



SMALL ENTERPRISE DEVELOPMENT AGENCY

an agency of the dsbd

ANNUAL REPORT 2022/23





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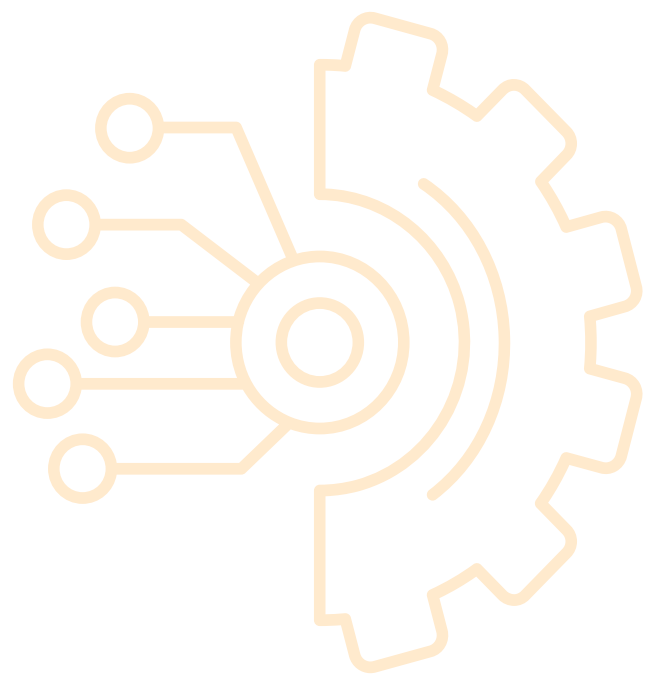


PART A:

GENERAL INFORMATION

GENERAL INFORMATION

Registered Name: Small Enterprise Development Agency (Seda)
Physical Address: The Fields, Office Block A, 1066 Burnett Street, Hatfield, Pretoria
Postal Address: PO Box 56714, Arcadia, 0007
Telephone Number(s): 0860 103 703/012 441 1000
Fax Number: 012 441 2064
Email Address: info@seda.org.za
Website: www.seda.org.za
External Auditors: Auditor-General of South Africa
Bankers: ABSA
Board Secretary: Ms Charmaine Campbell



ACRONYMS AND ABBREVIATIONS

AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
BCM	Business Continuity Management
CBDA	Co-operative Banks Development Agency
CEO	Chief Executive Officer
CfERI	Centres for Entrepreneurship and Rapid Incubation
CPPP	Community Public Private Partnership Programme
DSBD	Department of Small Business Development
ECIC	Export Credit Insurance Company
Exco	Executive Committee
HR	Human Resources
HRREMC0	Human Resources and Remuneration Committee
ICT	Information and Communication Technology
MTEF	Medium-term Expenditure Framework

MTSF	Medium-term Strategic Framework
NDP	National Development Plan
NGP	New Growth Path
NISED	National Integrated Small Enterprise Development Plan
PFMA	Public Finance Management Act
SA GRAP	South African Generally Recognised Accounting Practice
SCM	Supply Chain Management
SEC	Social and Ethics Committee
Seda	Small Enterprise Development Agency
sefa	Small Enterprise Finance Agency
SMME	Small, Medium and Micro Enterprise
SOPC	Strategy and Organisational Performance Committee
Stp	Seda Technology Programme
TTA	Technology Transfer Assistance

FOREWORD BY THE MINISTER OF SMALL BUSINESS DEVELOPMENT

Ms Stella Tembisa Ndabeni-Abrahams

The 2022/23 Annual Report outlines how Seda has responded to the economic imperative of supporting small businesses and Co-operatives to navigate the tough economic conditions that prevail. The global economy remains uncertain and volatile, and the world has entered an inflation upcycle, driven by high oil and food prices. This has slowed the country's pace of economic recovery and has put increased pressure on government for social relief in the context of broader fiscal constraint.

This makes it imperative for government to leverage additional capacity and resources from the broader small enterprise ecosystem to complement and support our efforts. To enable this, we have recently launched the National Integrated Small Enterprise Development (NISED) Strategic Framework which looks at the role the Department of Small Business Development (DSBD) and its entities need to play in co-ordinating and mobilising role-players and stakeholders in the broader ecosystem.

The NISED compels us to act with more deliberation and urgency in five areas.

First, we must improve the regulatory environment for SMMEs and cut red-tape that constrain entrepreneurs, ranging from informal micro-traders to high growth tech start-ups.

Second, we must close the SMME credit gap estimated by the World Bank to be more than R350 billion. Most township enterprises do not use a bank account, and most of our small enterprises, especially start-ups, are deemed un-bankable by banks and financial institutions who require collateral and track records. This work is mostly related to the mandate of **sefa**, but Seda plays an important support role in providing pre- and post-investment support which ultimately de-risks SMMEs and Co-operatives lending by **sefa** and other financial institutions.

Third, we must tackle barriers to entry that preclude SMMEs from participating in key value chains and markets. Here we are working with corporates and state-owned companies on Enterprise Supplier Development and localisation initiatives aimed at unbundling supply chains for increased SMME participation, especially for black and women-owned SMMEs. Seda plays a very important role in these initiatives through building enterprise competitiveness. Seda also supports trade and SMME export development, and in the year ahead needs to leverage our chair-ship of BRICS as well as the high potential African Continental Free Trade Area (AfCFTA) market.

Fourth, the NISED compels us to scale up Business Development Services for SMMEs and Co-operatives. This includes incubation for start-ups, and acceleration for scale-ups, and to ensure greater accessibility to entrepreneurship training and mentoring in townships and far-flung rural areas. We have prioritised youth entrepreneurship and have set a portfolio MTSF target of 10 000 youth entrepreneurs per annum.



During the year under review, Seda provided non-financial business support to 21 802 township- and rural-based small businesses. This represents a significant contribution towards the DSBD portfolio's Medium-term Strategic Framework target of supporting 100 000 small businesses and Co-operatives to be competitive. We have also surpassed our MTSF target of establishing 100 Incubation Centres, and I am pleased to see we are collaborating with other ecosystem players like the private sector and TVET colleges in establishing and operationalising these incubators. This is precisely the ecosystem leveraging role we are expected to play.

These efforts must be scaled in the year ahead as SMMEs struggle with challenges of loadshedding, high inflation and market volatilities. The year ahead will also see **sefa** and the CBDA merged with Seda to form the new Small Enterprise Development and Finance Agency. This gives effect to the Cabinet decision to provide integrated government financial and non-financial support to SMMEs, including Co-operatives. Going forward, the government will now have one single integrated institution that can facilitate access to the full spectrum of financial and non-financial support needed by SMMEs.

I would like to acknowledge the leadership shown by the Seda Board and executive management in steering the ship in these difficult times. A special word of gratitude goes to Deputy Minister, Dipuo Peters, and the DSBD management team for their guidance and support. I would also like to thank the Portfolio Committee who provided constructive criticism, valuable insights and oversight that strengthened accountability and ultimately the service offerings of Seda.

Working together, we will build a faster growing and more equal economy.

A stylized, handwritten signature in black ink.

Ms Stella Tembisa Ndabeni-Abrahams
Minister of Small Business Development (MP)

FOREWORD BY THE CHAIRPERSON

Ms Xoliswa Daku

I have great pleasure in presenting the 2022/23 Seda Annual Report, which reflects how the organisation has performed in the year under review. Several initiatives have been implemented to ensure that the organisation responds to government's priorities of transforming the lives of South African small enterprises. It is important to acknowledge the economic challenges that the organisation and its clients were operating under, which included the slow economic growth post the COVID Pandemic; Intermittent power supply which affected both the organisation and the business owners, where productivity was limited; and insufficient financial resources which reduced the number of beneficiaries that received much-needed support from government and its entities.

During the period under review, the Seda Board reflected on the organisation's priorities as articulated in the strategic plan.

The following priorities were re-emphasised, and concrete action plans were required to deliver lasting solutions:

- Review and improve the implementation of programmes to support township and rural-based businesses.
- Improve the mobilisation of entrepreneurs and the marketing of Seda services.
- Align Seda operations to respond to provincial plans and participate in catalytic projects.
- Digitise Seda processes to improve the organisation's operational efficiency and client reach.

These priorities were identified to propel the organisation towards being impactful and responding to small business needs with greater vigor, efficiency, and urgency. An overview of how the organisation has performed on these priorities is outlined below.

Support offered to township and rural-based businesses

The organisation reviewed and aligned its indicators to ensure that all small businesses operating in these targeted areas benefit. This review resulted in the consolidation of various types of businesses located in the township and rural areas, instead of focusing on certain segments while excluding others. The focus was on the need to implement impactful interventions rather than increasing the number of small businesses supported without meaningful impact. At the end of the 2022/23 financial year, Seda supported 21 802 township and rural-based small businesses through various business assessments and non-financial business interventions. In this regard the Board played a key role in ensuring designated groups were elevated and supported.

Entrepreneurship mobilisation

The need to identify and nurture self-sustaining small enterprises to respond to South Africa's economic challenges cannot be overstated. Apart from supporting operational businesses, Seda conducted several workshops to provide aspiring entrepreneurs and



existing businesses with business-related information to navigate the country's often daunting regulatory environment. The organisation participated in Ministerial roadshows that were held in various provinces between April and July 2022. The objective of these roadshows was to understand aspiring entrepreneur's needs and challenges when engaging government to access business development support. In these engagements, various opportunities were shared where some stakeholders presented their programmes and commitments in supporting small businesses. A total of 68 117 people received business-related information through these engagements.

Align Seda operations to provincial plans

The organisation has made strides to ensure that its offerings are aligned to provincial plans, as evidenced by participation in provincial economic development plans through a closer working relationship with the respective departments. During the year ahead Seda will play a meaningful role in driving and contributing to select provincial priority projects. Financial resources will be allocated in support of Seda's commitment.

Digitising Seda operations

The need for Seda to be agile, efficient, and accessible through various platforms is of paramount importance. In responding to this priority, the organisation commenced the automation of key manual processes with the objective of driving efficiency. In terms of its organisational and information technology strategic plan, Seda has a number of projects in its digitalisation journey which will benefit both the client and streamline internal operations. The good news is that Seda management has demonstrated its commitment to ensuring that the organisation adopts and benefits from advances in technology as it supports organisational objectives and processes.

In 2022/23 financial year Seda established key relationships with the several organisations. These relationships will go a long way in ensuring that supported clients grow and access many opportunities which will propel them to new heights. Through collaborations with stakeholders such as Merseta, W&RSeta and the National Skills Fund, Seda will be able to expand its impact in the future.

Challenges faced by the Board in delivering on the set goals, will be achieved by an increases number of access points in areas which are under serviced, and establishing

incubation centres where there are limited financial resources. In addition, the Board played a pivotal role in driving incubation governance forward to achieve set targets.

In the 2022/23 financial year the organisation developed its game changers which are aligned to those of DSBD. The focus of the game changers is to accelerate small business development through targeting key economic drivers that will result in greater impact. Seda game changers are as follows:

- a) Market Access and Supplier Development Partnership Programme
- b) Township and Rural Economic Development Programme
- c) Pre-investment and Post-investment Business Development and Support Programme
- d) District Ecosystem Facilitation Programme
- e) Refuelled Incubator/Accelerator Programme
- f) SMME Participation in Catalytic Projects Programme
- g) Smart Systems and Technology Programme


Seda is of the view that if all these game changers are comprehensively implemented, and adequately funded, they will result in a marked improvement in SMME development. The portfolio is moving towards the final stages of the merger of Seda, **sefa** and CBDA. This process is envisaged to deliver an agile, technology driven, fit-for-purpose and responsive organisation. The needs of modern economies have changed and so too are the needs of small business owners. Therefore, through this merger and other strategic partnerships and initiatives government will be streamlining small business development services to reach more entrepreneurs and have a greater impact on the economy.

Seda/sefa/CBDA merger

Pursuant to the announcement by the Executive Authority to merge Seda with **sefa** and CBDA, work has been undertaken by the Seda Board in preparation for the amalgamation. This includes the setting up of human resources, transformation, finance/IT work streams which include the teams from Seda, CBDA and **sefa**, which

have been followed by presentations to joint forums on the progress with their respective plans and activities.

On behalf of the Board, I would like to thank the Honourable Minister Stella Tembisa Ndabeni-Abrahams for her leadership and for assigning us the important task of providing strategic direction to Seda. I also wish to acknowledge the support, guidance, and co-operation from DSBD officials. I extend my gratitude and appreciation to Seda employees who have played an important role in ensuring that the organisation delivers on its mandate. Gratitude goes to my fellow Board members whose contributions have been invaluable and do not go unnoticed.



Ms Xoliswa Daku
Chairperson of the Seda Board



CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr Nkosikhona Mbatha

The provision of business development support services for SMMEs and Co-operatives is fundamental for the survival and sustainability of SMMEs and Co-operatives. This need for business development support services has been exacerbated by the negative impact on SMMEs and Co-operatives caused by COVID-19, the July civil unrest, floods, loadshedding, constraints in the transport sector, coupled with the global economic downturn following Russia's invasion of the Ukraine. In order to assist businesses during this challenging period, Seda focused on providing mentorship, coaching, sector specific training, incubation, productivity and quality improvements, and access to local and international markets amongst other interventions. The collaboration between the private sector and government on non-financial support investment is critical to curb the failure rate of businesses and sustain jobs.

During the year under review, Seda intensified sector focused support through training, mentorship and coaching of SMMEs and Co-operatives, in order to improve the sustainability of businesses. The number of businesses supported through this sector support initiative drastically increased from 7 486 (2021/22) to 22 088 business in the 2022/23 financial year.

During the 2022/23 financial year, Seda increased its support to incubators. An amount of R147.2 million was spent to support SMMEs via the various Seda supported incubators and a total number of 2 507 businesses received support through this incubation network. Furthermore, an additional 11 sector focused incubators were approved for establishment during the 2022/23 financial year.



The organisation continued to unlock SMME market development opportunities through various access to market interventions. In partnership with the International Trade Centre, the SheTrades programme was officially launched in May 2022. The Programme is design to assist women-owned businesses to access international markets. Access market interventions include pop-up markets, exhibitions, enterprise supplier development opportunities with the private sector and linkages with wholesalers and retailers. A total of 7 149 businesses were assisted to access markets against a target of 3 000.

The organisation focused on growing its footprint to improve access to its services for rural and township-based businesses. To achieve this, the organisation introduced the Access Points Model as a vehicle to improve accessibility without increasing employee

and rental costs. This model is based on partnerships whereby local accounting and tax service providers are onboarded to offer a bouquet of Seda services to businesses in the area. A total of 40 new access points were established during the 2022/23 financial year.

During the 2022/23 financial year, the organisation improved its B-BBEE score from level 8 to level 4. This was achieved through the adoption of the skills development strategy. The organisation spent R6 million on learnerships and bursaries to previously disadvantaged students. Furthermore, an amount of R900 000 was allocated to socio-economic development support to non-profit organisations including uplifting the most vulnerable citizens.

KwaZulu-Natal and Eastern Cape floods disaster

In April 2022, South Africa witnessed devastating flooding in KwaZulu-Natal and certain parts of the Eastern Cape. These floods damaged infrastructure and houses displacing people and causing damage to businesses. It is based on the above context that the Department of Small Business Development through Seda set aside R60 million to support SMMEs affected by the floods both in KwaZulu-Natal and the Eastern Cape. Seda utilised the funds to provide financial support in the form of grants via the Floods Relief Programme. Post the closing of applications, assessments and site visits by the Seda team, an amount of R59.8 million was spend supporting 154 formal and 3 669 informal businesses affected both in KwaZulu-Natal and the Eastern Cape. 1 569 jobs were saved by supporting the 154 formal businesses.

General financial review

I am pleased to present the financial performance of the Seda for the financial year 2022/23.

The Bureau for Economic Research (BER) 2022Q3 results show that the total number of SMMEs rose by a significant 148 000 firms (+5.9% y-o-y). This brought the number of SMMEs back to its pre-COVID numbers. Meanwhile, total employment in the economy remains below pre-COVID levels. Relative to 2021Q3, the number of SMME owners rose by 11.6% to 2.68 million. On an annual basis, the 17% increase in formal SMMEs is encouraging – albeit it that the majority of SMMEs still operate in the informal space. In the third quarter of 2022, the nominal turnover of SMMEs was 6.1% higher than a year before. This is below the consumer inflation rate of 7.7% over the same period, pointing to a real contraction.

