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South African National Energy
Development Institute (SOCI) Ltd.



SANEDI 2020/21 Annual Report Presentation

ENERGY INNOVATION FOR LIFE



Strategic objectives and Outcomes

- Performance against Objectives

Financial Information



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Strategic Objectives and Outcomes: APP 2020/2021

ENERGY INNOVATION FOR LIFE

Strategic Objectives



Overall 97% Achievement

Programme 1: Administration

Finance and SCM,
Human Resources Management,
Information Technology, Risk
Management and Stakeholder
Engagement

100%

Programme 2: Applied Energy Research

Cleaner Fossil Fuels (tranferred)
Clean Energy
Smart Grids
Data Knowledge and management
Cleaner Mobility
Working for Energy

91%

Programme 3: Energy Efficiency

No Sub-programmes

100%



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Programme 1: Administration

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Strategic Objectives and Outcomes



Overall 100% Achievement

Programme 1: Administration

1.1. An effective and efficient internal control environment.

100%

1.2. A team that is effectively staffed, competent, motivated and Representative of the National Demographics.

100%

1.3 Effective risk management.

100%

1.4. Effective stakeholder relations management.

100%

Strategic Objectives and Outcomes



Overall 100% Achievement

Programme 1: Administration

Unqualified Audit Outcome

100%

39 % staff complement Youth
66 % staff complement women
9 % Women in Senior Positions
including CEO and CFO

100%

100% all risk managed per
strategy

100%

Implemented Stakeholder
engagement plan as per
strategy

100%



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Programme 2: Applied Energy Research and Development

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Strategic Objectives and Outcomes



Overall 97% Achievement

Programme 2: Applied Energy Research

2.1 Energy-related **support, information and advice** to inform high confidence energy **planning, decision-making and policy development** (including Knowledge custodianship).

2.2 **Accelerated** clean energy transformation for sustainable economy.

97%

Strategic Objectives and Outcomes



Renewable Energy

100% Targets achieved

7 Indicators

Number of energy solutions assessed



Number of energy-related knowledge sharing events / platforms engaged



Number of recipients of energy related Training facilitated.



Number of annual energy industry status reports reflecting



2020/21 Achievements Highlights


Collaborated with Department of Defence on Capacity building programme and on Clean energy installation at various bases.

Multi year Sub-programme Highlights

- Cool Surface Projects in military buildings
- Water Treatment Works (WTW) Covid-19 response
- Biogas Development Programme
- Supported the development Solar Turtle (Lunched in 2020 by DSI)

 Target Exceeded

 Target Achieved

 Target not Achieved

Strategic Objectives and Outcomes



Renewable Energy

100% Targets achieved

7 Indicators

Minimum number of energy related datasets

Number of policy support instruments

Number of energy-related research students / contracted researchers supported.



2020/21 Achievements Highlights

Successfully supported the commercialisation of two technologies resulting in Royalty income.

(1 woman owned enterprise)

Multi year Sub-programme Highlights

- Strategic partnership with DoD
- Domestic solar water heating and solar thermal in the residential areas
- SOLTRAIN training

Strategic Objectives and Outcomes



Smart Grids

100% Targets achieved

3 Indicators

Number of energy solutions assessed



Number of annual energy industry status reports



Minimum number of energy related datasets maintained per annum



2020/21 Achievements Highlights

SANEDI supporting National Treasury/COGTA in using AMI technology to solve the revenue collection problem

Multi year Sub-programme Highlights

- Conducted research concluded that IoT technologies can improve the coordination of the electricity and freshwater supply by municipalities for the communities.
- National Municipal Asset Management database research was undertaken to investigate the key requirements of a National Asset Management Database
- Conducted research on how Renewable Energy Systems impacts Municipal Revenue Streams

Strategic Objectives and Outcomes



Data knowledge Management

86% Targets achieved

7 Indicators

Number of energy solutions assessed



Number of energy-related knowledge sharing events / platforms engaged in



Number of annual Energy industry status report



Number of energy-related research students / contracted researchers supported



2020/21 Achievements Highlights

Undertook Standards and Labelling Programme:

