


NORWEGIAN CHURCH AID

Svenska kyrkan



1. CHAIRPERSON'S FOREWORD



THE RT REV DR JO SEOKA

"A NEW DAWN OR A CONTINUING NIGHTMARE FOR MINING?"

An eventful year has passed since we reported to our stakeholders in our last annual report. During this period, a new Minister of Mineral Resources, Mr Gwede Mantashe, was appointed, and the third draft of the Mining Charter was released. Mr Mantashe's appointment was initially welcomed by the Bench Marks Foundation. Subsequently, however, we were very disappointed at his handling of a meeting he called to discuss mining at Xolobeni on the Wild Coast. The minister effectively shut out the genuine voices of those who stand to lose most from mining and used riot police and stun grenades to intimidate any opposing voices. This is not the kind of action we expect from a representative of our democratically elected government! In respect of the Mining Charter, we see no benefit in it for communities. Talk about trust funds is meaningless for communities. They simply don't trust tribal and local authorities to deal with trusts in a way that benefits the people for whom they are intended. The Mining Charter was really a non-event for communities in 2018.

The other major event of 2018 was the resignation of Jacob Zuma as President and his replacement by Cyril Ramaphosa. The new President has expressed his view that the country needs to restore investment and exploration levels in the mining sector to drive the much-needed revitalisation of our economy. A brief overview of the mining industry indicates that mining production was down 9.9% in the first quarter of 2018, following a decline of 4.4% in the fourth quarter of 2017. Lower production in gold,

platinum group metals and iron ore were the main contributors to falling performance, according to Stats SA. While South Africa is perhaps best known as a gold mining country, asset managers say that gold is just about finished and that the major gold mines will all be gone within 10 to 15 years, with only smaller mines remaining. Currently, platinum (PGM) mining is much bigger than gold. World resources of PGMs are estimated to total more than 100 million kilograms, with the largest reserves in the Bushveld Complex of South Africa. One of South Africa's biggest success stories is the supply of platinum to the catalytic convertor industry. The industry alone contributed 7.4% to GDP. However, this export-intense industry is under threat because of being cut off from its overseas markets if export credit incentives are removed and onerous BBBEE requirements introduced.

One of the fast growing mining sectors in South Africa is that of heavy mineral sands (HMS). HMS is a group of minerals that include titanium and zircon. Titanium has important uses in the aerospace and medical industries, while zircon is used in foundry sand, TV screens and in the ceramics industry. The importance of HMS to southern African economic well-being cannot be overemphasised. South Africa is the largest producer of titanium dioxide, and in 2019, the country's production capacity is expected to increase from a titanium beneficiation plant involving South African and New Zealand companies.

Having reviewed some of the major macro developments in the sector, we turn our attention to the micro scenario, and the most important question of all: How has mining impacted on communities during

One of South Africa's biggest success stories is the supply of platinum to the catalytic convertor industry. - yet communities' livelihoods are threatened and the environment takes a beating.

the past year? Can we speak of signs of a new dawn, or indeed of any glimmer of early morning light for people whose lives have been impoverished by mining activity, and who remain desperately poor in spite of the riches being extracted from the land on which they once lived?

Sadly, we conclude that, with rare exceptions, there are no such signs at mining impacted community level. The impoverishment of communities is at an all-time high, with their way of life and dignity all but destroyed. Communities and their leaders continue to be marginalised in decision-making, and the power relations between mining companies and communities remain grossly skewed. In 2018, for example, we commemorated six years since the Marikana massacre in 2012 and what was most striking was the fact that there is still no redress for victims and their families. Families are still forlornly waiting. Widows have not been compensated, and suicides in the community have been related to the massacre. Justice delayed is justice denied. The wheels of government turn slowly, but for these families, the daily pain of the massacre stares them in their faces.

One such community that has spent years fighting for its right to prevent mining on its land is that of Xolobeni on the Wild Coast. I have already mentioned their struggle for justice but it is worth reminding ourselves of the detail. The Amadiba Crisis Committee (ACC), representing the Xolobeni community, was formed in 2007 by five villages on the Wild Coast to fight open cast mining on their land. On this part of the Wild Coast, there are families who have lived in the same homestead for one hundred years and more. There are elders who can point out the graves of their great-grandparents.

The community plans to expand agriculture and ecotourism. Many homesteads sell a surplus of sweet potatoes and other crops on the markets in Bizana and Durban. More than three thousand tourists hike on this coastline every year. Open cast mining would destroy this activity. The mining project would lead to the forced removal of about 70 households inside the proposed mining area. Two hundred other households would be affected by dust, by the threat to water supply and by being cut off from the ocean and its supply of fish and sea food. The mining project would tear the community apart, economically, socially and culturally. The Umgungundlovu Head Woman together with 126

community leaders, elders and heads of homesteads from five villages headed to the Pretoria High Court in April this year to seek a declaratory order that would stop mining projects in Xolobeni. They were backed by Bench Marks Foundation and legally represented by Richard Spoor and the Legal Resources Centre. This community on the Wild Coast requested the Court to rule that it would be illegal for the Minister of DMR to issue a mining licence without their consent. In November 2018, the Pretoria High Court handed down a landmark judgement in this case, ordering that the minister of mineral resources will have to obtain full and formal consent from the Xolobeni community prior to granting mining rights.

Another community that is having to fight for its rights is that of traditional fishermen in the Olifants River estuary. They are alarmed at a decision by government to grant prospecting rights to Australian company Mineral Sands Resources (the same company that has caused problems in Xolobeni) on the northern bank of the estuary. Apart from the fact that this is the third largest estuary on the South African coastline and is listed as a critical biodiversity area, mining in the region is incompatible with the traditional way of life of these fishermen.

A further group of people who get treated with great injustice by both government and the mining industry are the informal miners, or zama zamas as they are known. These unemployed miners eke out a living in the many abandoned mines around the gold belt. They do so at great risk to their lives and health and are frequently harassed by the police. Bench Marks has long argued that this small-scale artisanal mining could be a valuable contributor to gross domestic product and has advocated for their legalisation. Recognition of this industry through legalisation would allow better control of informal mining activities and greater safety for operators.

However, we must acknowledge that there are a few – very few – glimmers of hope at executive level in mining companies, with talk of change and social justice. However, at government level, in spite of the 'Ramaphosa moment', there is little sign of light, or even an early morning glow. Government continues to display great arrogance and insensitivity for the plight of impacted communities. Government prioritises macro-economic and big capital's interests at every turn.



CHAIRPERSON'S FOREWORD (continued)

Sadly, therefore, one concludes that overall, there is currently no place in the South African sun for communities, and the cold darkness of the night continues.

What is needed for the sun to start rising? For a start, a new relationship between corporations and communities. Without such a paradigm shift, mining will not have a future in South Africa.

Other important principles are:

- Participation of stakeholders in the decision-making processes of companies.
- Preservation and protection of the environment for present and future generations.
- Respect for the dignity of every person and for worker and community rights.
- Corporate governance policies that balance the competing interests of managers, workers, shareholders and communities.
- Support for a sustainable system of production and a more equitable system for the distribution of the economic benefits.
- Reparation for and resolution of the negative impacts of mining operations on communities;
- Restoration of a dignified way of life for communities.