In line with the global surge in input costs and inflation, the purchases (of inventories) by SMEs increased by 9.1%, which is more than the increase in turnover. Consequently, profits fell by nearly 7% and employees were paid 2.5% less. On a positive note, capital expenditure surged by a hefty 21%.

Revenue increased by R54,63 million to R956,87 million compared to R902,23 million in the previous financial year (2021/22). The percentage growth of 6% was due to an increase of R60 million in the grant allocation received from the Department of Small Business Development to support the businesses affected by the floods in KwaZulu-Natal and the Eastern Cape. Seda, for a second year in a row was able to spend the budget allocated.

Spending trends

Seda utilised its budget as outlined in the table below:

Table 1: Budget utilisation

EXPENDITURE	2023 R'000	2022 R'000	% CHANGE
Programme and project expenditure	394 369	617 834	(36%)
Personnel expenditure	381 145	376 707	1%
Administrative expenditure	158 400	155 230	2%
Capital expenditure	3 389	21 592	(84%)
Depreciation, impairment and write of assets	169 92	131 93	non-cash
Total expenditure	954 556	1 185 067	-19%

The actual expenditure for the period under review amounted to R954,56 million resulting in underspending of R647 000 (0.07%) against the budget of R955,20 million compared with the underspending of R5,2 million (0.44%) of 2021/22.

In 2022/23 spending declined by 19% from the previous financial year, and National Treasury granted Seda an approval to fully utilise the available surplus and Seda spent all the funds.



Capacity constraints and challenges

The demand for Seda's services has been increasing over the years, exacerbated by the COVID-19 pandemic, July unrest, floods and recent loadshedding. The increase in demand for Seda services has not been matched by increases in revenue. The decline in revenue has been a major challenge for the entity over the last few years.

The financial resource constraints have had an adverse impact on the implementation of some projects, including the Technology Transfer Programme. Another programme that was also affected is the implementation of access points, which is required to improve the accessibility of Seda in the township and rural areas.

Discontinued key activities/activities to be discontinued

During the period under review, Seda did not discontinue any key activity.

New or proposed key activities

Seda is the lead agency for co-ordinating the District Ecosystem Facilitation Model and has developed game changes to build the ecosystem of support in collaboration with a broad range of public and private sector partners. To achieve this Seda will develop the following systems, E-mentorship and Trade facilitation platforms.

Request for rollover of funds

Seda spent all its budget and does not have funds to roll over.

Supply chain management

The Supply Chain Management Policies and Procedures were reviewed and approved by Seda relevant governance structures.

Seda did not conclude nor receive any unsolicited bids during the financial year.

SCM has adequate processes in place to ensure that all procurement is done in accordance with the legislation and the relevant prescripts. The organisation follows the National Treasury process of condoning and removing irregular, fruitless and wasteful expenditure cases and efficiently co-ordinates the audit between management and the Auditor-General of South Africa (AGSA). The remedial actions are implemented as reported in the management letter issued by AGSA. Internal Audit, through spot checks and sample selections, conducted and tested the remedial actions implemented. Management arranged training on Supply Chain Management to improve efficiency and compliance.

Audit report matters in the previous year and how they will be addressed

Seda received an unqualified audit opinion outcome with findings on Performance Information, which require management attention. Seda is currently addressing these findings by implementing the client information and operations management system. The system is planned to go live during the second quarter of the 2023/24 financial year.

Plans for the future to address financial challenges

Seda is continuing to leverage additional funding from various stakeholders in the ecosystem to fund SMME capacity building programmes. Major targeted partners are the SETAs, ESD, government departments and SOEs.

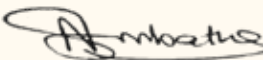
Events after the reporting date

Seda is not aware of any events after the reporting date of 31 March 2023, which are likely to have a material impact on the entity's financial results or operations.

Economic viability

Seda received funding through Vote 36 allocation from the DSBD. Other resource mobilisation initiatives are employed to augment the income from ecosystem partnerships. These sources of income ensure the entity's financial viability.

On behalf of the Seda Board and management, I would like to acknowledge the support and guidance received from the Minister of Small Business Development, Honourable Stella Tembisa Ndabeni-Abrahams, the Deputy Minister Dipuo Peters, and the entire staff of DSBD. On behalf of Seda Management, I would like to extend our heartfelt appreciation to the Board Chairperson and the directors for always keeping us focused on our mission and mandate of transforming and improving the success prospects of small businesses in South Africa. I would also like to acknowledge the support received from Seda management and employees.



Mr Nkosikhona Mbatha
Acting Chief Executive Officer



BOARD MEMBERS



Ms Xoliswa Daku
Chairperson



Ms Nomso Kana
Deputy Chairperson



Mr Nkosikhona Mbatha
CEO



Mr Sifiso Mtsweni



Mr Jim Matsho



Dr Mzukisi Qobo





Ms Nonzuzo Makanda



Mr Motse Mfuleni



Ms Gorakazi Ngcukuva



Ms Beatrice Nkambule



Mr Phumezo Mqingwana



Prof Vusi Gumede



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report is consistent with the annual financial statements audited by Auditor-General South Africa.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP) and the requirements the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA).

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2023.

Yours faithfully,

Ms Xoliswa Daku
Chairperson
31 August 2023

Mr Nkosikhona Mbatha
Acting Chief Executive Officer
31 August 2023

STRATEGIC OVERVIEW

Seda was established in December 2004 through the National Small Business Amendment Act, 2004 (Act No. 29 of 2004) as an agency under the then Department of Trade and Industry (**the dti**). The establishment merged three entities: Ntsika Enterprise Promotion Agency, the National Manufacturing Advisory Centre and the Community Public Private Partnership (CPPP) Programme. The GODISA Trust and the National Technology Transfer Centre were merged with Seda in April 2006, becoming the Seda Technology Programme (Stp). The small enterprise support function of the South African Quality Institute and the technology-related activities of Technology for Women in Business were incorporated with Stp in 2008. Stp was fully integrated into Seda structures in 2009. In 2014, Seda's mandate and functions were transferred from the Department of Trade, Industry and Competition (then **the dti**) to the Department of Small Business Development (DSBD).



VISION

To make a difference in SMMEs' lives every day

The vision is translated into the high-level competency, accountability, coordination as well as customer drive of Seda. To make a difference in SMMEs' lives every day, we must strive towards improving in delivering against all performance areas in our outcomes.



MISSION

To promote entrepreneurship and facilitate the development of small enterprises by providing customised business support services that result in business growth and sustainability in collaboration with other role players in the ecosystem

Seda's mission gives a clear-cut framework for everything Seda does. This is reflected in Seda's product range as well as in the approach, attitude and working methods of Seda staff. The success of Seda is ultimately measured against this mission – how well Seda is collaborating with key role players in the ecosystem in facilitating the growth and sustainability of the small enterprises with which it has interacted.



CORE VALUES

Nurture: We create a nurturing environment by partnering with our clients and employees, and in the way in which we care and support them.

Innovation: We foster innovative ideas and solutions to deliver exceptional customer service.

Customer centricity: We place customer service excellence at the centre of everything we do.

Responsible conduct: We behave with integrity in all our actions, always acting in the best interest of Seda and its stakeholders.

Seda's core values govern its operations and relationships with stakeholders such as clients, partners, employees, local community and the shareholder. The core values remain constant and are not affected by changes in the operational environment or management.

LEGISLATIVE AND OTHER MANDATES

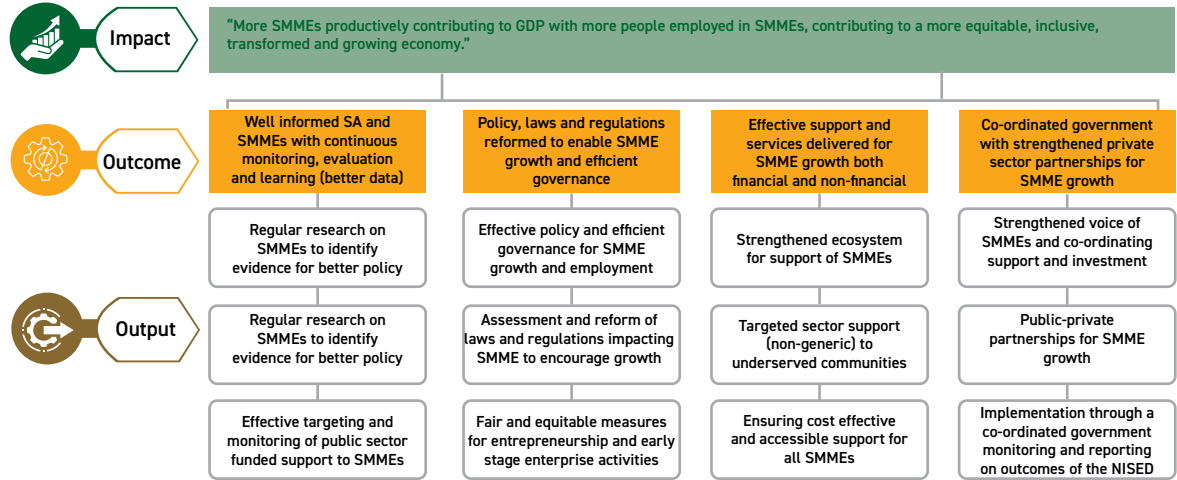
The work of Seda is governed by a broad legislative framework as outlined below:

NAME OF ACT	PURPOSE
National Small Enterprise Act, 1996 (Act No. 102 of 1996) as amended by the National Small Business Amendment Act, 2004 (Act No. 29 of 2004) as amended	<ul style="list-style-type: none">• Provide for the establishment of the advisory body and the enterprise promotion agency.• Provide guidelines for organs of state to promote small business in the Republic of South Africa.
Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) as amended	<ul style="list-style-type: none">• Provide for the health and safety of persons at work and for the health and safety of persons using plant and machinery.• Protect persons other than persons at work against hazards to health and safety arising out of, or in connection with, the activities of persons at work.• Establish an advisory council for occupational health and safety.
Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended	<ul style="list-style-type: none">• Regulate financial management in national and provincial governments.• Ensure that all revenue, expenditure, assets, and liabilities of the above-mentioned governments are managed efficiently and effectively.• Provide for the responsibilities of persons entrusted with financial management in those governments.
Cooperatives Act, 2005 (Act No. 14 of 2005)	<ul style="list-style-type: none">• Formation and registration of Cooperatives.• Establishment of a Cooperatives' advisory board.• Winding-up of the Cooperatives Repeal Act, 1981 (Act No. 91 of 1981).
Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)	<ul style="list-style-type: none">• Give effect to the right to fair labour practices referred to in Section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment.• In doing the above, comply with the obligations of the Republic as a member state of the International Labour Organization.
Income Tax Act, 1962 (Act No. 58 of 1962)	<ul style="list-style-type: none">• Consolidate the law relating to the taxation of incomes and donations.• Provide for the recovery of taxes from persons.• Provide for the deduction, by employers, of amounts from the remuneration of employees for certain tax liabilities of employees.• Provide for provisional tax payments and payments into the National Revenue Fund of portions of the normal tax and interest and other charges of these taxes.
Labour Relations Act, 1995 (Act No. 66 of 1995)	<ul style="list-style-type: none">• Facilitate the granting of organisational rights to trade unions that are sufficiently representative.• Strengthen the status of picketing rules and agreements.• Amend the operation, functions, and composition of the Essential Services Committee and provide for minimum service determinations.• Provide for the Labour Court to order that a suitable person be appointed to administer a trade union or employers' organisation.• Enable judges of the Labour Court to serve as judges on the Labour Appeal Court.• Further regulate enquiries by arbitrators.• Provide greater protection for workers placed in temporary employment services.• Regulate the employment of fixed-term contracts and part-time employees earning below the earnings threshold determined by the Minister.• Further specify the liability for employers' obligations and substitute certain definitions.
Employment Equity Act, 1998 (Act No. 55 of 1998)	<ul style="list-style-type: none">• Provide for employment equity.
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	<ul style="list-style-type: none">• Give effect to the constitutional right of access to any information held by the State, and information held by another person that is required for the exercise or protection of any right.
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	<ul style="list-style-type: none">• Give effect to the right to administrative action that is lawful, reasonable, and procedurally fair, and to the right to written reasons for administrative action as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996.

UPDATES ON INSTITUTIONAL POLICIES AND STRATEGIES

The policy and strategy mandates guiding Seda are as follows:

INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
National Development Plan, Vision, 2030 (2012)	<ul style="list-style-type: none">• The National Development Plan (NDP) envisions an economy that provides full employment by 2020 and is aimed at serving the needs of all South Africans. As such, the economy should be inclusive, grow faster, eliminate poverty, and reduce inequality.• Seda plays a coordinating role in the implementation of Chapters 3 and 6 of the NDP, which respectively deal with the economy and unemployment, and inclusive rural development and growth.
Revised Medium-Term Strategic Framework 2019-2024 (MTSF) (October 2021)	<p>Specific to the small enterprises sector, the October 2021 revision of the MTSF outlines the interventions aimed at giving effect to the following outcomes of Priority 2 - Economic Transformation and Job Creation:</p> <ul style="list-style-type: none">• Reduced concentration and monopolies, and expanded small business sector:<ul style="list-style-type: none">- Facilitate the increase in the number of competitive small businesses with a focus on township and rural economies.- Strengthen development finance towards SMME and Co-operatives development.- SMME development through incubation centres and digital hubs.- Ensure inclusion of SMMEs in localisation and 'buy local' campaigns.- Explore the introduction of measures to support the establishment of new, youth-owned start-ups.• Cross-cutting outcome – Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth, and persons with disabilities:<ul style="list-style-type: none">- Develop, implement, support, and monitor programmes for equitable job creation, representation and ownership by women, youth, and persons with disabilities.- Expand government spend on women, youth, and persons with disabilities through preferential procurement.- Introduce programmes to expand access to finance, incentives and opportunities for businesses owned or led by women, youth, and persons with disabilities.
Economic Reconstruction and Recovery Plan (ERRP) (2020)	<p>In response to the COVID-19 pandemic, the ERRP seeks to create jobs primarily through aggressive infrastructure investment and mass employment programmes, and re-industrialising the economy by focusing on growing small businesses; accelerating economic reforms to unlock investment and growth; fighting crime and corruption; and improving the capability of the state.</p> <p>A key enabler of the ERRP is strengthened support to SMMEs, Co-operatives, and start-ups:</p> <ul style="list-style-type: none">• Reviewing and integrating government support for formal and informal SMMEs, start-ups, and Co-operatives, including removing red tape and reducing timeframes for relevant licenses and permits to improve the ease of doing business.• Designing more appropriate financing products, such as microfinance, gap housing products and blended financing, including for emerging farmers.• Support to SMMEs to participate in localisation opportunities.

INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
National Integrated Small Enterprise Development (NISED) Framework	<p>The National Integrated Small Enterprise Development (NISED) Framework was approved and published during the year under review.</p> <p>A key focus of the NISED Masterplan is to align programme areas of work across different role-players in government and the private sector in order to coordinate and drive SMME growth and performance. In partnership with business, labour, and civil society, the NISED Masterplan presents a coordination tool and repository of the action steps to be taken by numerous actors by and within government and the whole of society.</p> <p>The impact envisaged by NISED will be realised through four outcomes and 12 outputs, reflected in the strategy map below.</p>  <p>The strategy map illustrates the NISED framework's goals and implementation steps. At the top is the Impact: "More SMMEs productively contributing to GDP with more people employed in SMMEs, contributing to a more equitable, inclusive, transformed and growing economy." This leads to four Outcome areas: 1) Well informed SA and SMMEs with continuous monitoring, evaluation and learning (better data); 2) Policy, laws and regulations reformed to enable SMME growth and efficient governance; 3) Effective support and services delivered for SMME growth both financial and non-financial; and 4) Co-ordinated government with strengthened private sector partnerships for SMME growth. Each outcome is supported by specific Output actions, such as regular research on SMMEs, policy reform, targeted sector support, and public-private partnerships.</p> <p>Seda's strategic outcomes are supportive of the NISED outcomes, with specific contributions enumerated in Seda's Annual Performance Plan to achieve the following outputs:</p> <ul style="list-style-type: none"> Regular publication of SMME growth and performance measures – The Seda SMME Quarterly Update Report is produced and disseminated on a quarterly basis. Strengthened ecosystem for support of SMMEs – Seda is the lead agency for coordinating the District Ecosystem Facilitation Model and has developed a game changer to build the ecosystem of support in collaboration with a broad range of public and private sector partners. Targeted sector support for underserved communities – Seda's programmes are being aligned with the DDM, to ensure tailored support is provided at a district level. Ensuring cost-effective and accessible support for all SMMEs – Seda's programmes are accessed through an extensive branch and service access point network, and through supported incubation centres. Strengthened voice of SMMEs and coordinated support and investment – Seda and sefa are strengthening their working relationship to ensure government's financial investment in SMMEs is supported with pre- and post-investment support and development.