A potential energy savings of 5,500,000 kWh of electricity by 2030

Multi year Sub-programme Highlights

- **Supported automotive and pulp and paper industries through capacity building and research**
- **Conducted an analysis of the residential energy sector in South Africa**
- **Established data analytics and visualization tools**

 Target Exceeded

 Target Achieved

 Target not Achieved

Strategic Objectives and Outcomes



Data knowledge Management

86% Targets achieved

7 Indicators

Minimum number of energy related datasets maintained per annum



Number of policy support instruments



Number of recipients of energy related training facilitated



2020/21 Achievements Highlights

Undertook Standards and Labelling Programme:


A potential energy savings of 5,500,000 kWh of electricity by 2030

Multi year Sub-programme Highlights

- **Supported automotive and pulp and paper industries through capacity building and research**
- **Conducted an analysis of the residential energy sector in South Africa**
- **Established data analytics and visualization tools**

 Target Exceeded

 Target Achieved

 Target not Achieved

Strategic Objectives and Outcomes



Cleaner Mobility

100% Targets achieved

2 Programme Indicators

Number of energy solutions assessed

Number of annual energy industry status reports



2020/21 Achievements Highlights

Embarked on a study to assess opportunities for the development of Lithium-Ion batteries (LIB) in South Africa for the Electric Vehicle (EV) market



Target Exceeded

Target Achieved

Target not Achieved

Strategic Objectives and Outcomes



Working for Energy (phased by end of 2020/21)

100% Targets achieved

6 Indicators

Minimum number of energy related datasets maintained per annum

Number of policy support instruments

Number of recipients of energy related training facilitated

Number of annual energy industry status reports



2020/21 Achievements Highlights


- 66 work opportunities created in Limpopo and KZN in the Biogas sector
- As part of Covid-19 relief, about 100 households in the Free State (Virginia) were supplied with LPG GAS stoves

Multi year Sub-programme Highlights

- UKZN Lotto, Defy ECDC Partnership Project Expansion Ndwedwe
- BBI Solar Heating Programme project

 Target Exceeded

 Target Achieved

 Target not Achieved

Strategic Objectives and Outcomes



Working for Energy (phased by end of 2020/21)

100% Targets achieved

6 Indicators

Number of policy support instruments

Number of energy-related research students / contracted researchers supported



2020/21 Achievements Highlights

- 66 work opportunities created in Limpopo and KZN in the Biogas sector
- As part of Covid-19 relief, about 100 households in the Free State (Virginia) were supplied with LPG GAS stoves

Multi year Sub-programme Highlights

- UKZN Lotto, Defy ECDC Partnership Project Expansion Ndwedwe
- BBI Solar Heating Programme project



Target Exceeded



Target Achieved



Target not Achieved



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Programme 3: Energy Efficiency

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Strategic Objectives and Outcomes



Energy Efficiency

100% Targets achieved

3 Programme Indicators

Number of EE solutions
Assessed



Number of EE solutions implemented



Minimum number of energy related
datasets



2020/21 Achievements Highlights

- Through 12L Tax Incentive, 39 companies issued with Tax Certificates and saved 1.6 TWh with a rebate value of R 1.5 billion
- Energy Efficient Appliance Standards & Labelling (S & L) implemented

Multi year Sub-programme Highlights

- The Cool Surfaces (Scaled-up) project
- 12I TAX incentives support
- 12L TAX incentives support and increased awareness
- Establishment of the national ESCo register



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Financial Information March 2020/21