But it is not sufficient for us to merely call for these concepts to be implemented. Noble though they are, they require practical action if they are to be implemented in any meaningful way for South Africans.

It is for this reason that Bench Marks Foundation has introduced a new service, the Independent Problem Solving Service (IPSS), to the range of excellent tools that it currently offers. The IPSS involves an alternative dispute resolution approach. Elsewhere in this annual report, you will be able to read about the IPSS in greater detail. Suffice to welcome it to the Bench Marks range of product offerings.

Finally, we ask the uncomfortable, but entirely necessary question: What will the horror of the continuing nightmare look like if a new dawn does not materialise?

I leave this question largely unanswered. Suffice to say that government and business have a unique opportunity to institute change now. This includes entering into peaceful dialogue, informed by the vision of a better life now for all South Africans. If they shun this opportunity, the nightmare will gain ever more frightening proportions. Communities and organisations supporting them will be driven to intensified protest.

Let us use all our energy and resources to ensure that the vision that has guided us at Bench Marks Foundation since inception – that of a society in which justice prevails for all people, and one in which everyone lives with dignity and the means to support him or herself, benefitting from the great riches of our land and living in harmony with creation.

In closing, it would be remiss of me not to thank our partners, both those in civil society and our funding partners, for their support in 2018. Our core donors are Brot or Bread for the World, Bread for all, Christian Aid, Church of Sweden, Diakonia Sweden, SARWA-OSISA, Norwegian Church, Swedwatch, the Raith Foundation and Steelworkers Humanity Fund.

I am also grateful to the members of our Board and to management and staff of the organisation, all of whom do a sterling job of fulfilling the vision and mission of the organisation.

Rt Rev Dr Jo Seoka

Chairperson, Bench Marks Foundation

2. EXECUTIVE DIRECTOR'S REPORT



JOHN CAPEL

2018 turned out to be a turbulent year politically for South Africa with the presidency of the country changing hands and the deputy president of the country becoming President and announcing a “new dawn” as he took over from his scandal plagued predecessor. This announcement characterised the soon to come mining regime as a sunrise rather than sunset industry. This was quickly followed by his appointment of a new mining minister, setting the scenario for unprecedented contestation on many fronts.

Not to be outdone, civil society and in particular the Xolobeni community in the Eastern Cape, led by the Amadiba Crisis Committee and supported in the court application by the Bench Marks Foundation on its behalf succeeded in halting the proposed mining of titanium in a pristine rural environment. This resulted in an unprecedented victory in the High Court in South Africa in November 2018. This judgement confirmed the right of **impacted** communities to **free prior and informed consent (FPIC)** before mining can proceed. The judgement came in the face of a vociferous campaign to encircle the community with pro-mining sympathisers from outside the area, several visits to the area by the Minister, and following a decade-long struggle to stop mining in the area. The government is appealing the High Court judgement.

The High Court's finding was a vindication of the quality and authenticity of the 13 Policy Gap Studies done to date. Bench Marks is part of an alliance in civil society that has responded to the community's call and who are calling for increased **corporate and state accountability to communities that are impacted by the decision making** of such corporates and the state. The decision of the High Court followed the

Maledu judgement obtained in the Constitutional Court that confirms the rights of “traditional” communities to adequate compensation for land taken away to make way for mining. Another judgement halting the mining of an eco-sensitive area, that would threaten the livelihoods of communities that are dependent on critical water sources, made it a good year for litigation in favour of communities. The case ably argued by the Centre for Environment had the support of the Bench Marks and six co-applicants. This Mabola case that is still the subject of multiple contestation by the state and corporations highlights the need for a vigilant and supportive civil society that supports the struggles of communities for sustainable livelihoods, their right to food, and land sovereignty - rights that are often usurped by corporate greed and malfeasance.

The release of our 2017 Policy Gap 12 report, *Waiting to Inhale*, – continued to attract significant media attention in 2018, and led to spin-off activities in support of communities contesting the planned re-mining of tailings waste dams resulting from abandoned and closed mines on the old Gold Reef surrounding Johannesburg. With the support of Bench Marks, communities launched RAMAG (Rand Anti-Mining Group) to oppose mining that is in close proximity to existing communities and housing developments, and include organisations that participated in the research that led to the report. This was an example of Bench Marks supporting communities who are engaging local authorities and the company that wants to mine in their areas.

Another spin-off from this report, and as part of the community monitoring programme, Bench Marks monitors and their representative community



The release of our 2017 Policy Gap 12 report, *Waiting to Inhale*, continued to attract significant media attention in 2018.

EXECUTIVE DIRECTOR'S REPORT (continued)

organisations engaged with Sasol, a major producer of gas and oil from coal in South Africa. This was to put in place a disaster management plan, with provision for mitigating possible oil spills in and around Soweto that could result from pipelines being damaged. The company agreed to finance the plan, including paying for community monitors, education in schools and proper sign posting of danger areas.

Bench Marks released its 13th Policy Gap Study at the South African Human Rights Commission national office in Johannesburg. This report analyses and is an audit of Anglo Platinum's 12 years of sustainability reports issued by Anglo Platinum, a subsidiary of the giant Anglo American Corporation. It points out that in the highly profitable years R40 billion was paid to shareholders while only R100 million went to communities. It found that the corporation constantly changed its reporting and, more importantly, like many of the large mining corporations, did not follow up and implement promises made. This has led to constructive engagement with Anglo Platinum about its reporting and ways to solve problems resulting from its conduct in communities.

Importantly Anglo Platinum is engaged in a *facilitated dialogue* with a community in Limpopo in an effort to address partially the impacts it had on the livelihoods of a community relocated more than a decade ago. This *facilitated dialogue* is a key plank in the toolkit provided by the Bench Marks' Independent Problem Solving Process (IPPS). Launched in October 2017, the service continues to gain ground.

The service was instrumental in arriving at an agreement between cattle owners in the Maotsi village in Limpopo and a company considered responsible by the community for the death of their cattle that resulted from the pollution of their water sources and damage to their grazing land. Together with the agreements reached with Sasol mentioned above, it is a vindication that non-judicial, non-adversarial approaches in which **dialogue between "equals"** can lead to speedier resolutions of conflict and grievances of communities. While the IPPS provides for facilitated dialogue, mediation, arbitration and eventually litigation it wants to start off with a direct dialogue that is supported by Bench Marks.

The **monitoring school programme** reaches into the Democratic Republic of the Congo, Zimbabwe, Zambia, Mozambique and lately Angola, while it maintains a network of 100, (46%) women, monitors

in 40 communities in South Africa mainly in the Mpumalanga, North West, Limpopo and Gauteng provinces. Activists form part of the "*We are activists*" network that operates across Southern Africa. This network campaigned for the release of activists in the Democratic Republic of the Congo. Activists from Tete in Mozambique participate in an exchange programme with activists in Mpumalanga and are developing exchange strategies and a campaign on "respiratory" illnesses resulting from mining. Activists exchanged videos, and developed a newsletter specifically in Mozambique.