PRODUCTS AND SERVICES

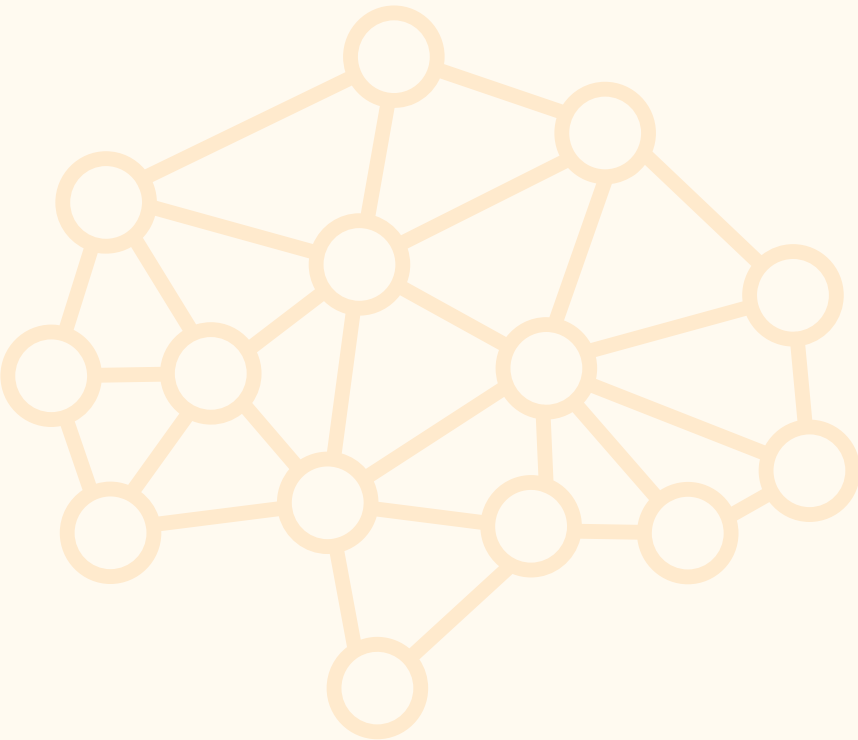
Seda provides business-related information, advice, consultancy, training and mentorship services in all areas of enterprise development. These services aim to provide solutions related to various business functions, from production, human resources, and finance, to marketing and export development. Rural enterprise development and Cooperatives are supported through the Cooperatives and Community Private Partnerships Programme (CPPP). Through Stp, Seda also provides technology transfer, business and technology incubation services, as well as incentives for the implementation of management systems (such as ISO 9001 and OHSAS 18001), product testing and certification.

Seda works at establishing long-term relationships with clients. Prior to embarking on any intervention, a Seda Business Advisor assesses the need of the client. Using the results of this assessment, the Seda Business Advisor assists the client to draft a development plan that outlines specific development interventions. These services are delivered to the client either by Seda's own staff or through business development service providers.

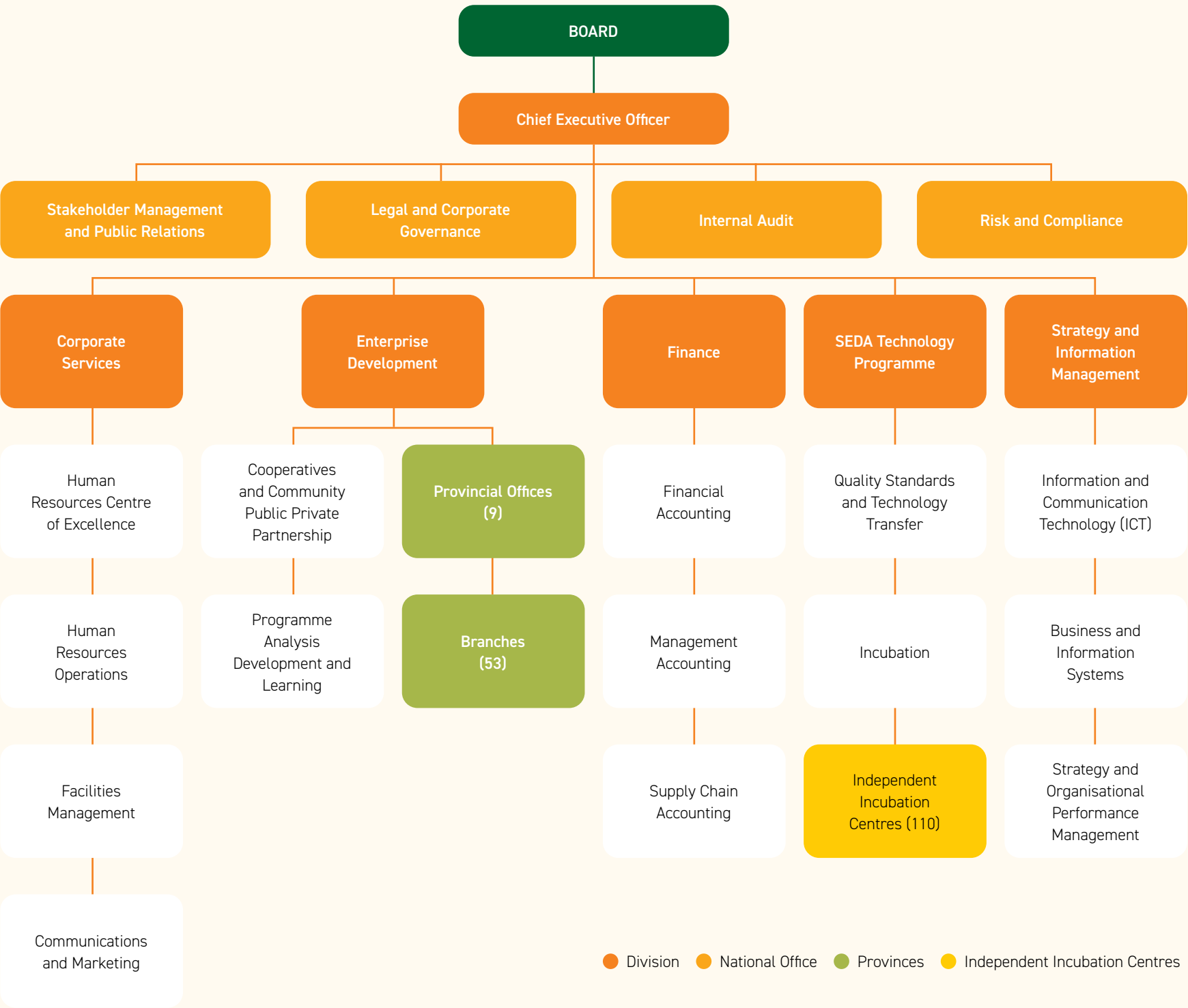
Seda's target market covers small, medium and micro enterprises (SMMs), including Cooperatives, as well as potential entrepreneurs that have a viable business idea. The definition of a small enterprise is provided for in the National Small Enterprise Act, 1996 (Act No. 102 of 1996) as amended, and is based on the number of employees, turnover and fixed assets of a company. Seda defines its clients according to the number of employees.

Seda has decided to continue focusing on the small enterprise sector, with the aim of reducing the failure rate of nascent enterprises and creating an entrepreneurial culture at micro and survivalist level. This is driven by the need to create jobs and globally competitive small enterprises at the small and medium enterprise level.

The service delivery network of Seda consists of Seda branches, Seda Enterprise Development Centres and Seda-supported Incubation Centres located throughout the country. Seda also takes information kiosks and mobile units into remote areas to provide access/support to rural entrepreneurs. In areas where it does not have a branch, Seda shares premises with local municipalities and other partners. As at 31 March 2023, Seda had nine (9) provincial offices, 53 branches, nine (9) mobile offices, and 85 colocations, including 13 with **sefa** and nine (9) with other ecosystem partners. The organisation supported 110 Incubation Centres including Centres for Entrepreneurship and Rapid Incubation (CfERI).



ORGANISATIONAL STRUCTURE



SEDA EXECUTIVE MANAGEMENT TEAM



Ms Thabang Serapelo

Acting Executive Manager: Corporate Services

BA Communication
BA Honours in Industrial Relations

Mr Sandile Ndaba

Chief Strategy and Information Officer

BSc Mathematics
Certificate in IT Auditing
Diploma in Datametrics
Post-Graduate Diploma in Business Management
MCom Information Systems
MBL

Ms Ntokozo Majola

Executive Manager: Enterprise Development

MDP B-BBEE
B Administration
BCom Honours in Economics
MA in Development Economics



Mr Elias Maabane

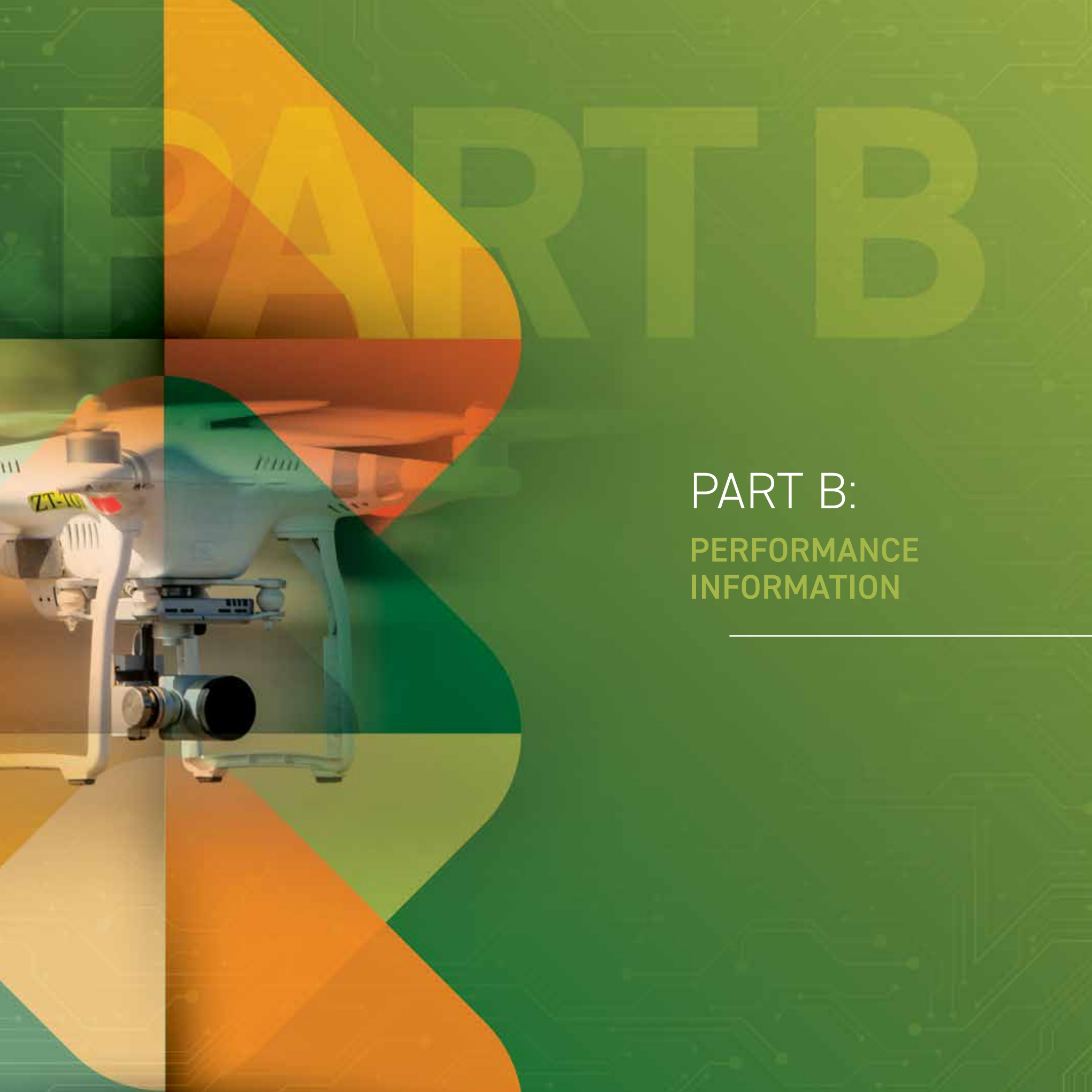
Acting Chief Financial Officer

AMDP
BCom Accounting
BCom Honours in Finance
PG: Certificate in Advanced Taxation
MBA

Mr Sipho Ngcai

Executive Manager: SEDA Technology Programme

Certificate in Advanced Project Management
Management Development Programme (MDP)
National Diploma in Economic Management Analysis
Post-Graduate Diploma in Business Management.
MBA



PART B

PART B:
PERFORMANCE
INFORMATION



AUDITOR-GENERAL'S REPORT: **PREDETERMINED OBJECTIVES**

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 91 to 135 of the Report of the Auditor-General, published in Part F: Financial Information.

OVERVIEW OF PERFORMANCE

Service delivery environment

As the country continues to recover from the effects of the COVID-19 pandemic the economic outlook remains lacklustre. The best way for small businesses to be competitive is to remain agile and innovative, and actively look for viable alternatives which might enable them to be sustainable. Initiatives to promote 'Buy Local' and improve SMME's export capabilities should be encouraged and supported by all spheres of government. The likelihood of recession seems to feature in the conversations of many economists, who predict that the knock-on effects of the unstable geo-political climate, tensions in Europe and load shedding will reduce SMME's chances of post-pandemic economic recovery.

Other economists are pointing to the resilience of the local mining and manufacturing sectors as indicators that South Africa will continue its modest climb upwards. It should be acknowledged that there are many moving parts, including the progress of energy self-generation, the state of freight rail infrastructure, decisions around the basic income grant and political developments in the lead-up to the 2024 elections and their subsequent impact on the economy. These aspects of socio-economic development remain in limbo as the country waits for signs that positive change is on the horizon.

However, there are a few certainties that will continue to make a positive impact on the SMME sector in 2023 and for which entrepreneurs can reasonably prepare. SMMEs will face headwinds from multiple directions. The rising cost of production and interest rates will bump up the cost of credit, and inflation will see the cost of living continue to climb, placing increased pressure on consumer budgets. Petrol hikes will also put more strain on SMMEs, impacting both personal and business operations. For SMMEs to overcome this hurdle they will need a reliable partner who will provide business advice and impart skills that will ensure their sustainability.

Small business owners should explore their options and weigh up the pros and cons of realities such as higher interest rates, profit-sharing transactions, negotiations that involve investors becoming part-owners and longer, more flexible financing terms. The key is to improve business negotiating skills and invest time and resources in reviewing their business models and developing business plans that are compelling and attractive to potential investors.

The small enterprises market is still fragmented, and this fragmentation has its own disadvantages. Opportunities to respond to this challenge include the SMMEs adopting technology in order to remove barriers and enable increased connections. This has already been happening in the lending environment; however, it is observed that some small businesses are still using receipt books from stationery shops or excel to invoice customers. For such businesses a real cost is opportunity costs which could improve business operations and record keeping. Adoption of technology is critical for business success, but small businesses suffer from low investment commitments to technology which is considered a crucial component in future success. Small businesses have expressed their interest in implementing cutting-edge technologies during the next three years, such as 5G (23%), artificial intelligence (21%) and robotics (19%).

Entrepreneurs who start a business should be realistic about their own skills and abilities and must find the right support. Struggling SMMEs must be honest about

their businesses and seek advice to diagnose the real problem which, if resolved, can have a positive spin off for their business. Government can play an important enabling role by fast-tracking economic reforms and keeping small businesses in mind during decision making. It is especially important that efforts are accelerated to end the load shedding crisis and to support small business with the resources and opportunities they need to exploit technology at scale, given the existing barriers around further investing in energy.

Organisational environment

In the year under review, Seda continued to prioritise businesses operating in townships and rural areas. The business segments prioritised were expanded to include all township- and rural-based SMMEs and Cooperatives.

Key lessons were drawn from implementation in the previous financial year on how the programme could be improved and the number of beneficiaries maximised. Some of these lessons were implemented in the review period.