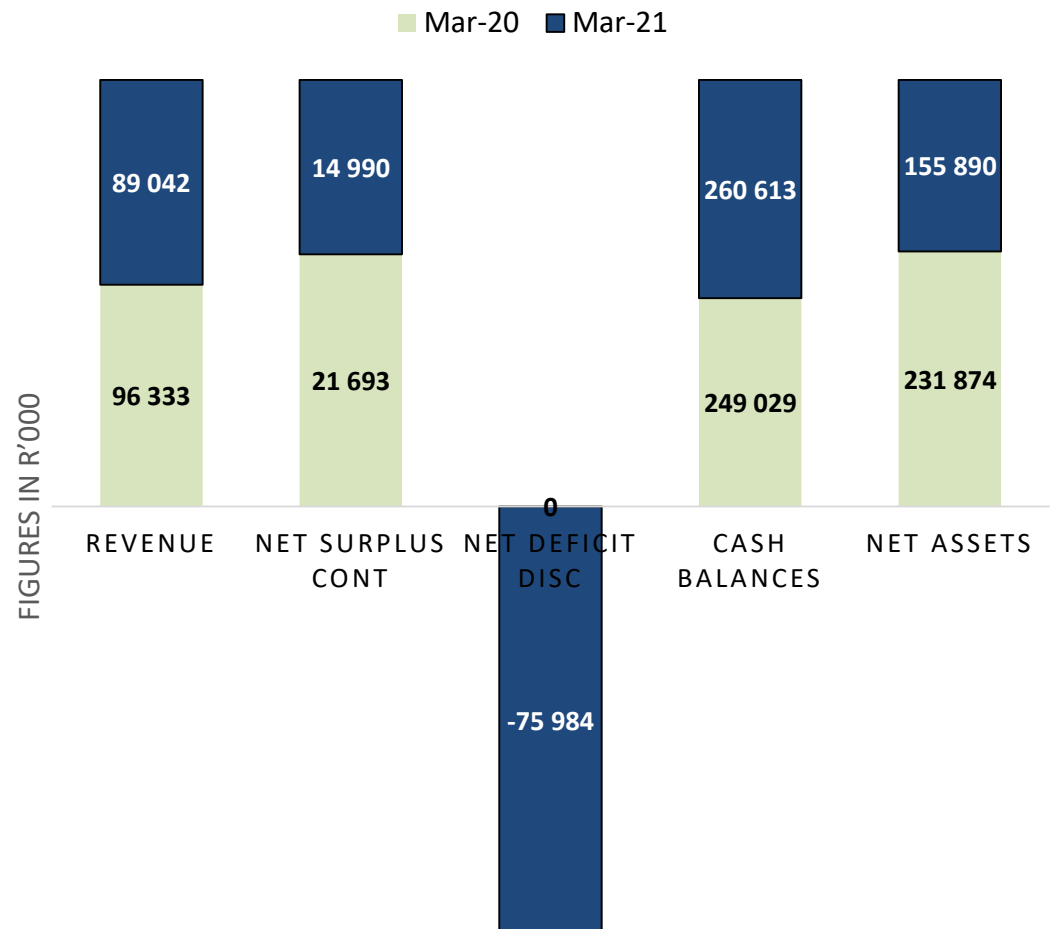
ENERGY INNOVATION FOR LIFE

Financial Performance Overview March 2021



Overview

- The financial viability of SANEDI is assessed as being good. The entity maintained a strong balance sheet during the financial period.
- The balance sheet has a net asset values of R156million resulting from positive cash reserves.
- Revenue has declined over the financial period as SANEDI is mainly dependent on the MTEF allocation and donor funds, which has been dwindling over the last few years .
- Net deficit of R75million due to discontinued ops.