The **Alternative Mining Indaba (AMI)**, co-hosted by Bench Marks and faith based organisations like Economic Justice Network and Norwegian Church Aid, drew 500 participants from the African continent and further afield in February 2018. Bench Marks is on the steering committee and played an active part in the media and press liaison of the AMI. The Chairperson led the delegation, and the delegates march, to hand over the official memorandum and declaration to the Mining Indaba officials. In 2018 we delivered the keynote address on the Sustainability Day of the Mining Indaba itself as a result of Bench Marks managing to shift and be included in the official programme of the MI. This gave us and the AMI access to a high number of office bearers, including corporations and government officials responsible for mining in their respective countries, and a number of investors attending the MI. Increasingly the AMI has become a major voice for mining impacted communities on the continent and so important was it that Marc Cutifani, CEO of the Anglo American Corporation, came to be included on a panel of the AMI in 2019.

The Bench Marks is active in the International Alliance on Resources in Africa (IANRA), while it is also an active member of the *Publish What You Pay* network. Bench Marks serves on the steering committees of both networks in addition to its active role in the AMI. Bench Marks participates in the *Act Ubumbano* network that includes partners from Zimbabwe, Mozambique and South Africa. Bench Marks was also part of the Johannesburg committee that hosted the thematic World Social gathering focusing on Extractivism. Together with more local alliances, this all gives us strength to continue the "good fight" for social justice in the sector.

We take this opportunity to thank all our supporting funders, an active board and staff for all their contributions in 2018.

3. RESEARCH PROGRAMME

In 2018 we continued our contribution to knowledge through Policy Gap Studies and Rating Agency reports. The publication of Policy Gap 13 – Coping with Unsustainability II - a Study of Anglo Platinum: 12 years of reporting to society, led to engagement on their reporting and the broken promises made. The launch was held at the offices of the South African Human Rights Commission in Johannesburg. Bench Marks met several times with the company, eliciting its commitment to improved reporting and a continuation of its participation in the facilitated dialogue in Magobading.

It was also invited to sit on the committees of the SAHRC commission monitoring the impact of mining water consumption, and on the availability of water in communities.

The Bench Marks further produced three studies that tested the viability of the ratings agency that measures a corporation's personality and ranks them on a scale from "sinner to saint". Communities in Bekkersdal Gauteng, and Tharissa in Rustenburg, North West Province, filled in surveys that produced a measurement on this scale. Companies are encouraged to use the same questionnaire. Some companies involved were hesitant, however, and did not complete the questionnaires. One instead opted to conduct their own community study. A measurement is then produced. These reports, completed by communities, were presented at the annual conference in October 2018. Research was also conducted in Mpumalanga and

Limpopo using the template for the 2017 *Waiting to inhale* project to monitor the impacts of coal mining and platinum mining respectively. This is part of a joint study led by the International Alliance on Natural Resources in Africa (IANRA) and the reports will be presented to newly elected politicians in 2019, as a baseline report against which to measure their responses.

The research team also provides support for communities engaging with companies, like conducting water quality and dust level tests (see IPPS). It also conducts most of the toxic tours for visiting academics, radio and TV journalists, NGOs and conference participants, like those who attended the thematic World Social Forum meeting on extractivism held in November 2018.

Welcome relief from the hot sun as community members meet under a tree.



Bench Marks was invited to sit on the committees of the SAHRC commission monitoring the impact of mining water consumption, and on the availability of water in communities.

4. MONITORS' TALES

THE STORY OF MMATHAPELO THOBEJANE

Sekhukhune Environmental Justice Network

Our struggles and successes lies in fighting the problem of livestock that are dying as a result of drinking water from the mine.

"I felt personally honoured to be trusted and work with older people on this matter. I kept remembering the limitations of our traditional community, particularly in respect of young women in rural areas. However, during my interaction with mostly traditional men, I realised that they had an interest to put their trust in me."

I am an activist and live in Maotsi among the affected communities. It is hard being an activist in a mining community. Mining is always destructive to our environment and our community. There are no easy victories because this problem is a big one that requires the government to take full control and defend us.

Our success is that we build strong community. As activists we do not give up hope and use every experience to build our knowledge and skill.

This is the story of the Sekhukhune Environmental Justice Network. We have been supported by many environmental organisations and in this activity by the Bench Marks Foundation. I have been inspired by the activists' organisations which I have met in the Alternative Mining Indaba.

A burning issue and ongoing problem for both the villages in Sekhukhune in the Limpopo Province of South Africa, is that livestock is dying as a result of drinking water polluted by the Anglo American Twickenham mine. This affects the community as keeping livestock is the main source of making a living and they depend on livestock in traditional ceremonies. Supported by the Bench Marks community monitors

programme I engaged in this problem of the death of cattle. My overall plan was to mobilise the community and bring the different stakeholders together. I wanted to open lines of communication between the communities and the mine

As I did not have the resources to do research, my strategy was to use community experiences as evidence. The farmers made it clear that they are tired of people taking their issues and never coming back with reports or outcomes. They agreed to work with me to share their experiences about how they are losing their livestock.

I personally felt honoured to be trusted and to work with the older people on this matter. At the same time I kept remembering how traditional men operate. But during the meeting they showed interest. Maybe they accepted me as a young woman because my colleague was a man.

During interviews with the farmers I became aware of their frustration and stress. I was heartbroken because all the farmers are old people and the stories they shared were really touching.

Thobejane Morwamakoti, who is over 90, started by saying, "As farmers we don't care about the mine taking the minerals. What we want them to do is to treat us as human beings". He mentioned that the mines don't care about people and that the farmers will be happy if the mine consulted them and tried to show them the impact of mining operations on their livestock and gave them alternatives. They wanted safe camps with access to clean water and enough grazing so that their livestock would not die. The mine had taken all their belongings, including their grazing land and clean water and they felt helpless. It was hard for them to watch their livestock die. The farmers are in a lot of pain to see their livestock disappearing in front of them and they have nowhere to report the problem.

This is a record of our long struggle

April 2017

In April 2017 I started gathering information from livestock owners in the area. I wanted to find out how many people had lost livestock, how many livestock had been lost and the cause of the loss. I met with livestock owners/farmers to gather this information and to involve them in taking up the issue.

I had about ten meetings with the farmers/livestock owners in the first few months. Our relationship grew stronger than before. This was important because now I knew their strength, understand better the issue and I knew more about the farmers.

My first meeting with the community was on 4 May 2017. Also attending this meeting were Bench Marks activists. The farmers came in number and some understood what I was trying to do. Some did not understand. The resolution taken at this meeting was that they will work with me and Bench Marks on the problem they are facing.

We sent a letter to the Department of Minerals about the situation. The farmers drew up a list of grievances

and signed a petition. We sent this to the mining company giving them 15 days to respond. John Capel, Bench Marks Executive Director, communicated with Anglo American head office to urge the mine to meet the community. The Centre for Environmental Rights also wrote a letter of complaint to the mine.