Seda continued to spearhead technology adoption and four (4) systems were implemented to improve the efficiency of organisations. These technologies also aimed at improving client interaction and service turnaround times. Seda held several training sessions via virtual platforms, which benefitted the targeted clients as they could attend these sessions without leaving their business premises, thus saving travel time and cost. The hybrid approach is still maintained to compensate for areas where there is low internet penetration and to respond to the effects of load shedding.

Several sessions were held with ecosystem partners to increase the level of cooperation. The main intention was to improve market access for SMMEs and Cooperatives, increase their rate of success when applying for access to finance and improve their skills and capacity to manage their businesses. Several lessons were learnt through cooperation and collaboration with participating organisations. Some of these lessons include the importance of structured referrals and feedback; improving forecasting in terms of available resources; and pooling organisation's resources to maximise the return for both shareholders and the intended beneficiaries.

Service access was identified as another focus area for Seda and a total of 80 access points were targeted in areas where Seda does not have a branch or colocation. Similarly, the organisation embarked on a drive to increase the number of incubation centres where SMMEs can be supported, in an effort to complement the digital platforms.

A significant challenge facing SMMEs is local market access. In response, Seda identified events hosted by its partners where Seda clients could gain access to markets, and Seda supported participation by some of its clients in these events. Seda also initiated its own events to benefit a larger pool of clients. These were held under various themes like Youth Entrepreneurs Day in June, Women Entrepreneurs events in August and Entrepreneurship Awareness Day in November. In addition, clients were supported to participate in international exhibition events both physically and virtually. Several initiatives were held locally to encourage big businesses to open market opportunities for SMMEs through their product listings; this project is gaining traction although further engagement is required to improve noted limitations.

Key policy developments and legislative changes

There were no major changes to policies or legislation affecting Seda during the period under review.

Progress towards the achievement of institutional impacts and outcomes

Seda impact: Accelerated inclusive economic growth and more decent jobs created and sustained

Seda made progress in providing necessary support through market access interventions (using platforms such as online exhibitions) and exposed SMMEs to value-adding information on trading in international markets. The organisation redirected most of its client support to digital platforms to improve business awareness. It also offered capacity building interventions.

The Revised Medium-term Strategic Framework (MTSF) 2019-2024 reflects government's plan of action over the remaining term of the sixth administration and prioritises commitments outlined in the 2021 State of the Nation Address, which are to defeat the coronavirus pandemic; accelerate economic recovery; implement economic reforms to create sustainable jobs and drive inclusive growth; and fight corruption and strengthen the capacity of the State.

Seda's work contributes directly and indirectly to the seven national priorities of South Africa as identified in the MTSF:

- MTSF Priority 1: A capable, ethical and developmental state
- MTSF Priority 2: Economic transformation and job creation
- MTSF Priority 3: Education, skills and health
- MTSF Priority 4: Consolidating the social wage through reliable and quality basic services
- MTSF Priority 5: Spatial integration, human settlements and local government
- MTSF Priority 6: Social cohesion and safe communities
- MTSF Priority 7: A better Africa and world

Table 2: Seda's contribution to the Revised MTSF 2019-2024

2019 TO 2024 MTSF TARGETS	SEDA'S MTSF TARGETS	SEDA'S CONTRIBUTION 2022/23
Facilitate an increase in the number of competitive small businesses, with a focus on township economies and rural development	<ul style="list-style-type: none">• 260 000 SMMEs receiving business development support• Entrepreneurs trained on business development• 35 731 SMMEs participating in export development	<ul style="list-style-type: none">• 30 789 SMMEs supported• 68 117 entrepreneurs participating in business awareness session• 2 559 SMMEs participating in export markets
SMME development through Incubation Centres and digital hubs	Increase the number of incubators, Centres for Entrepreneurship and Rapid Incubation (CfERIs) and digital hubs to 270, prioritised in rural and township areas	110 incubators, CfERIs and digital hubs supported
Transformative, representative and inclusive economy that prioritises women, youth and persons with disabilities	<ul style="list-style-type: none">• Women (40%) – 104 000 women accessing business development support• Youth (30%) – 78 000 young entrepreneurs accessing business development support• Persons with disabilities (7%) – 18 200 persons with disabilities accessing business development support	<ul style="list-style-type: none">• 12 200 women-owned SMMEs supported through business development• 9 094 youth-owned SMMEs supported through businesses development• 444 SMMEs owned by disabled persons supported through businesses development
Competitive and accessible markets through reduced share by dominant firms in priority sectors and expanded small businesses	20 product markets established to ensure localisation and that citizens are encouraged to buy locally produced products	39 pop-up markets supported



INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The performance information for the year under review supports the strategic indicators in the Seda 2022/23 Annual Performance Plan (APP).

Seda operates within three programmes, namely:

- Programme 1: Township, Rural and Informal Business;
- Programme 2: Business Competitiveness and Viability; and
- Programme 3: Administration.

The sections below provide detailed information for each programme and its contribution to the institutional outcome. Moreover, the sections indicate where support is offered to priority groups, namely women, youth, and people with disabilities.

PROGRAMME	TOWNSHIP, RURAL AND INFORMAL BUSINESS
1	PURPOSE: To support township- and rural-based enterprises, and informal businesses to ensure they are competitive and contribute meaningfully. This includes compliance support to aid business formalisation and enable business growth, by providing necessary support to ensure that they are competitive.

Table 3: APP contribution to institutional outcomes – Programme 1

INSTITUTIONAL OUTCOMES	APP CONTRIBUTION
Increased growth and sustainability of township and rural-based SMMEs and Cooperatives	<ul style="list-style-type: none">• SMMEs and Cooperatives reached through entrepreneurship awareness sessions• Township and rural businesses supported
Integrated and co-ordinated ecosystem support for SMMEs and Cooperatives	<ul style="list-style-type: none">• New Incubation Centres established• New Seda access point• Implementation of Ecosystem Development Plan
Significant achievements under Programme 1: Township, Rural and Informal Business <ul style="list-style-type: none">• 68 117 SMMEs and Cooperatives reached through entrepreneurship awareness• 21 802 Township and Rural businesses supported	



Table 4: Priority group response – Programme 1

PRIORITY GROUP	SEDA'S RESPONSE TO THE PRIORITY GROUPS	CORRECTIVE ACTION TO IMPROVE PERFORMANCE
Women	<ul style="list-style-type: none">• Seda supported women-owned businesses with various interventions, including application for funding, financial management training, Cooperatives training and basic business skills training.• Impactful interventions were offered to women-owned businesses like, Point of Sale training, Cooperatives governance training and access to equipment.• Of the 21 802 businesses supported, 55% were women owned.	<ul style="list-style-type: none">• The organisations performance in supporting women-owned businesses was above the set target of 40%.• In the new financial year, the organisation will continue to provide structured support to women-owned businesses to ensure their growth and sustainability.
Youth	<ul style="list-style-type: none">• Seda hosted several events focusing on youth throughout the year, most of which were organised around youth month. Among these were business registrations, application for funding, bookkeeping training, costing and pricing, Informal Micro Enterprises Development Programme equipment and startup business training.• Of the 21 802 businesses supported, 41% were youth owned.	<ul style="list-style-type: none">• The organisation's performance in supporting youth owned businesses was above the set target of 30%.• In the new financial year, the organisation will continue to engage youth organisations to understand youth needs and the type of new businesses that require Seda's support.
People with disabilities	<ul style="list-style-type: none">• The organisation identified several stakeholders who have relations with disabled persons, with the aim of providing non-financial business management support.• The support offered is still below the set goals, but includes business formalisation and access to funding applications.• Of the 21 802 businesses supported, 2% were owned by people with disabilities.	<ul style="list-style-type: none">• The organisation will improve its efforts to identify disabled persons who have an interest in starting small businesses and provide structured support.• In the new financial year, Seda aims to recruit people who have the ability to provide training to people with special needs and also source material which can be used by people with disabilities, e.g. people who are blind.



Table 5: Programme 1 achievements

OUTCOMES	OUTPUTS	OUTPUT INDICATOR	AUDITED 2021/22 ACHIEVEMENT	PLANNED ANNUAL TARGETS 2022/23	ACTUAL ACHIEVEMENT 2022/23	VARIANCE	REASON FOR VARIANCE
Increase growth and sustainability of township- and rural-based SMMEs and Cooperatives	Facilitate entrepreneurship awareness	Number of SMMEs and Cooperatives reached through entrepreneurship awareness sessions	67 029	20 000	68 117	48 117	Target exceeded due to more briefing and outreach sessions that took place.
	Facilitate township- and rural- based SMMEs and Cooperatives	Number of township- and rural-based businesses supported	31 457	16 000	21 802	5 802	The leads were assisted with various interventions, such as business plans, promotional material, signage and facilitation of access to finance.
Integrated and coordinated ecosystem support for SMMEs and Cooperatives	Increase service access points	Number of new Incubation Centres established	Not monitored in 2021/22	11	11	0	The targeted number of incubation centres were established at the end of the fourth quarter.
		Number of new Seda access points	Not monitored in 2021/22	80	40	40	40 access points were signed by all parties which are in township and rural areas.
	Build an effective ecosystem	Ecosystem Development Plan implementation	Not monitored in 2021/22	40%	6%	34%	The organisation will improve the monitoring and reporting of the implementation of the Ecosystem Plan.

Strategies to overcome areas of underperformance

Seda will finalise access point contracting with approved partners in the new financial year.





PROGRAMME	BUSINESS COMPETITIVENESS AND VIABILITY
2	<p>PURPOSE: To support SMMEs and Cooperatives by providing them with the necessary support to develop and enhance business production capacity and capabilities. This includes improving their competitiveness to enable access to local and international markets.</p>

Table 6: APP contribution to institutional outcomes – Programme 2

INSTITUTIONAL OUTCOMES	APP CONTRIBUTION
Increase localisation and market penetration by SMMEs and Cooperatives	<ul style="list-style-type: none"> • SMMEs and Cooperatives exposed to local markets • SMMEs and Cooperatives supported to participate in international markets • SMMEs and Cooperatives assisted through the Incubation Programme • SMMEs and Cooperatives assisted with productivity improvement • SMMEs and Cooperatives assisted through the Technology Transfer Assistance Programme • SMMEs and Cooperatives assisted with quality improvements
Increase growth and sustainability of SMMEs and Cooperatives	<ul style="list-style-type: none"> • SMMEs and Cooperatives whose turnover has increased by 5% per annum • Jobs created • Jobs sustained • SMMEs and Cooperatives supported in the priority sectors (Scale-Up/High Growth Potential) • SMMEs and Cooperatives supported with training, mentorship and coaching

Significant achievements under Programme 2:
 Business Competitiveness and Viability Programme included; 4 590 SMMEs and Cooperatives exposed to local markets, 2 559 SMMEs and Cooperatives supported to participate in international markets, 2 257 SMMEs and Cooperatives assisted with productivity improvement, 4 179 SMMEs and Cooperatives assisted with quality improvement, 2 683 SMMEs and Cooperatives whose turnover increased by 5% per annum, 5 433 jobs created, 12 541 jobs sustained, 187 SMMEs and Cooperatives supported in priority sectors (Scale-Up/High Growth Potential), 22 088 SMMEs and Cooperatives supported with training, mentorship and coaching.

Table 7: Priority group response – Programme 2

PRIORITY GROUP	SEDA'S RESPONSE TO THE PRIORITY GROUPS	CORRECTIVE ACTION TO IMPROVE PERFORMANCE
Women	<ul style="list-style-type: none">• The organisation supported women-owned businesses with several interventions which included incubation, business management training, productivity and quality improvement interventions.• Of the 61 739 businesses supported, 35% were women-owned.	<ul style="list-style-type: none">• In the new financial year Seda will prioritise women-owned businesses and provide structured incubation, technology transfer and quality improvement interventions.• Prioritise women-owned businesses for training, mentorship and coaching programmes
Youth	<ul style="list-style-type: none">• Seda provided interventions to youth-owned businesses including basic business training, incubating youth-owned businesses, and support through access to local markets.• Out of the 61 739 businesses supported, 29% were youth-owned	<ul style="list-style-type: none">• The organisation will engage with youth organisations and local municipalities to provide relevant support to youth-owned businesses.• Seda will continue to engage organisations such as the National Youth Development Agency (NYDA) to improve service offerings and programmes for youth business.
People with disabilities	<ul style="list-style-type: none">• Of the 61 739 businesses supported, 1.3% were owned by people with disabilities	<ul style="list-style-type: none">• The organisation will identify and continue to engage organisations that represent people with disabilities with the intention to improve the organisation's performance in this area.



Table 8: Programme 2 achievements

OUTCOMES	OUTPUTS	OUTPUT INDICATOR	AUDITED 2021/22 ACHIEVEMENT	PLANNED ANNUAL TARGETS 2022/23	ACTUAL ACHIEVEMENT 2022/23	VARIANCE	REASON FOR VARIANCE
Increase localisation and market penetration by SMMEs and Cooperatives	Facilitate access to local markets	Number of SMMEs and Cooperatives exposed to local markets	3 807	2 000	4 590	2 590	Access to local market interventions like mall activation, pop-up markets and enterprise and supplier development contributed to this performance.
	Facilitate access to international markets	Number of SMMEs and Cooperatives supported to participate in international markets	1 933	1 000	2 559	1 559	Seda was able to support a significant number of clients to participate in many tradeshow, export awareness and international trade webinars.
	SMMEs and Cooperatives supported to be competitive	Number of SMMEs and Cooperatives assisted through Incubation Programme	3 269	2 500	2 507	7	A targeted number of clients were enrolled into the Incubation Programme.
		Number of SMMEs and Cooperatives assisted with productivity improvement	2 901	2 000	2 257	1 257	The increase in performance was due to increased demand of productivity improvement training.
		Number of SMMEs and Cooperatives assisted through the TTA Programme	Not monitored in 2021/22	70	32	38	Under achievement due to budgetary constraints.
		Number of SMMEs and Cooperatives assisted with quality improvements	3 820	2 500	4 179	1 679	The organisation provided training focusing on Quality Management Systems and Hazard Analysis Critical Control Point (HACCP).

OUTCOMES	OUTPUTS	OUTPUT INDICATOR	AUDITED 2021/22 ACHIEVEMENT	PLANNED ANNUAL TARGETS 2022/23	ACTUAL ACHIEVEMENT 2022/23	VARIANCE	REASON FOR VARIANCE
Increase growth and sustainability of SMMEs and Cooperatives	Facilitate growth and sustainability of SMMEs and Cooperatives	Number of SMMEs and Cooperatives whose turnover has increased by 5% per annum	2 990	450	2 683	2 233	Several improvement assessments were conducted; among these a number of businesses reported an increase in turnover.
		Number of jobs created	Not monitored in 2021/22	4 000	5 433	1 433	Several businesses created jobs, since the interventions offered focussed on large-scale and labour absorptive sectors.
		Number of jobs sustained	Not monitored in 2021/22	6 000	12 541	6 541	The high number of jobs sustained is a result of the number of interventions implemented with most businesses.
	Facilitate priority sector support	Number of SMMEs and Cooperatives supported in the priority sectors (Scale-Up/High Growth Potential)	Not monitored in 2021/22	100	187	87	Focus was on high end clients in the priority sectors with business development support.
		Number of SMMEs and Cooperatives supported with training, mentorship and coaching	7 486	20 000	22 088	2 088	Clients were assisted with business management skills, customer care, and sector specific training.

Strategies to overcome areas of underperformance

For the new financial year, the target for the TTA Programme has been reduced to match available funding.





PROGRAMME	ADMINISTRATION
3	PURPOSE: To provide strategic leadership and support to core delivery to ensure successful implementation of the organisation's strategy. This includes monitoring organisational performance, strategic alignment with the shareholders' expectations and capacitating the organisation to achieve its set objectives.

Table 9: APP contribution to institutional outcomes – Programme 3

INSTITUTIONAL OUTCOMES	APP CONTRIBUTION
An agile, innovative, excellent and customer-centric organisation	<ul style="list-style-type: none"> • Implement innovative ideas • Recognise staff for excellence • Measure staff satisfaction • Measure customer satisfaction • Monitor organisational vacancy rate • Digitalise priority systems
Significant achievements under Programme 3: Administration includes 83% of staff who performed at 311 and above in the performance evaluation 99% level of customer satisfaction, and 7.3% vacancy rate and 4 priority systems digitised.	