Statement of Financial Position March 2021

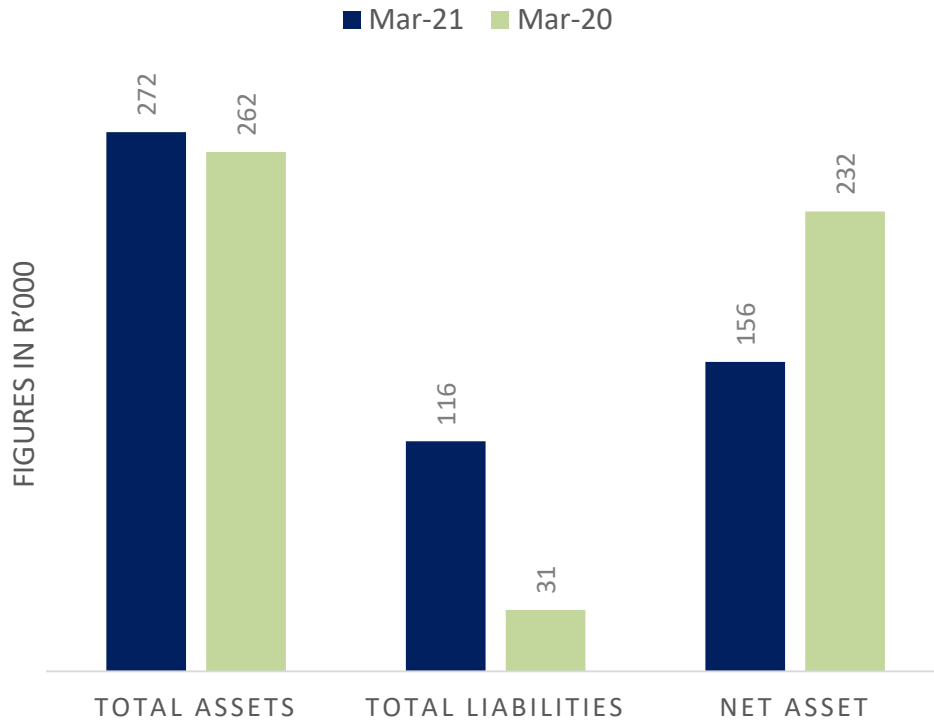


Statement of Financial Position

as at 31 March 2021

	Note(s)	2021 '000	2020 '000
Assets			
Non- current Assets			
Property, plant and equipment	3	6 764	8 903
Intangible assets	4	-	51
		6 764	8 954
Current Assets			
Receivables from exchange transactions	5	4 744	4 481
Cash and cash equivalents	6	260 613	249 029
		265 357	253 510
Total Assets		272 121	262 464
Liabilities			
Current Liabilities			
Unspent conditional grants and receipts	7	103 411	15 513
Bonus and restructuring provisions	8	5 593	10 122
Payables from exchange transactions	9	7 227	4 956
		116 231	30 591
Total Liabilities		116 231	30 591
Net Assets		155 890	231 873
Accumulated surplus		155 890	231 873
Total Net Assets		155 890	231 873

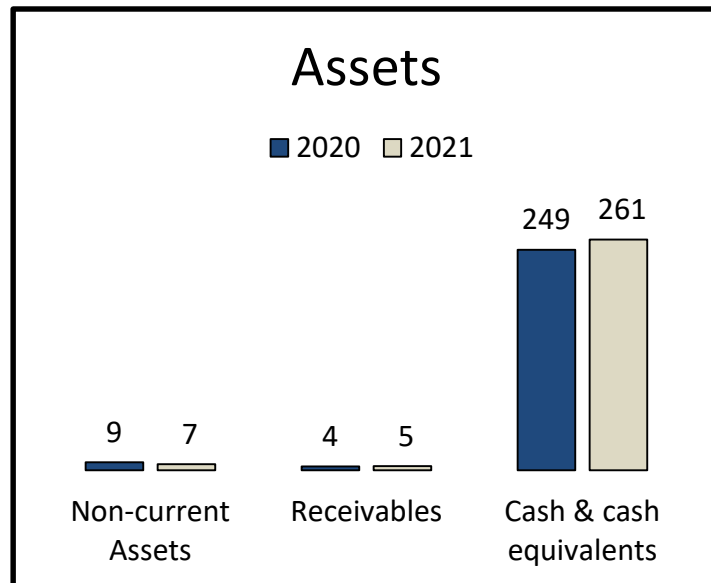
Statement of Financial Position Overview March 2021



Key highlights

- Assets exceeded liabilities as at 31 March 2021 by R 156 million, this made up of cash balances earmarked for existing projects.
- We also have accumulated surpluses from prior periods.
- Assets are made up of cash balances predominantly.
- Total Liabilities include grant funding for projects and also bonus provisions and other payroll related liabilities.