September 2017

In September 2017 a meeting was held with representatives from the mine. The farmers and I attended, and there were two representatives each from Bench Marks and Sekhukhune Environmental Justice Network, and two representative from each of three government departments - Water and Sanitation, Agriculture, and Environmental Affairs. We managed to come up with a line of communication between the mine, government and the community by forming a task team that will regularly meet to try and resolve the issues.

April 2018

However by April 2018 nothing was done. A full year of my involvement had now passed. It seems that the mine was hoping we would get tired and abandon our demands. After a year of engagement with the mine we were back to zero.

Black mining dust billows over the homes of communities.



In a meeting on 16 April 2018 the mine denied the promises they made and told us that they were not prepared to talk about compensating cattle owners for losses until they provided lab tests which proved that the mine-polluted water killed the cattle.

They denied that when they gave people money in the past when they lost their cattle was because they were responsible, but rather that they were just being “good citizens”.



Effluent discharge from mining operations.



Some of the damage caused by mining operations.



MONITORS' TALES (continued)

The community was very angry and had reached the end of their patience. At this meeting we told the mine that they had just one meeting left. Thereafter we will stop talking with them. We called for a meeting on the mine premises and told them that we wanted the mine management, the task team that has been formed by livestock owners, our organisation SEJN, a Bench Marks representative, DWS and the Department of Agriculture in attendance. We agreed this will be the last meeting between us.

August 2018

Within two weeks the mine met us and this time agreed to a more concrete response. They set up a meeting with the general manager of the mine. This meeting took place in August this year. The general manager agreed that they will compensate those who lost their cattle. A few weeks later the mine and the Department of Agriculture made an agreement that they will assist the community establish new grazing fields with water.

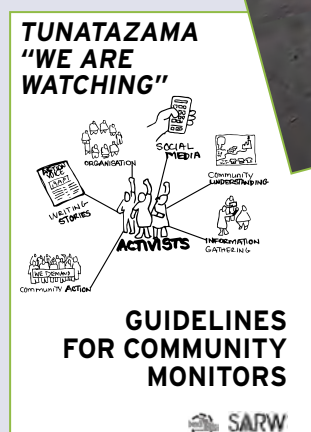
December 2018

The livestock owners are frustrated again. They are not able to find land as all the land belongs to somebody and the mine says that it will not buy land for them. What angers them more is that they were told by the general manager that they will pay each owner who lost cattle in the mine stream after the mines had done an investigation. The owners participated in the investigation which is now over. Nobody had been paid. The mine says that they are still busy auditing.

The livestock owners called for a new meeting on 12 December so that these issues could be resolved. At this meeting an agreement was struck between Anglo and the Maotsi community that there will be R10 000 compensation for each dead cow. Anglo has also agreed that it will contribute towards growing lucerne in one of the identified grazing fields. The dialogue between the mine and the affected community proved to be extremely beneficial, where previously all efforts had been in vain. This and other recent successes marks the beginning of a new era where communities will no longer be ignored and frustrated – where sustainable solutions will be found for the many problems experienced and mines and government stopped from causing further suffering.

A role of the activist is to keep records of communication with the mines, especially when we write emails and letters and when we have meetings. I found that when the mine want to avoid a problem they use the confusion of people in the community. My record of email communication prevented this.

If you are a women activist you have extra challenges. As a young female it was challenging to work with elderly traditional men who believe a woman cannot lead. They don't believe in women taking a lead. Travelling long distances in the bushes, as I walked from one village to another, was at times a challenge as I did not always feel safe.



KITWE, ZAMBIA: THE BLACK MOUNTAIN DISASTER

By Nsama Musonda
Kearns

The Nkana West slime dam, Kitwe, also known as the Black Mountain, was created from the Nkana West smelter commissioned in 1931.

After many years of mining, many companies were interested in taking over the dump because there were rumours that it had rich mineral content.

There was a lot of competition to do so and a court dispute. In February 2018, the government gave the contract to the Jerabos, a youth organisation.

There was concern from the community that the dump was not safe. People were worried about the hazardous waste which was to come from there and how it was going to affect the environment. In parliament concerns were raised about the procedure to give the Jerabos Black Mountain contract. They did not conduct an environmental impact assessment.

Unfortunately, tragedy struck before any action was taken. On 20 June, loose material from the blasting collapsed and killed ten people instantly. Now government has put the mining operations on hold.

The biggest problem is that the mining sector has a lot of regulations but they are not adhered to. My appeal is for civil society organisations to work together to advocate for the immediate release of the environmental impact assessment so that we can hold government accountable.



SHURUGUWI, ZIMBABWE: MINES ARE NOT CREATING JOBS

By Happpious Chingwaya and Eunica Pabwaungana

Unki is owned by the South African mining corporation Anglo Platinum. In spite of our hope for jobs, less than twenty people have been employed. In June 2018, we thought a smelter would create employment, but it is highly mechanised and created 60 jobs for artisans only.

Research in January 2018 by SCDT shows disused open shafts and pits left unrehabilitated which are now a threat to livestock and human life and result in massive environmental degradation. The researchers also found out that it is not only the informal miners who left those disused pits unrehabilitated. In Zvishavane, the biggest chrome mine - Zimasco's Railway Block East Mine - lies abandoned and unsecured in Shurugwi.

On 28 March 2018, chrome miners approached the Ward 19 Vige 4 head and told him to consult his community about this project. The mines assured the community that it would implement several projects. However, these have not been created. The chrome miners visited the headman for the second time on 6 April 2018 and the issue will be discussed in depth on 19 April.

5. SOLVING PROBLEMS THROUGH DIALOGUE – THE INDEPENDENT PROBLEM SOLVING SERVICE

The formal establishment of the IPPS service took a step forward with the establishment of an advisory board comprised of eminent individuals who met three times to advise Bench Marks on how to proceed. This has given credence to the viability of the service. The proposition of the service has evoked mixed responses from industry. For example, Lonmin, the company at the centre of the Marikana massacre, opted to develop its own grievance mechanism. The mining industry responded by developing a human rights framework for resolving disputes, albeit through evidence based mechanisms, while the state is considering a mechanism as well. The IPPS, now set up internally, is starting to address specific problems of communities. Ideally, the proposed nature of the service will be independent. Response during the last two years shows that the project has gained currency. It continues to have the support of communities and corporations like Anglo American, in London, which supports the facilitated dialogue underway in Limpopo between a relocated community and its Anglo Platinum subsidiary.

PROGRESS IN DECEMBER 2018

Good progress has been made, with health surveys conducted, four training workshops held and mapping of the hotspots in the affected area initiated. Monitors are also in the process of gathering information in their communities about respiratory health issues. Part of the process is for the activists involved to also write short reports on problems and related events, to post on the Bench Marks **Tunatazama** Action Voices Alerts WhatsApp group. Nineteen community activists from Gauteng, Limpopo, North West and Mpumalanga are involved. From these, 13 cases have been identified and earmarked to be resolved by the IPPS in 2019 through direct interventions by Bench Marks staff or, if not resolved, referred to a facilitated dialogue process. Bench Marks has long argued that there is an unequal power relation between mining-affected communities and mining companies. This unequal relationship

Cracks in homes caused by mine blasting.