Table 10: Programme 3 achievements

OUTCOMES	OUTPUTS	OUTPUT INDICATOR	AUDITED 2021/22 ACHIEVEMENT	PLANNED ANNUAL TARGETS 2022/23	ACTUAL ACHIEVEMENT 2022/23	VARIANCE	REASON FOR VARIANCE
An agile, innovative, excellent and customer-centric organisation	Implement innovative ideas	Percentage of innovative ideas implemented	33%	35%	40%	5%	The organisation implemented 40% of the Project Plan.
	Entrench performance-driven culture	Percentage of staff who performed at 311 and above in the performance evaluation recognised for excellence	67%	60%	83%	23%	Based on the performance evaluation scores, the organisation achieved the target set.
		Percentage of staff satisfaction	43%	50%	51%	1%	The majority of Seda employees are satisfied with their working conditions.
	Manage customer service	Percentage of customer satisfaction	95%	80%	99%	19%	The target was exceeded due to positive feedback from clients.
	Reduce vacancy rate	Percentage of vacancy rate	7%	10%	7.3%	2.7%	Continuous engagements and follow-ups made to accelerate the filling of approved critical vacant positions.
	Digitalise Seda services	Number of priority systems digitised	Not monitored in 2021/22	2	4	2	The following systems were implemented: <ul style="list-style-type: none">• Board Pack View• Client assessment and diagnostics (Tools portal)• Declaration of outside interest (Case management)• Performance reporting system





LINKING PERFORMANCE WITH BUDGETS

PROGRAMME	2022/23			2021/22		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Township, rural and informal business	540 305	538 865	1 440	530 758	540 884	(10 126)
Business competitiveness and viability	218 927	220 960	(2 034)	462 430	456 076	6 354
Administration	195 972	194 730	1 241	197 099	188 106	8 993
Total	955 204	954 556	648	1 190 287	1 185 067	5 220

In the 2022/23 financial year, programmes 1 and 2 were allocated 79% of the budget and spent 77%. The year ended with a 23% under-expenditure, which contributed to underperformance. The main reason was the effect that COVID-19 had on face-to-face client engagements, group interventions and training, travel and trade, exhibitions and international trade missions, and visits to client premises to access operations and recommend interventions.

Seda received additional funding when National Treasury approved the retention of surplus funds for the 2019/20 financial year of R294 million. Programmes 1 and 2 were allocated 83% of the total budget and overspent by 0.4%. Programme 3 was allocated 17% of the total budget and spent 95%. This resulted in a total underspending for the organisation of 0.44% of its budget of R1.190 million.

PROVINCIAL MANAGEMENT TEAM



Ms Tandeka Rozani
Eastern Cape

Ms Jackie Ntshingila
Free State

Mr Colin Leshou
Gauteng



Mr Cedric Mnguni
KwaZulu-Natal

Mr Koenie Slabbert
Limpopo





Mr. Mandla Sibiya
Mpumalanga



Ms Kedisaletse Williams
Northern Cape



Mr Sabelo Ntshangase
North West



Mr Alex T Qunta
Western Cape



SUCCESS STORIES

The Principal Boutique Hotel – Eastern Cape

Province:	Eastern Cape
District/Branch name:	Alfred Nzo
Business name:	The Principal Boutique Hotel
Business type:	Bed and Breakfast

Background

The Principal Boutique Hotel is a newly established business, owned by Mr and Mrs Lugogwana, and located at No.69 Main Street, Matatiele. This business offers thirteen luxurious rooms including a conferencing facility for events and other corporate gatherings. The Principal Boutique Hotel has been rated 4-star by the Tourism Grading Council of South Africa.

Business challenges

The business required assistance to attract customers as it was a new business. Interventions to improve its marketing and the occupancy rate were identified as key business requirements.

Seda intervention

Seda conducted a business assessment, following which two main interventions were implemented. The business was supported with branding and marketing material to attract customers. A comprehensive financial system with a booking capability was procured to ensure accuracy and efficiency in managing bookings and enquires.

Outcome/Results

The occupancy rate of the business improved by 60%. Turnover of the business increased by 100% per annum and nine (9) new jobs were created.

“It is because of Seda that we were able to create a solid corporate identity. This in turn has added an immense value to our establishment and has contributed greatly in us being able to achieve what we have achieved in such a short space of time since the business started operating. Thank you Seda.”



Zolu Trading CC – Free State

Province:	Free State
Branch name:	Thabo Mofutsanyana
Business name:	Zolu Trading CC
Business type:	Selling of gas, paraffin and diesel

Background

Zolu Trading CC trading as Lulu Gas, was established in 2006 by Mr and Mrs Zoko. The business is based in Phuthaditjhaba in the Free State. Mr Zoko identified a gap in the market as there was a serious challenge with electricity supply and the community would spend several days without electricity. The business owners then ventured into gas cylinder refilling and later added paraffin and diesel.

Business challenges

The business faced several challenges. It was unable to meet increasing demand due to lack of large storage tanks. During winter the business would go for several days without gas since it relied on other service providers to refill its tanks. This resulted in customer decline and the revenue dropped.

To respond to these challenges the management decide to establish a gas filling site in Harrismith as an extension of the business. Employees required training on gas filling to ensure safety and compliance. Moreover, the new site required signage to build brand visibility and increase customer awareness.

Seda intervention

Seda conducted a business assessment, following which a number of interventions were implemented. The business was assisted with point of sales material to help cut down on stock shrinkage. New signage was installed at the new site and employees attended customer care training to improve customer service. Training was also provided on gas filling to ensure compliance with regulations and the safety of the site.

Outcome/Results

The business turnover increased by 42%, four (4) new jobs were created, and 14 jobs were sustained.

“We really appreciate all the support and assistance we have been receiving from Seda in the past years since we started this business. Without their dedication to small businesses like ours, we would not have achieved any of this success.”



Arise Health Laboratory – Gauteng

Province:	Gauteng
Branch name:	Tshwane
Business name:	Arise Health Laboratory
Business type:	Medical laboratory

Background

Arise Health Laboratory (Pty) Ltd is a 100% black woman owned medical laboratory company that is based in Roodepoort, Johannesburg. The owner, Ms Tshildzi Rasivhaga is a qualified medical technologist. The business offers the following services: clinical specimens, bacteriology, virology, parasitology, immunology and mycology.

Business challenges

The business faced several challenges, including a lack of the following: capital to purchase production equipment; an integrated medical laboratory quality management

system (ISO 15189:2012); a documented business plan; a digital/marketing strategy; HR policies and procedures; and a document control system.

Seda intervention

Seda conducted a business assessment, and ISO 15189:2012 Medical Laboratories was implemented.

Outcome/Results

The business turnover increased by 893% and the number of employees increased from five (5) to 21. Net profit increased by 3900% and the business opened a second branch in Thohoyandou, Limpopo Province.

“Seda's assistance has made a huge difference to Arise.”



Entuthukweni Primary Cooperative – KwaZulu-Natal

Province:	KwaZulu-Natal
Branch name:	Durban Branch
Business name:	Entuthukweni Primary Cooperative
Business type:	Manufacturing, clothing and textiles

Background

Entuthukweni Primary Cooperative was established by a group of women and men who, together, have over 22 years of experience in the clothing and textile industry. The cooperative has 55 members, and the business offers cut, make and trim services as well as the manufacturing of traditional garments. The cooperative aspires to become a large manufacturing hub and prides itself in its strong skills base and the passion of its members, which it attributes to its growth.

Business challenges

Following the devastating floods in April 2022 that affected a variety of businesses in KwaZulu-Natal, the business premises were flooded, and their sewing and office

equipment, raw materials and stock awaiting delivery were destroyed. This resulted in the business operations shutting down and a loss in revenue.

Seda intervention

The business was provided with support and assistance to fully resume business operations through the procurement of equipment and raw materials. The business received flood relief funding to the value of R498 thousand.

Outcome/Results

The business was able to retain its staff complement of 55 members, saving 100% jobs through Seda's interventions. In addition, the business increased turnover by 100%.

"We were devastated and (felt) hopeless when we found our premises flooded and equipment soaked. Thank you to government and Seda for coming to our rescue and assisting with the flood relief."



Mhinga Industries – Limpopo

Province:	Limpopo
Branch name:	Vhembe
Business name:	Mhinga Industries
Business type:	Bakery and confectionary

Background

Mhinga Industries is a bakery that was established in 2020 by Ms Vutomi Sayimani from Section B of Malamulele Township. The business produces bread, buns, cakes, and other related products. Mhinga Industries' clients are spaza shops and trading stores in the areas in and around Collins Chabane Local Municipality.

Business challenges

The business needed assistance with creating business awareness for its potential clients. Furthermore, as the business started its operations it was realised that the capacity of the equipment and machinery used did not match the demand.

Seda intervention

Seda assisted the business with development and installation of sign boards, bar-code registration and development of packaging materials. The client was also assisted with an application for funding from the TTA Programme.

Outcome/Results

The business increased its clientele and as a result increased its turnover by 100%, nine (9) jobs were created, and the business received a grant to the value of R1.2 million. This grant was used to purchase machinery and equipment with higher production capacity and as a result production increased.

“My business is operating, and I appreciate the support from Seda. Thanks to Seda.”



Makenzo Construction and Trading (Pty) Ltd – Mpumalanga

Province:	Mpumalanga
Branch name:	Nkangala Branch
Business name:	Makenzo Construction and Trading (Pty) Ltd
Business type:	Aluminium products manufacturing and construction

Background

Makenzo Construction and Trading (Pty) Ltd is a 100% black owned business, with Mr Timothy Kenny Mokgoroane holding 49% of the shares and Ms Regina Madikadiki Mokgoroane holding 51% of the shares. The business operates from Middelburg, in the Steve Tswete Local Municipality of Mpumalanga. The business specialises in the manufacturing of aluminium products such as windows, doors, shopfronts (façades), balustrades, and security doors. The business changed its name to Makenzo Construction and Trading (Pty) Ltd after the introduction of other construction works and supplies to cater for the fast-growing construction industry.

Business challenges

The business needed to enhance its ability to access more significant contracts for business sustainability and growth.

Seda intervention

Seda conducted a business assessment to analyse the business viability and the business was supported with the development and implementation of quality management systems (ISO 9001:2015).

Outcome/Results

The business process and product quality improved, turnover increased by 287%, expenditure increased to 282%, and the number of employees increased from 34 to 61 employees.

“I would like to thank Seda for assisting with developing and implementing QMS (Quality Management Systems), which improved product production and sales in general.”



Nieuwoudtville Rooibos (Pty) Ltd – Northern Cape

Province:	Northern Cape
Branch name:	Seda Namakwa
Business name:	Nieuwoudtville Rooibos (Pty) Ltd
Business type:	Manufacturing and packaging of rooibos tea and related products

Background

This giant rooibos tea business, located in the small town of Nieuwoudtville, is managed by Mr Malcom Baard. The business is 100% owned by the Northern Cape Department of Agriculture, Environmental Affairs, Rural Development and Land Reform and was established under the name Nieuwoudtville Rooibos (Pty) Ltd. The department contributed R160 million towards building the facility and added R30 million for expansion through the Letsema Grant for poverty alleviation.

The business manufactures bulk tea in 18 kg and 450 kg form, including pallet wrapping, and bag tea in 20/40/80 bags in retail cartons/pouches extracted in 100 g, 18 kg and 20 kg form. The entire plant and process conforms to SA-GAP, HACCP and FSSC 22000 food safety standards. The final product is processed for local and overseas markets.



Business challenges

The business needed certification of their products to export to different countries and certain local markets. Access to markets was also a challenge for the business.

Seda intervention

The business was assisted with mentorship, and relevant consultation including assistance with application forms. The business was further assisted with product certification, including assistance with facilitation of access to markets through collaboration with the Department of Tourism and Economic Development.

Outcome/Results

Nieuwoudtville Rooibos (Pty) Ltd participated in the Fancy Food Show that was held in New York City from 12 to 14 June 2022 at the invitation of the USAID Trade Hub in Johannesburg. Business sales improved, resulting in a turnover increase of 4%, a profit increase of 417% and an increase in the number of employees from 35 to 99.

“Seda's intervention helped the business to get the necessary certification which led to us securing a contract. We employed more people and retained our existing clients. Seda always goes the extra mile in assisting businesses and make them sustainable.”



Feasible Plastics (Pty) Ltd – North West

Province:	North West
Branch name:	Bojanala East Branch
Business name:	Feasible Plastics (Pty) Ltd
Business type:	Automotive Industry

Background

Feasible Plastics was formed by the merger of two companies, BDM Plastics and RM Plastics. The business was officially registered in November 2020. Feasible Plastics is an emerging small business within the plastic moulding industry, situated in the Rosslyn Industrial Area. The company was established by five (5) Directors, Bushy Mahadulula, Martin Thobejane, Rachel Rallele, David Bolayi and Silas Rallele. Feasible Plastics is a manufacturer of small injection moulding components, with a vision of offering quality service in plastic products manufacturing sector. It is now in the process of entering the automotive industry.

Business challenges

The business experienced a lack of access to finance to purchase additional machinery; lack of marketing material to market the business to potential customers due to limited marketing budget; and a lack of technical support to service and maintain the existing injection moulding machinery on site.

Seda intervention

Seda assisted the business with marketing material and promotional materials for marketing purposes such as logo design, uniform branding, sign boards, business cards and other signage. Pioneer Plastics provided Feasible Plastics (Pty) Ltd with free technical support for the maintenance and servicing of their injection moulding machines.

Outcome/Results

The business received lucrative orders to produce and supply 6 000 spin-welded products for Pioneer Plastics; 10 000 air vents, white inners and 5 000 brown outers for Botswana Builder's Mart; and 4 000 000 plastic handles for Harvest Packaging Company.

Feasible Plastics managed to acquire two (2) additional injection moulding machines to increase its production capacity due to the increase in demand for its products. The number of employees increased from two (2) to nine (9) people.

"We are very much satisfied with Seda support, and we look forward to our ISO 9001:2015 Certification. We are in negotiations with Pioneer Plastics to get a new industrial space since the current one is fully occupied."

– Mr David Bolayi, Co-director



DQ Staffing Solutions (Pty) Ltd – Western Cape

Province:	Western Cape
Branch name:	City of Cape Town
Business name:	DQ Staffing Solutions (Pty) Ltd
Business type:	Service

Background

DQ Staffing Solutions is a growing private company, offering a variety of human capital solutions in training, skills development, payroll products and services across industries. The business is located at the Cape Town Harbour. The company was formed in 2008 and offers standard products as well as tailor made products to meet its clients' unique needs.

The company is aware of the changes in skills development legislation and realises that non-training companies in the industry do not have the necessary expertise and knowledge to ensure the successful implementation of skills training as well as the necessary quality management systems. The business' value proposition is to improve

performance and productivity through developing competencies for the workplace and to develop skills for employability, growth and sustainability.

Business challenges

Lack of relevant brand exposure in the market was identified.

Seda intervention

Seda conducted a business assessment which assisted the business to make accurate, realistic financial predictions and develop a plan, which significantly contributed to the business viability and provided possible solutions to the identified challenges. An e-commerce website intervention was implemented.

Outcome/Results

Business turnover increased by 89% and the number of employees increased from seven (7) to 17.

“Thanks, Seda, for supporting our business in achieving our vision for growth and prosperity.”



Omega Packaging – Western Cape

Province:	Western Cape
Branch name:	Seda Technology Programme – Quality and Standards
Business name:	Omega Packaging
Business type:	Manufactures and suppliers of packaging

Background

Omega Packaging is a small enterprise based in Cape Town. The organisation was formed in 2010 and has since grown to be a dependable supplier for the wine and food industries. Its core business is manufacturing bottle dividers which are used mainly in the wine and food industries. The organisation has invested in high-tech machines to enable it to produce the required quality and quantity of products at the right time. The organisation gets its raw materials from reliable suppliers who use state-of-the-art technology in their manufacturing processes.

Business challenges

Key customers requested that Omega Packaging optimise its processes and systems and develop a suitable quality management system that is aligned with ISO 9001:2015 requirements. The directors of the business themselves saw a need to improve and optimise its production processes. Consequently, Omega Packaging approached the

Sdp through a Seda Branch in Cape Town and requested assistance with developing a suitable quality management system to assist the organisation in achieving its objectives.

Seda intervention

The organisation was assisted with the development and implementation of a suitable quality management system that met ISO 9001:2015 standard requirements.

Sdp further assisted the organisation with system certification by a recognised, accredited certification body. A third party/independent certification is confirmation that the quality management system implemented meets the requirements of the ISO 9001:2015 standard.