Total Assets March 2021



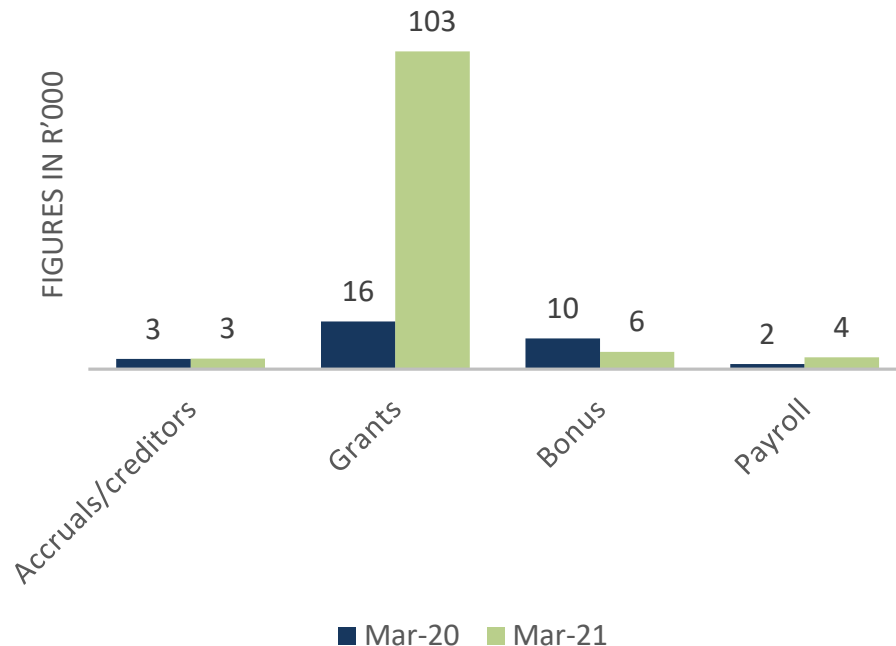
Key Highlights

- Reduction of PPE due to transfer of I.T Equipment R1M from the CCUS.
- We also have the Section 12L Software that was amortized and is fully depreciated.
- Cash reserves were in a favourable position, inline with prior year at R261M, this is cash committed for earmarked projects and includes a R103mil for ring-fenced projects.

R1m

Fixed assets were transferred.

Total Liabilities March 2021



Key Highlights

- Grants increased from the prior year, SANEDI received some additional funding from international donor agencies, including the EU GBS Programme and also received R146million from the DSI in the year for our Energy Efficiency programmes.
- Bonus Payments raised for the 2018/2019 and the 2019/2020 year were made ,resulting in the decrease in provisions.