Mining generates profits for its owners, but when the profits dry up, a wasteland remains.



impacts negatively on these communities. Communities are at a disadvantage when engaging with companies. They lack the technical expertise to engage mining companies. To put communities on a more equal footing Bench Marks has called on mining companies to contribute to an independent capacity fund (ICF) that will provide this expertise for communities. In 2015 Anglo American agreed to support such an initiative and Bench Marks set about promoting the ICF in tandem with a call for an independent grievance mechanism (IGM - IPPS).

Through much research and engagements with partners we have instead called for an Independent Problem Solving Service (IPPS) as it is felt that solving problems in an adversarial process requiring evidence to be led would take longer to resolve. This

proposal was put to a number of industry insiders, people experienced in current and past mediation in 2016/2017; in particular to Russell and Associates. Russell and Associates assisted us in identifying companies that would find favour with the proposal.

In 2017 Bench Marks met with civil society actors where support was garnered from community based organisations and like minded NGOs. These consultations, together with ones with industry insiders, has resulted in what is now called the Independent Problem Solving Service (IPSS). Anglo American has endorsed the proposal that was tabled at the *Courageous Conversations in August 2018*, (a dialogue which is a high level meeting between church leaders and CEOs of major mining companies).

In parallel, Bench Marks, in preparation for the actual setting up of the Problem Solving Service, trained seven key monitors to lodge community grievances that test existing company driven grievance mechanisms.

In 2018 emphasis was placed on getting companies on board. In particular, companies that form part of the Anglo American stable were targeted. Further engagements were agreed on to take the process forward. New booklets were updated and published in 2018 following the engagements in 2017. See full booklet at www.bench-marks.org.za/publications/ipss_brochure.pdf.

At the same time as the engagement process **occurring, the first facilitated dialogue** was initiated in April 2018.

In October 2018 IPSS presentations were made at the annual Johannesburg Mining Indaba, involving about 350 delegates representing the Industry.

Further steps need to be taken regarding awareness raising for mining companies and government. The IPSS was also promoted at a number of events.

The IPSS was also promoted in the print media. Bench Marks Foundation was part of a panel on 1 August 2018 in a seminar hosted by Norwegian Church Aid in Trondheim, Norway.

SOLVING PROBLEMS THROUGH DIALOGUE

A key meeting was held in October 2018 between Bench Marks and the Magobading Relocated Families

Committee to address escalating complications and tensions, with the potential for the facilitated dialogue process to be derailed. On 4 December we managed to almost finalise an agreement with Amplats, with the support behind the scenes of Anglo American (AA) CEO Mark Cutifani, as Amplats (part of AA) had been dragging its feet. What now remains to be done is a finalisation of some wording and moving towards a concrete action plan in 2019.

Nineteen activists completed a three month training course, working on identified problems in their villages. As part of the training, problems were analysed, necessary evidence obtained, and solutions and demands formulated, along with tactics and a strategy. These cases are not involving facilitated dialogue but are being addressed through effective case handling approaches and methods, as learnt during the course, and using *direct dialogue* to solve cases. Thirteen cases were reported.

In addition, numerous problems across the mining belt are being documented, and some are being addressed, through the Bench Marks Community Monitor Programme. An example is the issue of dying cattle involving the Maotsi community and Anglo American Twickenham mine. This process is supported by Bench Marks and led by one of the community facilitators based in Limpopo. Agreement was reached on developing a grazing camp, exploring of a new water resource for livestock and residents, and compensation for 20 cases of dead cattle at R10 000 each, which were poisoned by the mine's discharge in the river. Response during the last two years shows that the IPSS project has gained currency.

Arising out of the Policy Gap 12 Soweto report, the Bench Marks office and associated communities initiated a number of activities and engagements around various identified problems.

The research project received considerable publicity and several local and international documentaries were produced by media houses.

After interacting with the Policy Gap 12 report, communities requested that the Bench Marks Foundation assist them in preventing new mining licences being issued in an area that was historically heavily mined and environmentally massively degraded.



SOLVING PROBLEMS THROUGH DIALOGUE (continued)

As examples the Bench Marks facilitated:

- A meeting with Sasol in Riverlea in March 2019, during which it agreed to an extensive disaster management programme involving the primary and high schools, the old age home, and the community clinic.
- A meeting between Communities Against Mining (CAM) and West Wits mining company in Roodepoort. West Wits struggled to answer questions raised by the community.
- A meeting with informal micro miners (Zama Zamas) in Sol Plaatjie informal settlement in March 2019. Conditions underground were discussed, including the reef, rising acid water, the lack of light, the dangers of earth tremors and rock falls. The miners agreed to come on board in terms of the LHR mandate involving West Wits.
- The provision of considerable specialist support for communities taking up problems. An example is water sampling for pollutants, such as a sample of water taken from one of the feeder streams into Florida Lake that flows past the fire station, past the parklands and into the lake.

INSTITUTIONALISATION OF THE INDEPENDENT PROBLEM SOLVING SERVICE (IPPS)

The IPPS is now well supported by a highly skilled and experienced advisory board with a membership of the following persons, this being a first step in developing a fully independent service.

- Dr Asanda Benya - Lecturer in the Department of Sociology at the University of Cape Town and a research associate at the Society, Work and Development Institute (SWOP) at the University of the Witwatersrand.
- Prof Tracy-Lynn Humby, Professor of Law at the University of the Witwatersrand and current chair of the Board of the Centre for Environmental Rights.
- Prof Sonwabile Mnwana, Associate Professor and head of Department of Sociology at the University of Fort Hare and a research associate at the Society, Work and Development Institute (SWOP), University of the Witwatersrand.
- Judge Kathie Satchwell, retired Judge of the High Court.
- Prof Mavis “May” Hermanus, visiting Adj-Professor at the Centre for Sustainability in Mining and Industry (CSMI), University of the Witwatersrand.
- The Rt Revd Dr Jo Seoka, founding chair of the Bench Marks Foundation Board and former Anglican Bishop of Pretoria, chairs the advisory board.

The polluted remains of mining operations.



6. MONITORING SCHOOL AND CAPACITY BUILDING PROGRAMME

The community monitor programme is a mainstay of the Bench Marks programme and interlinks with the research and advocacy initiatives. It started as a pilot programme in 2009 with 15 participants and now reaches up to 40 mining communities a year in South Africa. On average, 100 activists were trained each year over a five year period in mining impacted areas, in five provinces in South Africa. In 2018 Bench Marks worked with communities and organisations in Zimbabwe, Zambia, Mozambique, the Democratic Republic of the Congo (DRC) and Kenya.