Outcome/Results

The Quality Management System, based on ISO 9001:2015 was developed, implemented and certified, turnover increased by 40% and the staff complement increased from 37 to 42 employees.

“There has been an increased market share based on improved performance and better quality of products and services offered. We are grateful for the support we have received from Seda.”



Guduza Engineering – Mpumalanga

Province:	Mpumalanga
Branch name:	Quality and Standards
Business name:	Guduza Engineering
Business type:	Mechanical Engineering Services

Background

Guduza Engineering has been trading since 2018. The enterprise provides mechanical engineering services, ranging from design and fabrication, to machining and installation. The business' current clients are Eskom power stations and Sasol, which are big industry players. Continued business with these clients almost guarantees business sustainability.

Business challenges

The current business clients require compliance with international standards in order to continue to support Guduza Engineering.

Seda intervention

The business owners approached Seda for assistance. After conducting a business diagnostic assessment, Seda appointed a qualified service provider to assist the clients with training, development, and implementation of an integrated management system comprising ISO 9001, 14001, 45001 and 3934.

Outcome/Results

The systems were developed and implemented successfully but not yet certified. However, compliance with international management systems has greatly increased the confidence of potential clients, resulting in the business acquiring new contracts. Turnover increased by 107%, six (6) new jobs were created, and four (4) jobs were retained.

“Implementation of ISO9001:2015 has assisted the business to be compliant with international standards, and there is evidence to prove that the system is in place.”



Ngaraga Properties (Pty) Ltd t/a Lindiwe Sanitary Pads – Gauteng

Province:	Gauteng
Branch name:	Technology Transfer Assistance
Business name:	Ngaraga Properties (Pty) Ltd t/a Lindiwe Sanitary Pads
Business type:	Manufacturing and distribution of feminine hygiene products

Background

Ngaraga Properties (Pty) Ltd, trading as Lindiwe Sanitary Pads, is a 100% black woman owned company, which specialises in the manufacturing and distribution of feminine hygiene products such as sanitary pads and pantyliners.

Business challenges

The company’s packaging capacity limited the number of clients the company could service, and this significantly restricted the size of the orders the company could supply.

With growing demand for the product there was an urgent need for industrial machines to enable packaging and labelling of the products at higher volumes.

Seda intervention

Technology Transfer Assistance (TTA), in partnership with the Export Credit Insurance Company (ECIC), assisted the business with acquisition of processing and packaging

technology machines to a value of R1 098 000. This enabled the business to meet and exceeded the customer’s expectations for quality, on time delivery, and high demand volumes.

The packaging technology, successfully acquired through the TTA/ECIC fund, included an automated industrial sealing machine and foot sealer, date coding and barcoding machines at different pack sizes, box printing, sealing connected to a conveyor belt, a pallet wrapper, a heat tunnel and a semi-automatic L-sealer (to seal packs into sizes required by the customer).

Outcome/Results

The business is now listed with Kit Kat Wholesalers and Devland Cash and Carry, amongst others, and has started deliveries to five (5) Kit Kat Wholesales and two (2) Devland Cash and Carry outlets. The business is also listed with Clicks for their private labels (house brands) and has already started deliveries. Turnover increased by 344% and the number of jobs increased from 14 part-time staff to 20. Two permanent jobs were retained.

“Ooooooh my SEDA! Where would we be without you? You have been a reliable stakeholder and a trusted friend. You have been our blessing of note.”



JRS Solutions – KwaZulu-Natal

Province:	KwaZulu-Natal
Branch name:	Durban University of Technology - Centre for Social Entrepreneurship and Rapid Incubation (CfSERI)
Business name:	JRS Solutions
Business type:	Information, communication and technology

Background

JRS Solutions was established in 2011 to provide innovative electronic security solutions with specialised expertise in port automation and tailor-made installations for various original equipment manufacturers.

Business challenges

The company experienced a lack of access to finance, markets and marketing materials to create brand awareness.

Seda intervention

The business was assisted with marketing materials to create brand awareness. Furthermore, the business was assisted with business development support through the Incubation Centre, and training and compliance with other legislative requirements.

Outcome/Results

The business is now accredited and certified with the Private Security Industry Regulatory Authority (PSiRA) and has secured a five-year maintenance contract with Transnet to the value of R1.8 million. Turnover increased by 161% and the number of employees from four (4) to 13.

“I am grateful to be part of the DUT Rapid Incubator. I thank the team for their dedication and for always sharing business opportunities with us.”



Setsong Tea Crafters (Pty) Ltd – Limpopo

Province:	Limpopo
Branch name:	Sekhukhune (She Trades & Export)
Business name:	Setsong Tea Crafters
Business type:	Agri-Processing

Background

The business was established in 2015 and registered in 2021 as a (Pty) Ltd. It is located at Loskop Noord 12, Matlaramosego in Marble Hall, Ephraim Mogale Local Municipality. Setsong Tea Crafters (Pty) Ltd is owned by three organisations – Tlemang Thari Cooperative, which owns 24.5%; Tsogang Ke Nako Cooperative, which owns 24.5%; and Summer Trading 87, which owns 51%.

Setsong Tea Crafters processes tea products and sells them to local businesses, retail stores and the public. The business sources raw materials from its own farm, and products include tepane black bush tea, diya tea, lemon ginger tea, berry tea, and chai spice tea, as well as other infused products.

Business challenges

The business needed its product to be tested in order to increase its client base and gain access to international markets. Limited marketing material was a challenge, and assistance was needed with human resource management, job profiling, grading, and recruitment.

Seda intervention

Seda conducted a business assessment, after which the following interventions were implemented: product testing through the SABS; access to international markets through SheTradesZA; attendance at local trade exhibitions and pop-up markets; development of marketing material; assistance with various human resource management interventions; and the development of proposals and motivations to access finance through the Industrial Development Corporation (IDC).

Outcome/Results

The number of clients increased significantly and the business continues to attract new clients. New markets have opened, and the products are now available in SPAR retail stores and Woolworths, and through the Food Lovers Market and Kalapeng Pharmacy groups. After participating in the SheTradesZa Kenya Exhibition, the client has begun exporting to the UK, US and Botswana. The business has created seven new job opportunities, turnover increased by 5.4%, and Setsong Tea Crafters was able to secure a grant worth R9.1 million, which will be used to develop a factory and create more sustainable jobs.

“We are very pleased to have been a Seda client. Our business has grown and continues to grow due to the assistance that we received.”



The Road to Exotic Taste CC – Western Cape

Province:	Western Cape
Branch name:	City of Cape Town Branch
Business name:	The Road to Exotic Taste CC t/a Exotic Taste
Business type:	Manufacturing sauces, condiments and Frozen Foods

Background

The Road to Exotic Taste CC is a formally registered close corporation now trading as Exotic Taste. The business is based in Beaconsfield Industria, Parow, in the Western Cape. Founded by Amina Abrahams from her home kitchen in 2006, the business is now co-owned by Amina (74%) and her daughter Faatimah (26%). The business started out producing Lemon Pickles (atchar) for a local community store. It now boasts a range of highly successful exotic food condiments, cook-in sauces and frozen foods. Following more than 10 years of sustained growth, the business moved on from supplying a wide network of emerging and existing retailers, to servicing franchises and mainstream corporate retail chain groups.

Business challenges

The business wanted to expand into international markets.



Seda intervention

The client visited the Seda City of Cape Town Branch to seek assistance. She was introduced to a Business Advisor who conducted a diagnostic assessment, using the Export Readiness Assessment Tool (ERAT), which is a Seda developed tool to determine the readiness of a business to venture into and trade in the export market. The assessment enabled the business to identify any shortcomings and provided workable solutions to identified challenges.

The client was assisted to attend and exhibit the business's products at international trade exhibitions in Kenya, Mozambique and Ghana.

Outcome/Results

The client successfully secured an order from a corporate retail chain in Ghana. Employment increased from 21 to 23 employees and the turnover increased by 29.92%.

"I would like to thank Seda for its continuous support in helping our small business grow, not just in the day to day expansion of our factory but also with the tradeshow to get our product out into the world. Once again, thank you for giving us these opportunities to grow and showcase our products."





PART C

PART C: GOVERNANCE

INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance at public entities is governed by the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA) and runs on the principles of the King Report on Corporate Governance. Parliament, the executive, and the boards of the public entity are responsible for corporate governance. Seda is in the process of reviewing its corporate governance structures and processes to align them with the newly adopted King IV Code on Corporate Governance.

PORTFOLIO COMMITTEES

Parliament oversees Seda by evaluating the performance reported in its Annual Financial Statements and other tabled documents. The Standing Committee on Public Accounts reviews the Annual Financial Statements and the audit reports of Seda's external auditor. The Portfolio Committee on Small Business Development oversees Seda's service delivery performance and reviews the non-financial information contained in the Annual Report that deals with service delivery and enhancing economic growth.

EXECUTIVE AUTHORITY

The Minister of Small Business Development is the Executive Authority and oversight rests largely on the prescripts of the PFMA. The National Small Enterprise Act, 1996 (Act No. 102 of 1996) as amended, provides that the Executive Authority can appoint and dismiss Board members including the Chairperson, Deputy Chairperson, and non-executive Board members.

The Executive Authority must ensure that the appropriate mix of executive and non-executive directors is appointed and that directors have the necessary skills to guide Seda.

Annually, Seda submits its Strategic and Annual Performance plans with budgets for the approval of the Executive Authority. During the 2022/23 financial year, Seda submitted four quarterly reports and its Annual Performance Report 2022/23, as required by the Executive Authority.



ACCOUNTING AUTHORITY/BOARD

Introduction

The Board of Directors is the Accounting Authority of Seda. The responsibility for corporate governance resides with the Board. Seda has an effective and efficient Board, with the majority of directors being independent non-executive directors and possessing the skills needed to strategically guide the organisation. Non-executive directors ensure independence and objectivity in decision making. The Board has unrestricted access to information pertaining to the organisation, absolute responsibility for the performance of the public entity, and is fully accountable for such performance.

The role of the Board is to:

- Ensure compliance with laws, regulations, and government policy
- Formulate, monitor and review corporate strategy, major plans of action, risk policy, annual budgets, and business plans
- Ensure that the shareholder's performance objectives are achieved
- Manage potential conflicts of interest
- Develop a clear definition of levels of materiality
- Attend annual meetings
- Ensure financial statements are prepared
- Appraise the performance of the Chairperson
- Ensure effective Board induction
- Maintain integrity, responsibility, and accountability
- Annually review the Delegation of Authority Policy, which defines the delegation of powers, duties, and functions of management.

Board Charter

In keeping with the recommendations of the King IV™ Report, the Board is governed by a Board Charter, which sets out the roles, structures and functions of the Board and its committees. The Board Charter is reviewed annually to ensure alignment with best practice and to test compliance. It focuses on:

- The Board's responsibility for the adoption of strategic plans
- Monitoring of operational performance and management
- Determination of policy processes to ensure the integrity of the organisation's risk management and internal controls
- Communication policy, orientation, and evaluation.

Composition of the Board

The Board consists of 11 non-executive members, including the CEO as an executive member. The Minister appoints the CEO according to terms and conditions determined by the Board. When it is necessary to appoint a member to the Board, the Minister, through the media and by notice in the Government Gazette, invites nominations. The CEO appoints the executive management team after consultation with the Board. Executive management is employed on a fixed-term contract.

The Board is diverse in origin, gender, race, and education. Together, the members bring a wealth of experience and expertise to Seda. Women make up 53% of the Board members, 100% of whom are from historically disadvantaged communities. The Board meets as often as the business of Seda requires, but at least six times a year.

On 1 May 2022 the Minister appointed a total of 15 new Board members, including the CEO as an executive member. However, during the period under review three (3) Board members resigned.

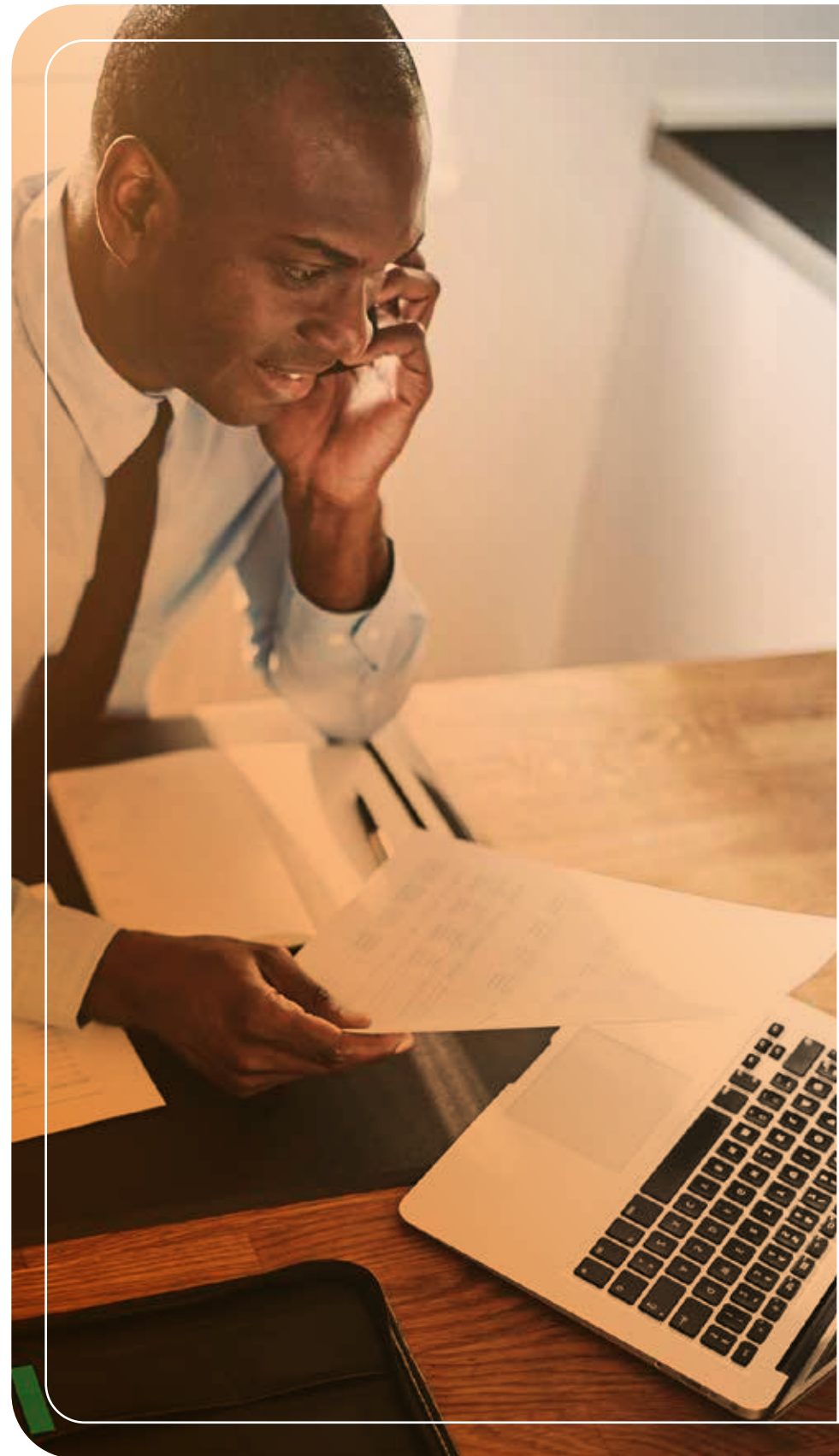


Table 10: Board composition and meeting attendance

NAME	DATE APPOINTED AND TENURE	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NUMBER OF MEETINGS ATTENDED
Ms Xoliswa Daku	1 May 2022 to 31 January 2024	<ul style="list-style-type: none">Executive MBA (UCT Graduate School of Business)LLM (University of the Western Cape)B Proc. (University of Transkei)Seven (7) Post Graduate Diplomas in Human Resources and Project Management	Varied	Chairperson	<ul style="list-style-type: none">Anglican Board of TrusteesSENTECHNHBRCOne and Only HotelWestern Cape Economic Development PartnershipSAWENTWIBSouth African International Society	<ul style="list-style-type: none">Board – 10Amalgamation – 4Nomination – 4SOPC – 8
Ms Nomso Faith Kana	1 May 2022 to 31 January 2024	<ul style="list-style-type: none">BSc (Hons) Chemistry (University of Fort Hare)MSc Engineering (University of Pretoria)	<ul style="list-style-type: none">ICTNuclear ScienceBroadbandEnergySMME development	Deputy Chairperson	<ul style="list-style-type: none">4IR Commission in the presidencyNelson Mandela science and tech centreCity of Johannesburg - Smart City advisoryCSIR New Generation EnterprisesAfrican Union: African Women leadership networkPikitung MOE	<ul style="list-style-type: none">Board – 13HRREMCO – 5SOPC – 9
Prof. Vusi Gumede	1 May 2022 to 31 January 2024	<ul style="list-style-type: none">PhD Economics (University of KwaZulu-Natal)MCom Economics (University of Durban – Westville)Post Graduate Diploma in Policy Studies (University of London)	Education	Board Member	<ul style="list-style-type: none">Southern Africa Trust: Deputy Chairman/ChairmanAction Aid South AfricaANC Political School Reference GroupEconomic Development and Wellbeing Research Group (UJ)Southern Africa Institute for Policy and ResearchInstitute of Justice and Reconciliation: Transformation Audit	<ul style="list-style-type: none">Board – 8ARC – 2Incubation – 1SOPC – 4
Mr Jim Matsho	1 May 2022 to 31 January 2024	<ul style="list-style-type: none">BCom Economics (UNIN)BCom (Hons) Business Management (UNIN)BCom (Hons) Economics (Vista)PGD Management: Public Sector (M&E)(Wits)MCom Marketing (UP)MBL (SBL-Unisa)MCom Economics (UniZulu)MCom Leadership (UKZN)M.Management (SBS)Diploma Corporate Law (UJ)	Varied	Board Member	<ul style="list-style-type: none">UCF: Grants Making Committee and Management CommitteeTrustee Shell: Transformation CommitteeKhulanathi Forests: Chairperson and Audit and Risk CommitteeuThungulu Community Foundation (UCF): Deputy Chairperson and Employment Consultative CommitteeKhulanathi Forests: Land Reform Sub-Committee – MondliMthashan TVET College: Audit and Risk, Human Resources and Industry and Liaison committeesCouncil Member: National Forestry Advisory Council (NFAC)	<ul style="list-style-type: none">Board – 11ARC – 3Amalgamation – 4HRREMCO – 5