R67M
Energy
Secretariat

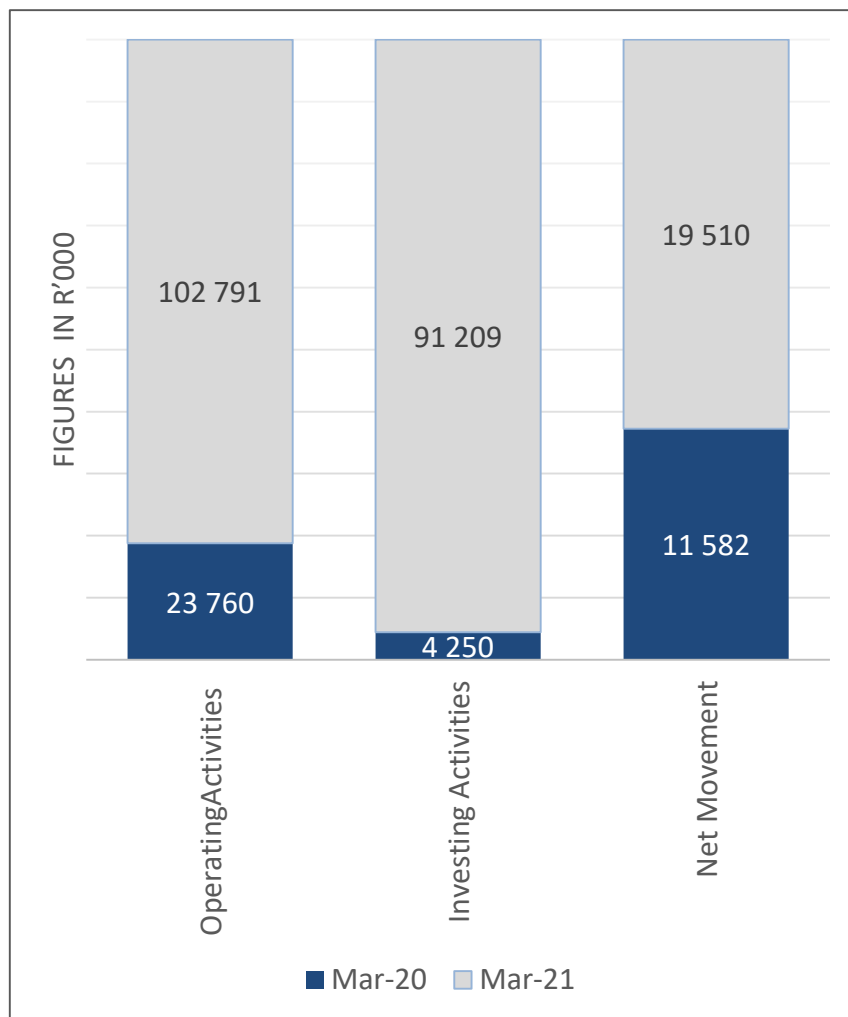
Cashflows March 2021



	Note(s)	2021 '000	2020 '000
Cash flows from operating activities			
Receipts			
Grants		242 952	77 763
Interest income		10 838	16 448
Services rendered- consultancy & sponsorship		767	4 210
		254 557	98 421
Payments			
Employee costs		(39 744)	(37 649)
Suppliers		(35 238)	(36 734)
Transfer of RDP funds		-	(29)
Transfer of Grants		(76 782)	(240)
		(151 764)	(74 652)
Net cash flows from operating activities	18	102 791	23 760
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 209)	(4 250)
Transfer of functions between entities under common control	20	(90 000)	-
Net cash flows from investing activities		(91 209)	(4 250)
Net increase/(decrease) in cash and cash equivalents		11 582	19 510
Cash and cash equivalents at the beginning of the year		249 029	229 519
Cash and cash equivalents at the end of the year	6	260 611	249 029

Transfer
to CGS
of R90m

Cash Flow from Operations March 2021



R77million
from ops
transferred

Key Highlights

Overall Increase in cash & cash equivalents with cash reserves at **R261**million. The liquidity and solvency ratios remain good, and SANEDI is in good financial health. Positive cash-flow from operations due to;

- Payments made to suppliers inline with PY at R35million.
- R77million from the DSI(Energy Secretariat) were paid over to universities and other PVT institutions.