While the aim is to assist communities to write and document their plight, and build or strengthen their organisations, communities still find it difficult to have their demands addressed and are frustrated by company inertia and intransigence. Communities are often driven to protest, which is “absorbed” by authorities.

PROGRESS IN 2018

“There are various ways in which the monitoring school has impacted on their lives. Those monitors that were trained used the knowledge they gained to train other monitors in their communities. Now there are about 24 monitors around Sekhukhune who also collect data on mining activities and the effect on their lives.

“Since their training, members of the group started a process that is aimed at holding the mining company in their area accountable. They believed that despite its claims – that it is not operating - this company was actually

functioning without the knowledge of the community. The community believes that the company peddled this lie so that it would escape the responsibility of implementing social labour plans as expected of it. It also believes that the company does not want to fulfil its obligation to employ a certain number of its staff from the communities around the mine”.

Work in developing the monitor network in southern Africa progressed well this year. While SARWA discontinued funding, contact with groups outside South Africa progressed well. However, groups in the DRC, (Lubumbashi) (supported by SARWA), Zimbabwe (Supported by ZELA) and Zambia (supported by YAD and EITA), continued to be active in the network. We produced three e-letters, a podcast, and an annual publication of posts for the Alternative Mining Indaba in February 2019.

In 2017 we embarked on a specific education initiative to assist communities in raising well formulated grievances, directed at mining companies that impacted on their lives, to strengthen their confidence to ensure more meaningful engagements (see A monitor’s tale). In 2017 seven key community monitors were trained. In August to October 2018, 19 key community monitors participated in a course by a University of Witwatersrand lecturer. Eighteen of these participants graduated at the annual Bench Marks conference and annual general meeting. This training was coordinated and delivered by the IPPS staff.

During 2018, 143 participants (46% female) participated in 11 training workshops to equip them with skills to



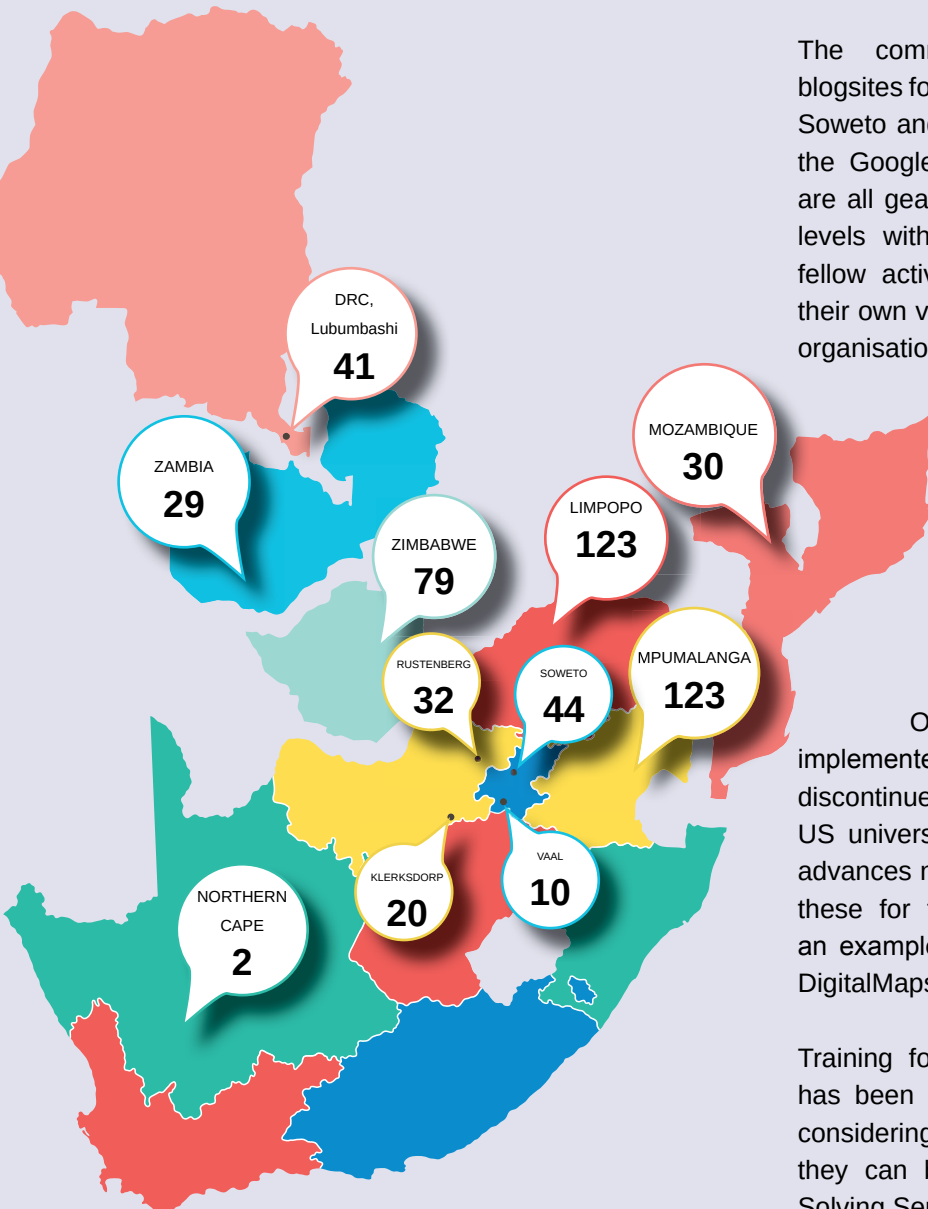
100 activists were trained each year over a five year period in mining impacted areas.

MONITORING SCHOOL AND CAPACITY BUILDING PROGRAMME (continued)

document their experiences and deliver stories and posts. These stories were posted via a WhatsApp group to a *Tunatazama – We are watching!* App and replicated on the www.communitymonitors.net website. Currently most of the work is concentrated in the coal mining region of Mpumalanga and the platinum mining areas in Limpopo and North West provinces, and in Soweto.

The Action Alerts App/Communitymonitors.net had 375 stories posted on it in 2018 - from Limpopo (123); Mpumalanga (42), Klerksdorp (20), Northern Cape (2), Rustenburg (32), Soweto - Riverlea and Snake Park, Diepkloof, (44); Vaal (10); Zambia (29); Zimbabwe (79); Lubumbashi (41), Tete, Mozambique (30). With significant contributions from Zambia, Zimbabwe; Tete – Mozambique and the Democratic Republic of the Congo, the network now has a strong southern African dimension.

Activists who graduated from monitoring school.



The communitymonitors.net site now includes blogsites for Lubumbashi in the DRC, Solwezi-Zambia, Soweto and the Tete province, that are replicated on the Google Play *Tunatazama* App. These activities are all geared to assist activists to engage at higher levels with mining operations, providing advice to fellow activists across platforms and strengthening their own visibility, and voice, and ultimately their own organisations.

The training work of activists in the community monitors has been integrated into the ICF Activists training course which was implemented from August – October 2018. This will continue in 2019.