NAME	DATE APPOINTED AND TENURE	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NUMBER OF MEETINGS ATTENDED
Mr Motse Mfuleni	1 May 2022 to 31 January 2024	B Theology (Unisa) – incomplete	Varied	Board Member	<ul style="list-style-type: none"> Association of Community Television of South Africa Mpume Kapa TV (BayTV) Black IT Forum SEDA Nelson Mandela Bay ICT Hub East London Industrial Development Zone IMBIZO Group Vodacom Franchise Forum Eastern Cape 	<ul style="list-style-type: none"> Board – 8 HRRESCO – 5 Incubation – 3 SOPC – 7
Mr Pumezo Mqingwana	1 May 2022 to 31 January 2024	<ul style="list-style-type: none"> BPhil Maritime Studies (University of Stellenbosch) BSc (University of Transkei) Advanced Project Management (Unisa) Diploma in Tourism and Travel BA (University of Transkei) Secondary Teachers Diploma (University of Transkei) 	Varied	Board Member	<ul style="list-style-type: none"> Lembede Investment Holdings: Board Member Ntinga OR Tambo Development Agency DEC Africa RGI 	<ul style="list-style-type: none"> Board – 10 Amalgamation – 4 Nomination – 4 SEC – 3 SOPC – 8
Mr John Sifiso Mtsweni	1 May 2022 to 31 January 2024	<ul style="list-style-type: none"> Sport Management (NMU) Certificate in Project Management 3 (IMSIMBI Training Institute) Small Business Management (Unisa) 	Varied	Board Member	Human Resources Development Council (HRDC): Board Member	<ul style="list-style-type: none"> Board – 9 Amalgamation – 4 Nomination – 4 SEC – 3 SOPC – 6
Ms Gorakazi Noluthando Ngcukuva	1 May 2022 to 31 January 2024	<ul style="list-style-type: none"> BSc Education (University of the Western Cape) Certificate in Environmental Education (University of the Western Cape) Certificate in Computers in Education (Varsity College) Certificates in Project Management, International Business Ethics Leadership, and Global Ethics (Wittenburg) Certificate in Electronic Data Processing (GIBS) 	Varied	Board Member	<ul style="list-style-type: none"> Women Building Our Africa: Board Member Circle of Global Business Women: Board Member 	<ul style="list-style-type: none"> Board – 10 ARC – 5 Incubation – 3 SEC – 3

NAME	DATE APPOINTED AND TENURE	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NUMBER OF MEETINGS ATTENDED
Dr Matshediso Joy Ndlovu	1 May 2022 to 17 April 2023	<ul style="list-style-type: none"> • DBA (UKZN) • MBA (UKZN) • National Diploma in Transportation Management (Rand Afrikaans University) • BTech (Technikon SA) • National Diploma in HR Management (Natal Technikon) 	Varied	Board Member	<ul style="list-style-type: none"> • Chairmanships at various organisations including SEDA • Construction Incubator: HR and Remuneration Committee • Umhlathuze Municipality: Performance Audit Committee • SA Dental Assoc: HR and Remuneration Committee • NPC: Transformation Committee • Unitrans: EE Forum and Training Committee 	<ul style="list-style-type: none"> • Board – 12 • ARC – 5 • HRREMC0 – 5 • Incubation – 3
Ms Beatrice Tsakani Nkambule	1 May 2022 to 31 January 2024	<ul style="list-style-type: none"> • BSc (University of Fort Hare) • HDip Education (Wits) • BEd (Wits) 	Varied	Board Member	<ul style="list-style-type: none"> • HRSE: Committee Member • NAFCOC Prov: EXCO Member and General Secretary • Valoyi Traditional Authority: Trustee 	<ul style="list-style-type: none"> • Board – 12 • ARC – 5 • Incubation – 2 • SEC – 3
Ms Thandi Vivian Tobias-Pokolo	1 May 2022 to 14 March 2023	<ul style="list-style-type: none"> • Advanced Diploma in Economic Policy (University of the Western Cape) • Certificate in Economics and Public Finance (Unisa) • Certificate in Leadership Communication (Rhodes University) 	Varied	Board Member	SEDA	<ul style="list-style-type: none"> • Board – 6 • Amalgamation – 4 • ARC – 4 • SOPC – 6
Dr Mzukisi Qobo	1 May 2022 to 31 August 2023	<ul style="list-style-type: none"> • PhD International Studies (University of Warwick) • MA International Relations (University of Stellenbosch) • BA (University of Cape Town) 	<ul style="list-style-type: none"> • Economics • International Relations 	Board Member	<ul style="list-style-type: none"> • Johannesburg Development Agency • Earn International • Corruption Watch 	<ul style="list-style-type: none"> • Board – 4 • Amalgamation – 2 • Nomination – 4 • SEC – 3
Mr Nkosikhona Mbatha	1 May 2021 to 31 January 2024	<ul style="list-style-type: none"> • Post Graduate Diploma in Finance, Banking and Investment Management (UKZN) • BCom Accounting (University of Natal) 	<ul style="list-style-type: none"> • Corporate Banking • Development Finance 	Acting CEO	Acting CEO	<ul style="list-style-type: none"> • Board – 12 • Amalgamation – 4 • ARC – 5 • HRREMC0 – 4 • Incubation – 3 • Nomination – 4 • SEC – 3 • SOPC – 8

NAME	DATE APPOINTED AND TENURE	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NUMBER OF MEETINGS ATTENDED
Ms Nonzuzo Makanda	1 January 2023 to 31 January 2024	<ul style="list-style-type: none"> • M Com Economics (University of KwaZulu-Natal) • B Com Honours: Business Management specialising in Investments (UNISA) • B Com Economics (UNISA) 	<ul style="list-style-type: none"> • Economics • Finance • Business Management • Investments • Financial Services (Mining, Agriculture, Financial Technology, Construction) • SMME and Co-operative Development • Fund origination and management • Investment analysis and Financial Modelling • Transaction Advisory and Capital raising • PPP Projects • Financial Technology strategist • Content developer for SMME training • Corporate Finance • SMME Training & Research • Project Finance 	Independent Audit and Risk Committee Chairperson	sefa	<ul style="list-style-type: none"> • Board – 3 • ARC – 1
Mr Miles Kubheka	Resigned May 2022	<ul style="list-style-type: none"> • Masters in Management (Wits Business School) • Post Graduate Diploma in Business (GIBBS) • Diploma in Culinary - Qualified Chef (Capsicum Culinary School) • BCom Information Systems and Marketing (Wits) 	SMME	Board Member	<ul style="list-style-type: none"> • SEAHARVEST: Board Member • SA Chefpreneur: Board Member • Southern African Business Technology Incubation: Board Member • Hospitality Industry Professionals Southern Africa: Board Member 	<ul style="list-style-type: none"> • Board – 2

NAME	DATE APPOINTED AND TENURE	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NUMBER OF MEETINGS ATTENDED
Ms Nondumiso Medupe	1 May 2022 to 31 December 2022	<ul style="list-style-type: none"> • BCom (Durban - Westville) • Post Graduate Diploma in Accountancy (University of Natal) • CA(SA) (SAICA) 	Chartered Accountant	Board Member	<ul style="list-style-type: none"> • Umgeni Water: Board Member • PetroSA: Board Member • SAFCOL: Board Member • Foskor: Board Member • Bata Footwear: Board Member • Cargo Carriers: Board Member • Etion: Board Member • Italtile: Board Member • Alviva Holdings: Board Member • Citi Lodge: Board Member 	<ul style="list-style-type: none"> • Board – 6 • ARC – 4 • HRRESCO – 4 • Nomination – 2
Ms Margaret Phiri	1 July 2020 to 30 June 2022	<ul style="list-style-type: none"> • BCom Accounting (University of Venda) • BCompt (Hons) (Unisa) • CA(SA) (SAICA) 	<ul style="list-style-type: none"> • Audit • Risk management 	Independent Audit and Risk Committee Chairperson	<ul style="list-style-type: none"> • Department of Public Works and Infrastructure: Audit Committee • Department of Public Enterprises: Audit Committee 	<ul style="list-style-type: none"> • Board – 4 • ARC – 3

Board Committees

The Board has several committees to assist in the discharge of its duties, but remains responsible for the delegated tasks. Each committee operates within defined terms of reference and is chaired by a non-executive Board member. The Board, based on its qualifications and expertise, nominates committee members.

Amalgamation Committee

This committee is chaired by a non-executive Board member and comprises non-executive Board members appointed by the Board. The CEO is an *ex officio* member. The role of the committee is to assist the Board to ensure oversight, governance, and reporting in respect of all issues related to the amalgamation of the CBDA, **sefa** and Seda. The committee has agreed terms of reference, approved by the Board.

Table 11: Amalgamation Committee members and meetings held

NAMES OF MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS
Ms X Daku	4	7
Mr J Matsho		
Mr P Mqingwana		
Mr JS Mtsweni (Chairperson)		
Dr M Qobo		
Mr N Mbatha (Acting CEO)		
Ms TV Tobias-Pokolo		

Audit and Risk Committee

The Audit and Risk Committee consists of non-executive Board members appointed by the Board. It meets at least every quarter and is chaired by an independent non-executive member who is not the chairperson nor a member of the Board. The External and Internal Auditors have unrestricted access to the committee. Executive and senior managers attend these meetings as standing invitees. The committee has agreed terms of reference, approved by the Board. The committee's report, included in the Annual Financial Statements, reviews the effectiveness of the organisation's internal control systems and its risk management framework.



Table 12: Audit and Risk Committee members and meetings held

NAMES OF MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS
Ms M Phiri (Chairperson) ¹	5	9
Ms N Medupe (Chairperson) ²		
Ms N Makanda (Chairperson) ³		
Prof. V Gumede		
Mr J Matsho		
Ms GN Ngcukuva		
Dr MJ Ndlovu		
Ms BT Nkambule		
Ms TV Tobias-Pokolo		

1 Contract ended 31 August 2022

2 Resigned from the Board 31 December 2022

3 From 1 January 2023

Human Resources and Remuneration Committee

This committee is chaired by a non-executive Board member and comprises non-executive Board members appointed by the Board. The CEO is an *ex officio* member. The committee has agreed terms of reference approved by the Board. The committee meets at least every quarter to formulate the human resources and remuneration strategies and policies.

Table 13: Human Resources and Remuneration Committee members and meetings held

NAMES OF MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS
Mr J Matsho (Chairperson)	5	6
Ms NF Kana		
Ms N Medupe		
Mr M Mfuleni		
Dr MJ Ndlovu		
Mr N Mbatha (Acting CEO)		

Incubation Committee

This committee is chaired by a non-executive Board member and comprises non-executive Board members appointed by the Board. The CEO is an *ex officio* member. The committee has agreed terms of reference approved by the Board.

Table 14: Incubation Committee members and meetings held

NAMES OF MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS
Dr MJ Ndlovu	4	6
Prof. V Gumede		
Mr M Mfuleni (Chairperson)		
Ms GN Ngcukuva		
Ms BT Nkambule		
Mr N Mbatha (Acting CEO)		

Nomination Committee

This committee is chaired by a non-executive Board member and comprises non-executive Board members appointed by the Board. The CEO is an *ex officio* member. The committee has agreed terms of reference approved by the Board.

Table 15: Nomination Committee members and meetings held

NAMES OF MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS
Dr M Qobo (Chairperson)	7	7
Ms X Daku		
Ms NF Kana		
Ms N Medupe		
Mr P Mqingwana		
Mr JS Mtsweni		
Mr N Mbatha (Acting CEO)		

Social and Ethics Committee

This committee is chaired by a non-executive Board member and comprises non-executive Board members appointed by the Board and the CEO is an *ex officio* member. The committee has agreed terms of reference approved by the Board and formulates the social and ethical strategy and policies.

Table 16: Social and Ethics Committee members and meetings held

NAMES OF MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS
Dr M Qobo (Chairperson)	3	6
Mr JS Mtsweni		
Mr P Mqingwana		
Ms GN Ngcukuva		
Ms BT Nkambule		
Mr N Mbatha (Acting CEO)		

Strategy and Organisational Performance Committee

The committee plays an important role in monitoring and evaluating compliance with strategic objectives and evaluating achievement of the targets set out in the strategy by monitoring project reports. The committee has agreed terms of reference approved by the Board.



Table 17: Strategy and Organisational Performance Committee members and meetings held

NAMES OF MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS
Ms NF Kana (Chairperson)	9	8
Ms X Daku		
Prof. V Gumede		
Mr P Mqingwana		
Ms TV Tobias-Pokolo		
Mr N Mbatha (Acting CEO)		
Mr JS Mtsweni		
Mr M Mfuleni		

Remuneration of Board members

Non-executive director remuneration is based on the number of meetings attended, and other ad hoc non-meeting duties performed on behalf of Seda. The remuneration rate is approved by the shareholder, according to the National Treasury Guidelines, and increases annually.

Table 18: Board remuneration

NAMES OF BOARD MEMBERS	DIRECTOR FEES & PREPARATION TIME	SUBSISTENCE ALLOWANCE	TRAVELLING	SALARY	ALLOWANCES	ACTING ALLOWANCE	RE-IMBURSEMENTS	TOTAL
Adv. Block, DJ	35 671	-	-	-	-	-	-	35 671
Dr Bvuma, MS	33 031	-	-	-	-	-	-	33 031
Daku, XE	707 832	9 256	103 525	-	-	-	353 543	1 174 156
Prof. Gumede, VT	120 679	300	5 823	-	-	-	8 309	135 111
Kana, NF	463 714	2 689	25 820	-	-	-	2 571	494 794
Matsho, J	213 150	2 945	30 774	-	-	-	16 300	263 169
Dr Ndlovu, MJ	254 266	2 667	49 120	-	-	-	6 244	312 297
Ngcukuva, GN	192 129	3 578	27 821	-	-	-	8 270	231 798
Nkambule, BT	188 816	1 050	6 865	-	-	-	3 796	200 527
Nyakale, D ^	-	-	-	-	-	-	-	-
Maki, M ^	-	-	-	-	-	-	-	-
Medupi, N	148 808	900	7 582	-	-	-	698	157 988
Mfuleni, MM	191 487	450	2 555	-	-	-	2 419	196 911
Mqingwana, P	208 594	1 500	16 808	-	-	-	712	227 614
Mbatha, N	-	-	-	2 165 538	60 000	433 108	-	2 658 646
Mtsweni, SJ	76 097	150	-	-	-	-	-	76 247
Dr Qobo, MJ	109 760	150	2 225	-	-	-	1 633	113 768
Sibeko, MM	31 681	-	-	-	-	-	-	31 681
Adv. Xulu, MD	19 547	-	-	-	-	-	-	19 547
Tobias-Pokolo, VT	134 832	-	-	-	-	-	-	134 832
	3 130 094	25 635	278 918	2 165 538	60 000	433 108	404 495	6 497 788

^ These members did not receive remuneration due to being employed elsewhere in the Public Sector.

