

ACCA

(The Association of Chartered Certified Accountants)

ACCA (The Association of Chartered Certified Accountants) is the largest and fastest growing global professional accountancy body, with over 105 000 members and over 245 000 students in 170 countries. ACCA's headquarters are in London and the organisation has an extensive network of over 70 staffed offices and other centres around the world.

ACCA's links with South Africa go back to 1913, when the first office outside the United Kingdom was opened in Johannesburg. In 1951 ACCA members elected to become part of the newly established Public Accountants and Auditors Board (PAAB). In 1994 ACCA was formally relaunched in South Africa, after a break of nearly 40 years. Since then, ACCA tuition and examinations have been provided in South Africa with papers specifically covering South African tax and company law.

The ACCA professional scheme is a core qualification for those aspiring to be accountants. It tests essential skills and knowledge from accounting principles to financial management and strategic performance. This qualification is registered at level 7 of the National Qualifications Framework under the South African Qualifications Authority. It is also registered as a learnership through FASSET (Finance, Accounting and Management Accounting Sector Education and Training Authority).

ACCA qualifications are based on International Financial Reporting Standards (IFRS), which makes the qualification globally relevant and in order to ensure that ACCA's qualification meets the needs of employers and members well into the 21st century, recently undertook consultations with 350 000 stakeholders to develop a new syllabus for 2007.

ACCA offers a number of other qualifications. These include, the Certified Accounting Technician level, which provides a comprehensive introduction to accountancy

and is designed for school leavers and those in accountancy support roles. People wishing to register for this level require no formal qualifications. There is also a Diploma in Financial Management which is aimed at middle and senior managers who are not accountants but have financial responsibility. The Diploma equips them with the financial understanding they need to manage businesses and organizations effectively. There is also an online MBA, which is designed to broaden business understanding and enhance strategic decision-making. ACCA also offers a Diploma in International Financial Reporting, a Certificate in Financial Reporting, a Diploma in Corporate Governance and a Certificate in International Auditing.

ACCA has built up considerable expertise in professional accountancy regulation, which it uses to assist governments and regulators in many parts of the world. It has developed nearly 90 special projects which help firms support their ACCA students and members, has partnered with a big four firm on a graduate recruitment scheme and is sharing its knowledge bank resource with major employers to help with online learning initiatives. ACCA also works with employers to identify relevant training for all their finance professionals and provide in-company training in many parts of the world.

ACCA's profile has risen swiftly in South Africa over the past 20 years in particular, with several large organisations accredited as ACCA employers, including the Office of

the Auditor General, South African Revenue Services, The Courier Freight Group, Anglo Platinum, all of which ACCA works closely with.

A significant proportion of ACCA members now occupy senior positions in commerce, industry and the public sector in the country and the wider region. Fikile Mthobi (FCCA) is the Chief Financial Officer at the Council for Medical Schemes and has this to say about ACCA: "You can work virtually anywhere in the world, this qualification opens many doors," while Kholeka Mzondeki (FCCA) said: "ACCA is a global qualification of good standing, which has helped me to step into executive management."

ACCA is a leader in the area of Sustainability Reporting globally and in South Africa, and has organised awards events which promote corporate sustainability reporting. This year's winners were British American Tobacco and Sasol Limited, who collected awards at ACCA's ceremony at the Apartheid Museum, near Golf Reef City.

"ACCA is a relevant qualification that offers a balanced curriculum. We at ACCA South Africa are committed to growing the ACCA brand, and offering a high level of service," says Nirri Nair, Head of ACCA South Africa.

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COMMENT FROM INDUSTRY LEADERS

FOORD ASSET MANAGEMENT

We are an investment management company focused on investment and have been in existence since 1981. We manage money for individuals, pension funds, insurance companies, medical aid schemes and we outsource other life companies and unit trust businesses. Currently, we have two unit trusts in South Africa and two outside the country.