Work has begun on the introduction of a newly improved monitoring instrument in October – the digital map, which will be implemented in 2019. This was first tried in 2015 but discontinued as we could maintain support from a US university exchange programmes. Technological advances now allows to map hotspots and categorise these for the attention of authorities. (Please see an example of a digital map at this link: <http://bit.ly/DigitalMapsMpumalanga>.)

Training for key activists in the Monitoring School has been geared towards identifying problems and considering these as cases in communities so that they can be resolved by the Independent Problem Solving Service.

7. MEDIA AND ADVOCACY PROGRAMME

LITIGATION SUCCESSES

The right to free, informed and prior consent (FPIC) for communities that could be impacted directly by potential mining projects, took a huge leap forward when the High Court granted the Amadiba Community in the Eastern Cape the right to halt the mining of sand dunes, that form part of its ancestral lands.

In 2007 the Bench Marks published its first Policy Gap report. In 2018 it published its 13th report. As a body of work this represents a great contribution to the knowledge about the impact of mining and investment in the industry and changed a largely positive narrative projected by the industry. In 2018 through to early 2019, the content and findings of these reports found their way into the highest courts in the land, and the evidence gathered was used in litigation that laid the basis for important victories for communities. Some of the reports were used to compile an affidavit of the last applicant (the 128th), the Bench Marks Foundation, in the Amadiba case and accepted as credible and authoritative. Over the years Bench Marks reports have contributed significantly to struggles to counter disastrous and potentially devastating mining initiatives in communities. In the process Bench Marks made significant contributions in support of community struggles in cases in which they suffered dearly, and some lost their lives.

In November 2018 the North Gauteng High Court granted the Amadiba Community a declaratory order that upholds their right to say no to mining in their area. 127 community members applied for the order, supported by the Legal Resources Centre and Richard Spoor Attorneys Inc. The Bench Marks Foundation was the 128th applicant in the case. It supplied the supporting affidavit citing its Policy Gap (1-12) reports over the years and using “soft” law like UNGP, to support the community in its plight. It was quoted extensively in the case.

It has been hailed as a landmark judgement coming in the wake of extreme harassment and the alleged assassination of one of its leaders and several other

Protesters outside the Australian High Commission.



activists. It was first heard in April 2018 and the judgement followed a ruling by the Constitutional Court in September which confirmed the same rights, in which arguments raised by the Bench Marks Foundation were used, i.e. that mining leads to the destruction of community livelihoods.

The High Court ruled that the right to free, prior and informed consent of directly affected mining communities faced with the deprivation of their constitutionally entrenched land rights is required before mining rights can be awarded. The court ruled that the minister and the Australian firm would have to obtain full and formal consent from the Xolobeni community prior to granting mining rights. The judge ruled that while the informal rights of customary communities were previously not protected by law, they now had the right to decide what happens with their land. Arguably this is a victory for Bench Marks as the arguments before the court were supplied by Bench Marks in the form of an affidavit cited in the judgement.

In a second case that finally went to the Constitutional Court, the court ruled that adequate compensation had to be paid when land is acquired from a community for mining and that consent needs to be given by the community affected. It used land rights law to make the arguments and a number of additional arguments were drawn from Bench Marks research.



MEDIA AND ADVOCACY PROGRAMME (continued)

In a third case the right to protect a bio-diverse and environmentally sensitive area threatened by mining, was when the court overturned a decision to grant coal mining rights to a company. Referred to as the Mabola Judgement, Bench Marks was a co-applicant in a court case with seven other NGO applicants. This case was led by the Centre for Environmental Rights (CER). This case confirms the right to proper processes and consultation and further that a bio-sensitive area had to be respected when a mine applies for a licence to mine. The proposed mine was situated in a bio-sensitive area and near to river tributaries that were a main source of water for local inhabitants and farmers alike.

The judgement confirms to government and to all developers proposing heavily polluting projects in environmentally sensitive areas in South Africa that exceptional circumstances must be shown to exist to justify such a proposed development. South Africa is a water-stressed country, and the Mabola Protected Environment, where the coal mine would be located, has particular hydrological significance for the country as a whole.

The judgement also confirms the foundational principles of our law that went awry when the ministers made their decisions to permit mining here. These are that no decision of this magnitude can be made unless a fair, proper and transparent decision making process has been followed.

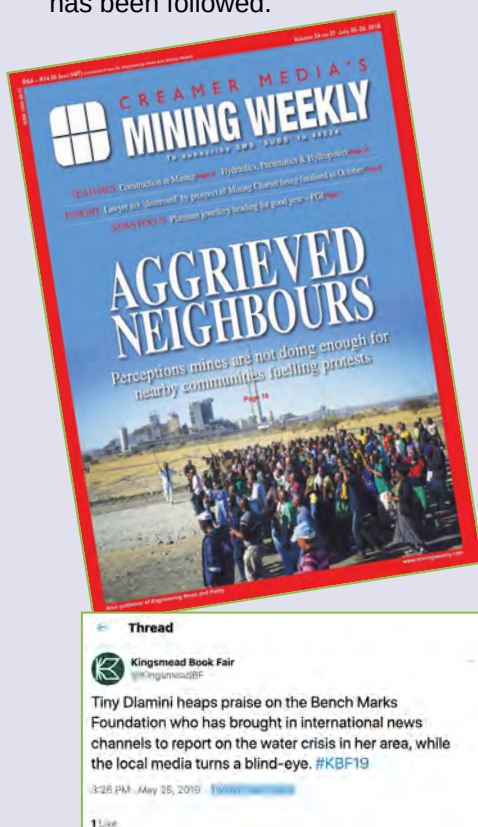
MEDIA EXPOSURE IN 2018

Bench Marks remained a sought after commentator on mining matters in the media featuring especially in an impressive number of local radio and TV broadcasts, while it also attracted interest from foreign media. Together with our coverage and reputation is that in a number of cases disputes are resolved as soon a community, or community organisations, is supported by Bench Marks. As a result, many issues are resolved by companies themselves. For example, a photo of a broken fence surrounding deserted mines published on our media channels finds an immediate response and resolution.

Total media analysis results shows that Bench Marks continued to be a sought-after source on mining investment impacts on communities. This year, 34 media statements were released, we participated in developing two documentaries for mainline television in South Africa, and documentaries for a French and Spanish TV channel. Seventy seven radio broadcasts and TV interviews were conducted while Bench Marks was cited in 141 online publications and received 306 social media mentions. R11 million worth of media coverage was obtained from the cited 141 online articles, which compared favourably with 2017, but the other media coverage value was not computed. The Bench Marks website and the social media sites, including Facebook, was maintained and its community monitoring website (www.communitymonitors.net), now has additional pages for the Democratic Republic of the Congo, Mozambique, Zimbabwe (four areas), Zambia, and Angola. In addition to provincial blogs in South Africa, it also maintains an App, *Tunatazama Alerts*, available in the Google Play store and replicated on the monitors' website. A selection of videos is available on YouTube as well.