Statement of financial Performance March 2021



Statement of Financial Performance

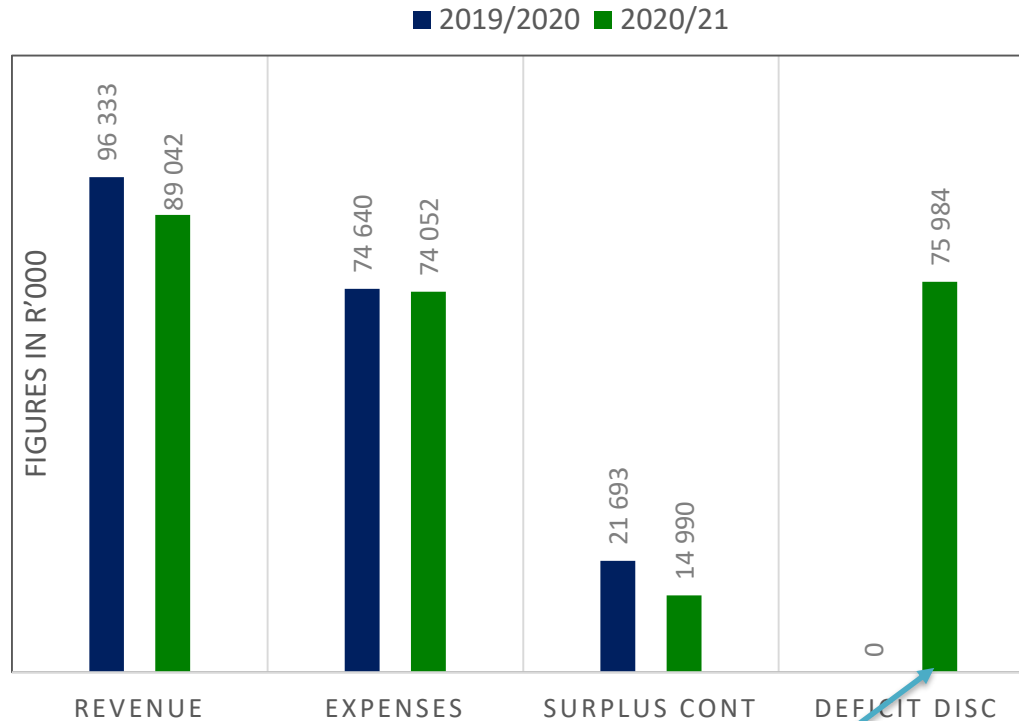
	Note(s)	2021 '000	2020 '000
Revenue			
Revenue from exchange transactions			
Services Rendered: Sponsorship & Consultancy		631	1 714
Interest received		7 789	15 642
Other income		151	35
Total Revenue from exchange transactions		8 571	17 391
Revenue from non- exchange transactions			
Transfer revenue			
Government grants & subsidies	11	80 471	78 942
Total revenue	10	89 042	96 333
Expenditure			
Direct personnel costs	13	(36 792)	(38 203)
Director's remuneration		(269)	(360)
Restructuring		(281)	-
Depreciation and amortisation		(2 348)	(3 810)
Reversal of impairments	14	(77)	(9)
Provision for Doubtful debt	15	-	428
Repairs and maintenance		(649)	(944)
Project development costs	17	(21 009)	(17 224)
Loss on Foreign Exchange		(19)	(11)
Operating expenses	16	(12 608)	(14 507)
Total expenditure		(74 052)	(74 640)
Surplus for the year from continuing operations		14 990	21 693
Discontinued operations	20	(90 974)	-
(Deficit) surplus for the year		(75 984)	21 693

Revenue
declined by
7%

Expenditure
inline with
PY

Loss of
100% from
disc ops for
R91million

Financial Performance March 2021



Due to the transfer of CCUS.

Key Highlights

- Total revenue amounted to **R89 million** with **R73 million** being the MTEF allocation from the National Treasury. The remainder being donor grant revenue.
- Expenses Amounted to **R74 million**, inline with the prior year.
- Project costs increased by **18%** due to some projects being implemented and achieved in line with the targets.
- Surplus amounted to **R15 million** from continued ops.
- Deficit amounted to **R76 million** from discontinued ops.
- An application to retain surpluses was made to National Treasury.

Irregular/Fruitless & Wasteful Expenditure



	March 2021 R'000	March 2020 R'000
Fruitless & Wasteful Expenditure	7	10
Irregular Expenditure	1793	1793

*Fruitless expenditure mainly due to travel costs. Irregular Expenditure from prior year was due to 3 quotes not obtained, lowest bidder not selected prior to award, costs incurred outside of award period and was carried forward from the prior period, there **was no additional** irregular expenditure incurred in the current year.*

Transfer of Carbon Capture Utilisation and Storage Project



Transfer of functions

- The Minister of Department of Mineral resources and Energy endorsed the transfer of the functions within the CCUS to the Council for Geoscience in September 2021. All financial obligations and commitments have also been transferred.

R91million

Comprising mainly cash

Audit Outcomes March 2021



Audit Opinion

- Unqualified Audit Opinion(with findings)
- Representing a stagnation in audit outcomes.

Adjustment of material misstatements

- Material Misstatements were identified in the annual performance report submitted; and were subsequently corrected.

Compliance with Legislation

- Non Compliance was identified were bid documentation for procurement of commodities designated for local content and production did not specify the minimum threshold as required.



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Thank you

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