Foord focuses on managing money rather than distribution. As a result we are able to serve our clients directly. Foord is not a product factory. We don't believe in gathering assets. Rather, our motto is that clients and their needs come first. We work on the basis of trust and consistent performance, which our clients can attest to. Because our services are client-focused, we do not design packages into which the client is supposed to fit. We tailor the package according to the client's needs. Over the past 15 years, we have been rated number three in the industry, and number one in terms of performance. We have a long track record of growth – 24% per annum over the last 20 years or so.

At Foord, we understand risk and we manage it well. We are able to reduce the downside of the losses and absolute returns, which enables us to enhance the powerful force called compounding. Managing risk is not only about surviving, we believe, but also about consistent returns.

We believe that we must allow time to work to ensure that we don't have negative results. We let time compound. Lots of other companies don't do that, and we have managed to find a way to do it better. We apply a lot of common sense. Lots of people complicate the matter and treat it more like an art than a science – but at the end of the day it comes down to judgment. Judgment

is an individualised skill but we have a lot of experience in this.

Foord's main business is a mix of pension funds. We do have individual and corporate clients, but we mainly work in the retirement sector, which manages about R7,5-billion. We work efficiently and manage it well, and keep the cost down for customers.

Trends in the industry

There is a lot of pressure from Finance Minister Trevor Manuel to expose costs as a result of the savings industry losing distribution to independent brokers. Those independent brokers have been getting a large proportion of fees. The change in law makes it necessary to disclose cost. However, this has been to the advantage of Foord. The current law has not affected us negatively – the opposite is true. This is in part because of our client-focused service and our belief in building trust between the company and client. We feel that our clients need to trust our advisors, and often with other companies such trust is lost because of the cost issue. Again, it has not been in our practice to charge our clients more than what is fair. It's a positive development that government and people are paying attention to the matter.

South Africa is doing pretty well by world standards. We have a first world financial model. In fact, on some aspects we are sometimes six months ahead of European models. Our Financial Service Board is very quick to bring in new legislation and typically keeps abreast of legislation ahead of global trends.

Investment industry over 10 years

Too many people don't look long term where investment is concerned. We should actually look much further than 10 years. By the time we get out there, perhaps people will have realised that some legislation, like Fica, don't necessarily protect people. You can't legislate commonsense. We need to get back to sensibility as there are far too

many costs to the old system. Compliance with Fica is neither efficient or effective, yet is very costly. We also need to start asking the question who is regulating the regulator. There is, as yet, no measurement on how well the regulator is doing. He has free range to introduce legislation. We should not fall into the trap of having regulation for the sake of it. The long term is all important.

Savings will be a key issue in the future. Hopefully more people will take charge of the savings industry. The industry needs more trust and respect from people saving. Unit trusts will continue to be the main form of savings, and government pension funds will be made a bigger vehicle for retirement funds. There needs to be more clarity where legislation is concerned so that individuals can be better informed about their money.

There is more scope for government to get involved in some savings mechanism and play a role in savings, but that then raises the issue of competing with other savings schemes. It may also cause a big disturbance in the relationship between government and the industry in the future. It would definitely change the landscape in going forward. We are strongly of the view that life officers are not helping at the lower end where the cost is proving too high. It will be interesting to see the success of government bonds to the lower-income investor.

Simple advice is to spend less than what you have. Save wisely, have a long term plan and stick to it. Don't do what others are doing, think clearly and use common sense, logic and judgment and make your own decisions. The best person to look after your money is yourself. It is wise to take trouble to do something about it. It's important for you to take control of your savings and make important decisions yourself. This increasingly seems to be the trend. People are getting involved with family finances etc. and are becoming more literate about the industry.

Home loan innovator *innovates again*

Continuing its trend of bringing true innovation into the home loan market, SA Home Loans has scored another “first” with the recent launch of its 20-year “VariFix” mortgage.

This product gives homeowners the unique ability to choose a home loan rate mix that locks in part (or all) of the bond with a 20-year fixed rate. Any remainder floats at a variable rate. Generally, a 100% fix has a higher rate than a mix – but it also means absolutely no risk of instalment increases.