The topics covered included the Alternative Mining Indaba, the death of miners, "illegal" informal mining, the highly contested changes to the Mining Charter legislation, commemoration of the Marikana massacre, the address of the chairperson to the BASF annual general meeting in May 2018, and the successful court case won by the Xolobeni community in the Eastern Cape province in November 2018 where right to prior and informed consent for mining was obtained.

Bench Marks had three opinion papers printed in the South Africa's most influential business newspaper, *Business Day*, read by many decision makers.



OTHER ENGAGEMENTS WITH CORPORATIONS

In 2018 the Bench Marks Foundation continued its engagements with Anglo American and its subsidiaries in South Africa with the aim of garnering support for the IPPS. Anglo American's CEO at global level, Mr Marc Cutifani, appointed two senior executives in South Africa to engage with Bench Marks about the service. Several meetings were held with these executives and Bench Marks addressed the sustainability/corporate affairs managers of the Anglo American affiliates including their coal, gold and platinum subsidiaries.

Similar inputs were made to the Chamber of Mines (now called the Mineral Council of South Africa). An indepth editorial piece was published in South Africa's important business daily newspaper, *Business Day*, arguing for the establishment of such a service given the increasing number of conflicts between communities and companies.

A first *facilitated dialogue* has now been underway since April 2018. A dialogue between the Magobading community in Limpopo and Anglo Platinum (Amplats), which is part of Anglo American, was started using impartial facilitators. This should culminate in a framework agreement that will encompass previous agreements that were not honoured by the company. For the Bench Marks this case has particular significance as it will be precedent setting and a test of the value of the IPPS.

As reported at the end of 2017 there are ongoing engagements with the DRD gold mining company in Soweto.

Bench Marks is also supporting communities that are opposing the licences for mining mine dumps obtained by mining investors.

MARIKANA MASSACRE COMMEMORATIONS

In May 2018, Chairperson Bishop Jo Seoka addressed the AGM of BASF in Germany. BASF is a German corporation that buys and processes minerals and is the largest buyer of platinum from Lonmin, the company that was at the heart of the massacre that occurred in August 2012. This followed his annual addresses in 2015, 2016 and 2017, that flowed from our continued participation in the "*Plough back the Fruits*" alliance of NGOs from Switzerland, Germany, Austria and South Africa. These NGOS sought redress for the widows and children of mineworkers who were massacred in 2012.

This year Bishop Seoka pointed out that given their own poor response since their 2017 AGM BASF should at least respect the United Nations Global Principles on Human Rights (Global Compact) commitments that they signed up for, and their own in-company commitment to respect human rights along the whole value chain. It should aid the redress of the injustices committed. Similarly it should make sure that Lonmin does not escape responsibility for redress to a new entity that is purportedly aiming to buy Lonmin.

Bench Marks, in collaboration with community based coalition *Bua from Rustenburg*, continued engaging with BASF on how they address their impact in the greater Rustenburg area. After Bishop Seoka addressed the BASF AGM in Germany, it was agreed in a meeting between BASF and *Plough back the Fruits* that a "critical and sincere dialogue" would follow. Further to that the BASF representatives met with the Bench Marks at its offices in Johannesburg in December 2018.

Lonmin has since instituted an in-company grievance mechanism, and agreed to a memorial being erected for the slain workers, subject to some modalities to be agreed with trade unions.

This forms part of our high level advocacy aimed at the top tiers of corporations. These corporations now approach Bench Marks on a regular basis. It recently received and met CEOs, and representatives of the World Bank who paid two visits to its offices in Johannesburg. Throughout the year it met high level delegations from Anglo American and its subsidiaries. Anglo Platinum was engaged on the reports to society. The company is at the centre of the IPPS facilitated dialogue that is underway in Limpopo to get justice for a community relocated more than a decade ago to make way for mining

ANNUAL CONFERENCE

The annual conference and AGM, with the theme, *Sunset or Sunrise*, was held on 22 and 23 October 2019. It attracted 180 persons, including stakeholders from key business corporations like Anglo American and its subsidiaries (7), community activists and community organisations (62), participants civil society organisations (16), faith based organisations (26), donor community (7) and 13 academics.

8. FINANCIAL STATEMENTS

B.N. Jooste & Co.
Practise No. 916900E

Chartered Accountants (S.A.)

Registered Auditors

Barrie Noel Jooste CA(SA) RA

Jeffrey Clive Pierce CA(SA) RA

Samuel Johannes Kruger CA(SA) RA

37 Harley Street
Ferndale
2194

P.O. Box 2719
Randburg, 2125
Tel: (011) 787-0300
Fax: (011) 787-8809
Email: pims@barvic.co.za
Docex: 24 Randburg

INDEPENDENT AUDITOR'S REPORT

To the directors of Bench Marks Foundation NPC

Opinion

We have audited the Annual Financial Statements of Bench Marks Foundation NPC set out on pages 8 to 15, which comprise the Statement of Financial Position as at 31 December 2018, and the Statement of Financial Position, Statement of Income and Reserves and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Bench Marks Foundation 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 opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Annual Financial Statements of the current period. These matters were addressed in the context of our audit of the Annual Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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. 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.



BN Jooste & Co

Jeff Pierce

Partner

Chartered Accountants (S.A.)

Registered Auditor

15 March 2019

Randburg

BENCH MARKS FOUNDATION NPC

(Registration number 2002/026620/08)

Annual Financial Statements for the year ended 31 December 2018

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Deposits		19 664	10 349
Property, plant and equipment	2	93 213	104 026
		112 877	114 375
Current Assets			
Accounts receivable	3	181 706	444 432
Prepayments	4	25 627	34 828
Cash and cash equivalents	5	1 344 288	1 522 008
		1 551 621	2 001 268
Total Assets		1 664 498	2 115 643
Reserves and Liabilities			
Reserves			
Fixed asset reserve		93 213	-
Sustainability fund		430 000	430 000
Operating reserve		517 068	1 330 622
		1 040 281	1 760 622
Liabilities			
Current Liabilities			
Accounts payable	6	133 907	129 685
Deferred income	7	490 310	225 336
		624 217	355 021
Total Reserves and Liabilities		1 664 498	2 115 643

STATEMENT OF INCOME AND RESERVES

Figures in Rand	Note(s)	2018	2017
Revenue	8	9 584 939	10 225 061
Other income	9	83 709	111 213
Operating expenses		(10 469 384)	(10 351 500)
Operating (deficit) surplus	10	(800 736)	(15 226)
Investment revenue	11	80 395	101 718
(Deficit) Surplus for the year		(720 341)	86 492
Reserves at the beginning of the year		1 760 622	1 699 130
Transfer to contingency reserves		(93 213)	(25 000)
Reserves at the end of the year		947 068	1 760 622

2018

ANNUAL REPORT



11th Floor, Khotso House
62 Marshall Street, Marshalltown
Johannesburg, South Africa 2017

PO Box 62538, Marshalltown 2107
South Africa

Tel: +27 (0)11 832 1743/2
Fax: +27 (0)11 832 1750

info@bench-marks.org.za
www.bench-marks.org.za
www.communitymonitors.net