Some financial journalists are of the opinion that prime rate could move even lower so the question is asked how the fixed rate will benefit consumers then? If rates do decline even further, then the VariFix rate will be re-set downwards in line with the long-term yield curve. The loan would stay at this new lower rate until the next reduction. In the event of a subsequent upward movement in interest rates, the fixed interest rate on an existing VariFix loan would remain unchanged, always remaining at the lowest rate. In effect, it's a kind of insurance against future upward rate volatility with the benefit of lower rates if interest rates continue to drop.

So if you believe that interest rates won't in the long term go above the SA Home Loans fixed rate, then this product is not

for you. But to the homeowner for whom a rocketing home loan rate would bring at least a few sleepless nights, then fixing all or a portion of your loan could bring peace of mind at a relatively small premium.

Just six years ago, SA Home Loans charged onto the financial scene as a white knight and broke the stranglehold the banks had held on the South African consumer for more than a century. In January 1999, securitisation – an innovative, some say revolutionary, method of financing home loans – was introduced into this country by SA Home Loans, thus changing the face of mortgage lending forever.

This new funding concept, which had enjoyed spectacular success in UK, Australia and the USA, had been shunned by the banks in SA because it would have upset the delicate balance between investments and loans in their product mix, and ultimately profits, at a time when margins were coming under considerable consumer pressure.

SA Home Loans is neither a bank nor a mortgage originator, but a management company that brings together borrowers and investors. Securitisation is a process that

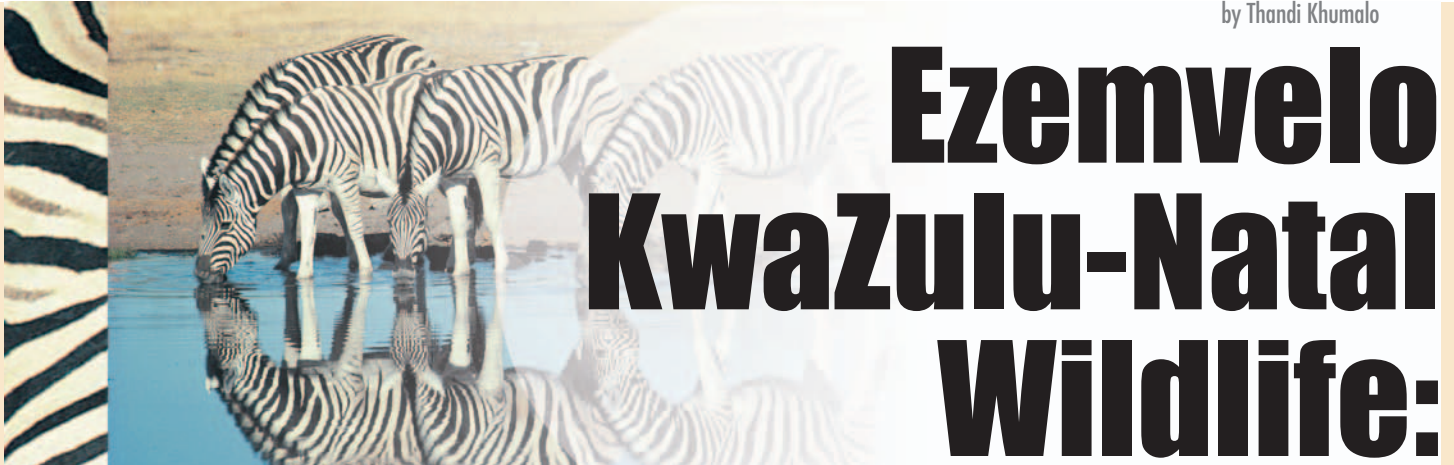
aggregates a packet of mortgages and offers them to investors, as a means of funding individual homes.

Because the overheads of SA Home Loans are substantially lower than those of a bank, it is often able to offer a significantly lower interest rate to many clients. The SA Home Loans discounted lending rate is based on JIBAR (Johannesburg Inter Bank Agreed Rate) plus a fixed premium of 2,1% (conditions apply), giving a nominal per annum rate of 9,1% at this time.

Even at this rate, which is vastly lower than those of the 1998 interest rate surge, interest more than doubles the cost of purchasing a home – so every percent saved means a huge saving in rand terms. This saving can be applied to paying off the home loan a number of years earlier or makes higher priced homes more affordable.

“The timing couldn't have been better”, comments SA Home Loans CEO Kevin Penwarden. “After a 20-year rate rollercoaster, our VariFix innovation allows home owners to lock into today's low-rate environment and still benefit from future rate decreases as and when they happen!”

by Thandi Khumalo



Ezemvelo KwaZulu-Natal Wildlife:

WHERE PERCEPTION MEETS REALITY

I ventured out to my car at 4am. I had planned a trip. Unbeknown to me, the weather was going to play its part in creating a very special journey.

It was the freezing cold of a blistering and biting Karoo wind that drove me back into the warmth of my sanctuary. I swiftly decided that I would rather be a digital tourist. Little did I know that this was going to be one of the most exciting and educational trips I've ever had the pleasure of going on in a long time. I ventured into <http://www.kznwildlife.com/default.htm> Wow!

If the quest for Quality can be translated into a mathematical equation; i.e. $Q = R$ minus P (Where Q =Quality, R =Reception and P =Perception) then I feel I have swum in the warm oceans, cool rivers and walked in the mountains of Quality that makes Ezemvelo KZN Wildlife a true deliverer of its brand values – Conservation, Partnerships and Ecotourism.

Ezemvelo is the Zulu term for the concept of the environment and it is captured brilliantly by the organisation on-line.

Be that as it may, the experience of Eco-Tourism is only as good as the human capital that delivers on the promise and enhances the natural experience. If you combine the visual vistas of this province along with quality human engagement then you have truly fused the experience.

So my colleague Palesa went to find out from the Executive Director of Corporate Support Services, Joe Mkhanyiseli Baloyi, what was happening to deliver on these ideals. What she discovered is that a fusion of both universes is indeed taking place.

Baloyi intends to make Ezemvelo KZN Wildlife the preferred employer of choice. "In order to provide customers with quality service, the organisation will have to practise good governance and have appropriate oversight and management systems in place," says Baloyi.

With Baloyi's guidance, the Corporate Support Services team is evolving. As Baloyi says: "We have also changed the work culture to be one of team-workers rather than one of individuals working alone."

So what is this environment he talks about? Over the last 100 years of formal conservation in KwaZulu-Natal, Ezemvelo KZN Wildlife, has regularly achieved local, national and international acclaim for its continued outstanding contribution to conservation and eco-tourism. Probably the best-known conservation success story is bringing the white rhino back from the brink of extinction. Other major highlights include the declaration of the Greater St Lucia Wetland Park, and the Ukhahlamba Drakensberg Park as World Heritage Sites – the culmination of years of dedicated conservation work.

In fact approximately a third of KwaZulu-Natal is under some form of private conservation and constantly involves the local communities.

Their eco-tourism destinations are some of the finest in the world. These regularly win top international awards and are the destination of choice for more than a million visitors annually.

So, gone are the days of arriving at a non-responsive front gate to some Park or Sanctuary. "Bureaucracy can hold back progress in many instances, therefore it is necessary to create a corporate governance environment to ensure that all decisions made are in the interest of the organisation and the customer," says Baloyi. "It's a hard act to strike a balance," but with the right systems in place, Baloyi believes it is achievable.

If this localised thinking is indicative of what we are exposing to the world, then as a country we certainly are the land of milk and honey and our human resources are creating a quality experience – we are definitely becoming the next phenomena in Eco-Travel.

So having been physically and digitally informed, enticed and excited, the weather subsided and I ventured out to what Ezemvelo KwaZulu-Natal Wildlife is offering – a place where perception meets reality.



Joe Baloyi – Executive Director of Corporate Support Services