RISK MANAGEMENT

Seda is committed to maintaining an efficient, effective and transparent system of risk management that supports the achievement of organisational strategic and operational objectives. Risk assessments were conducted at both strategic and operational levels, aligned with the organisation's outcomes. Ten (10) strategic risks were identified for monitoring in 2022/23 financial year. A Business Impact Analysis was conducted and Seda embarked on implementing a Business Continuity Management (BCM) System and Programme. The following guiding documents were developed and approved: BCM Framework and BCM Strategy. Business Continuity Plans are in the process of being finalised.

The Board has promoted a 'risk-matured' or 'risk-intelligent' culture and set the risk management tone through the approval of the Risk Management Policy, Strategy and Framework. The Board has set the parameters for the Risk Appetite and Tolerance thresholds and allocated resources to mitigate these risks within Seda. The risks identified were monitored on an ongoing basis against risk mitigation strategies or risk treatment plans. Reporting on risk management and the tabling of the Strategic Risk Register were standing items on the agenda of Exco and the Audit and Risk Committee.

During 2022/23, Seda implemented 84% of the Strategic Risk Treatment Action Plan compared to 49% in 2021/22 – a 35% improvement in organisational risk maturity. There was also a 14% improvement in the implementation of the Operational Risk Treatment Action Plans at 77% during 2022/23 compared to 63% in 2021/22, which shows an improvement in embedding a risk management culture in the organisation.

INTERNAL CONTROL

Internal control is a mechanism to ensure that effective internal controls are maintained. The Board establishes and maintains Seda's internal controls and reviews their effectiveness. The close professional working relationship between the external and internal auditors ensures that these controls are adequately and efficiently audited.

INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit function is an independent, objective assurance and consulting activity, designed to add value and improve the organisation's processes. The Internal Audit team assists the Audit and Risk Committee to discharge its responsibilities effectively and provides strategic support to management and the Board. It contributes to the improvement of risk management, internal control and governance processes, and provides value-adding recommendations to improve the effectiveness and efficiency of Seda operations.

Internal Audit also provides assurance services, i.e., an objective examination of evidence to provide an independent assessment on risk management, control and governance processes for Seda. Consulting services to add value and enhance Seda operations are performed on the request of management and/or the Board.

Internal Audit provides management with independent analyses, appraisals, recommendations, counsel and information on activities reviewed, to improve accountability and performance. During the 2022/23 financial year, the team executed its risk-based Internal Audit Plan approved by the Audit and Risk Committee. The plan focused on the following:

- Draft 2022/23 Annual Financial Statements
- Stp Incubator Governance
- TTA Programme
- Corporate Governance – Secretariat
- Audit of performance information (Q1, Q2 and Q3)
- Supply Chain Management
- Follow-up on Internal Audit Project and Auditor-General's Management Letter
- Risk Management Review
- Human Resource Management – Recruitment and Terminations
- Information Technology – Security Management
- Information Technology – Application Controls (Reporting System)
- Financial Discipline Review.

In addition to the work contained in the Internal Audit Plan, Internal Audit was requested by management and the Board to conduct a review of the Draft 2023/24 Annual Performance Plan.



Table 19: Audit Committee members and meeting attendance

NAME	QUALIFICATIONS	EXECUTIVE/ NON-EXECUTIVE	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Ms Margaret Phiri	<ul style="list-style-type: none"> • BCom Accounting (University of Venda) • BCompt (Hons) (Unisa) • CA(SA) (SAICA) 	Non-executive	n/a	1 July 2020	30 June 2022 (term ended)	3
Ms Nondumiso Medupe	<ul style="list-style-type: none"> • BCom (Durban - Westville) • Post Graduate Diploma in Accountancy (University of Natal) • CA(SA) (SAICA) 	Non-executive	n/a	1 May 2022	31 December 2022 (resigned)	4
Ms Nonzuzo Makanda	<ul style="list-style-type: none"> • BCom (Unisa) • BCom (Hons) (Unisa) • MCom (UKZN) 	Non-executive	n/a	1 January 2023	n/a	1
Prof. Vusi Gumede	<ul style="list-style-type: none"> • PhD Economics (UKZN) • MCom Economics (University of Durban – Westville) • Post Graduate Diploma in Policy Studies (University of London) 	Non-executive	n/a	1 May 2022	n/a	2
Mr Jim Matsho	<ul style="list-style-type: none"> • BCom Economics (University of the North) • BCom (Hons) Business Management (University of the North) • BCom (Hons) Economics (Vista) • MCom Marketing (UP) • MBL (Unisa-SBL) • MCom Economics (UZ) • MCom Leadership (UKZN) • Diploma Corporate Law (UJ) • Currently registered for PhD 	Non-executive	n/a	1 May 2022	n/a	3
Ms Gorakazi Noluthando Ngcukuva	<ul style="list-style-type: none"> • BSc Education (University of the Western Cape) • Certificate in Environmental Education (University of the Western Cape) • Certificate in Computers in Education (Varsity College) • Certificates in Project Management, International Business • Ethics Leadership, and Global Ethics (Wittenburg) • Certificate in Electronic Data Processing (GIBS) 	Non-executive	n/a	1 May 2022	n/a	5
Dr Matshediso Joy Ndlovu	<ul style="list-style-type: none"> • DBA (UKZN) • MBA (UKZN) • National Diploma in Transportation Management (Rand Afrikaans University) • BTech (Technikon SA) • National Diploma in HR Management (Natal Technikon) 	Non-executive	n/a	1 May 2022	n/a	5

NAME	QUALIFICATIONS	EXECUTIVE/ NON-EXECUTIVE	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Ms Beatrice Tsakani Nkambule	<ul style="list-style-type: none">• BSc (University of Fort Hare)• HDip Education (Wits)• BEd (Wits)	Non-executive	n/a	1 May 2022	n/a	5
Ms Thandi Vivian Tobias-Pokolo	<ul style="list-style-type: none">• Advanced Diploma in Economic Policy (University of the Western Cape)• Certificate in Economics and Public Finance (Unisa)• Certificate in Leadership Communication (Rhodes University)	Non-executive	n/a	1 May 2022	14 March 2023	4

COMPLIANCE WITH LAWS AND REGULATIONS

In conducting its business, Seda operates within a defined legislative environment and understands the importance of complying with applicable legal and regulatory requirements. During the 2022/23 financial year the Regulatory Universe was reviewed in relation to all the divisions within Seda and changes in the legislative environment. In total, 10 Acts were prioritised for control capturing, compliance monitoring and reporting. Following a gap analysis, an Implementation Matrix, with milestones and target dates, was compiled to guide the organisation's implementation of the Protection of Personal Information Act, 2013 (Act No. 4 of 2013). Eighty percent of the targeted implementation recommendations were achieved.

Hybrid compliance and ethics awareness sessions were conducted throughout the organisation in 2022/23 to promote ethical behaviour, improve the ethical culture, and enhance compliance with statutory requirements. These focused on:

- The Protection of Personal Information Act
- Conflicts of Interest
- Gifts and Hospitality
- Ethics
- The Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

All executives, managers, Finance Division staff (including Supply Chain Management) and Board members declared outside interests for the financial year 2022/23. This supports Seda's commitment to ensuring that "... a high standard of professional ethics is promoted and maintained", as outlined in Section 195 of the Constitution of the Republic of South Africa.

FRAUD AND CORRUPTION

Seda's employees, management and other stakeholders attended awareness sessions on anti-fraud and corruption procedures during the 2022/23 financial year, to entrench a culture of responsibility and an obligation to report wrongdoing and misconduct.

Seda has established partnerships with law enforcement agencies in the fight against fraud and corruption. Employees are encouraged to be vigilant and to report fraud and corruption to the National Anti-Corruption Hotline or directly to Seda at fraudprevention@seda.org.za.

In 2022/23 a Fraud Prevention Plan was approved for implementation. The organisation has embarked on establishing its own dedicated Ethics and Fraud Hotline which will be operational during the 2023/24 financial year.

Despite these efforts, and the fact that Seda upholds a zero-tolerance approach to fraud, corruption, or any dishonesty, in line with its approved Fraud Prevention Statement, the number of fraud and corruption allegations and procurement irregularities continued to rise in 2022/23 compared to the 2021/22 financial year. Thirty-eight (38) cases of alleged fraud and other irregularities were recorded and investigated, culminating in twenty (20) reports with findings and recommendations for corrective and remedial action being issued to management for implementation. Management continued to implement corrective action against implicated officials, and criminal cases were opened with the South African Police Services where there was evidence of fraud and corruption.

MANAGING CONFLICT OF INTEREST

Seda conducts a declaration process for all employees annually and as and when new employees are appointed.

An online (automated) system has been developed for declaring conflict of interest, gift and hospitality that assist in effectively managing and expediting the declaration process. Awareness sessions are conducted throughout the organisation for all employees on ethics, conflict of interest and gift policy to ensure that employees are constantly reminded and informed about conflict of interest and the importance of declarations and regulatory framework and changes to the ethics policy.

The report indicating the exposure for the entity is compiled and presented at the Executive Committee, Social and Ethics Committee and the Board.

CODE OF CONDUCT

Seda is committed to compliance and good corporate governance. Its Board members, management and employees recognise the need for the highest standards of behaviour and business ethics. All directors and employees are expected to comply with legislation, the highest standards of propriety, and Seda's ethics policy and code of conduct.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

According to Section 8(1) of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), "Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his/her employees."

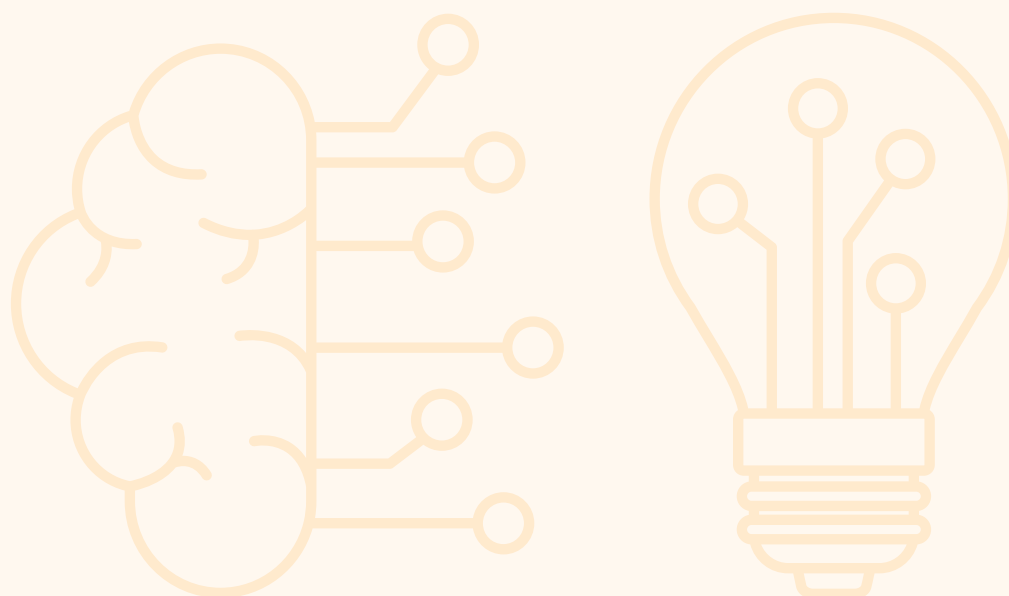
The health and safety of employees in the workplace is of paramount importance. A safe working environment is not only a basic human right, but also makes sound economic sense. Implementation and maintenance of optimal health and safety standards and practices in the workplace is therefore an integral part of Seda's business culture and strategy.

An Occupational Health and Safety Policy and COVID-19 Workplace Guidelines are in place and implemented to ensure compliance and employee safety. In each province and in the national office, health and safety representatives and COVID-19 compliance officers have been trained to provide advice and respond to safety issues and COVID-19 protocols.

Seda is committed to promoting a workplace free of hazardous substances or conditions that may cause injury, damage or diseases to employees and visitors. Where this is not possible, employees and visitors are made aware of dangers, and how to work and move around safely.

SOCIO-ECONOMIC DEVELOPMENT SUPPORT

Seda has fully embraced its corporate citizenship role and continues to enhance its B-BBEE scorecard by supporting Socio-economic development (SED) initiatives. A total of R900 000 was allocated to five Not for profit organisations (NPOs) supporting various courses, including uplifting the most vulnerable citizens, including women, persons living with disabilities and youth.





AUDIT AND RISK COMMITTEE REPORT

The Seda Audit and Risk Committee (“the committee”) is established as an independent statutory committee in terms of the Public Finance Management Act (PFMA). The committee functions within approved terms of reference that are reviewed at least annually to ensure their continued relevance and compliance with relevant legislation, regulation and governance codes.

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2023 as required in terms of Treasury Regulations 27.1.7 and 27.1.10 (b) and (c), issued in terms of Section 51(1)(a)(ii) and 76(4)(d) of the PFMA.

Audit Committee responsibility

The committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The committee also reports that it has adopted appropriate formal terms of reference through its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein. The committee is required to report, amongst other matters, on the effectiveness of internal controls and its evaluation of the Annual Financial Statements.

The effectiveness of internal control

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded, such that the liabilities and working capital are efficiently managed. The committee’s review of the findings of the internal audit work, which was based on the risk assessments conducted in Seda, revealed certain weaknesses that were then raised with Seda management and subsequently reported to the committee. Significant control weakness were identified by the Internal Auditors within the ICT environment. Management has given the committee the assurance that processes will be put in place to improve the system of internal control.

The following internal audit work was completed during the year under review:

- Draft Annual Financial Statements review
- Technology Transfer Assistance review
- Stp Incubator Governance review
- 2023/24 Draft Annual Performance Plan review
- Audit of Performance Information (Q1, Q2 and Q3)
- Supply Chain Management review
- Follow up on Internal Audits Project and Auditor-General’s Management Letter
- Risk Management review
- Information Technology – Applications Control review (Reporting System)
- Township and Rural Entrepreneurship Programme review
- Human Resources – Recruitment and Terminations review
- Corporate Governance – Secretariat review
- Information Technology – Security Management review.



Overall, from the majority of the audits completed, the committee noted that the control environment is **partially adequate and partially effective** to provide assurance to the Seda Board that objectives will be met.

Effectiveness of the Internal Audit function

The Seda Internal Audit function is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the entity and its operations. The committee is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, skills, standing and authority within the entity to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the committee. The committee reviews and approves the Seda Internal Audit Plan annually. Internal Audit's activities are measured against the approved Internal Audit Plan and the head of Internal Audit tables progress reports in this regard to the committee.

The committee evaluated the independence, effectiveness and performance of the Internal Audit function and compliance with its mandate. The committee is satisfied as to the independence and effectiveness of the Internal Audit function and that the unit is adequately capacitated.

Enterprise risk management

The Audit and Risk Committee considered reports on the effectiveness of risk management activities. A strategic and operational risk assessment for the year under review was conducted. The committee reviewed the risk registers and Risk Mitigation Plans on a quarterly basis. The committee raised concerns regarding some of the mitigation actions which were long overdue. The committee will monitor progress in this regard. The committee ensured that the assurance functions of management, Internal and External Audit are sufficiently integrated.

In-year management and monthly/quarterly reports

The committee reports that, during the year under review, it was presented with regular quarterly management reports to enable it to:

- Monitor the integrity, accuracy and reliability of the performance and financial reports of the entity
- Review the disclosure in the financial reports of the entity
- Review all material information presented together with management accounts.

The public entity has reported monthly and quarterly to the National Treasury as is required in terms of the PFMA.

Evaluation of financial statements

The committee has reviewed the Annual Financial Statements prepared by the public entity, with the following focus:

- Significant financial reporting judgements and estimates contained in the financial statements
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context
- Changes in the accounting policies and practices
- Significant adjustments resulting from the audit
- Compliance with accounting standards and legal requirements
- Explanation for the accounting treatment adopted
- Reasons for significant year-on-year fluctuations.

Auditor's report

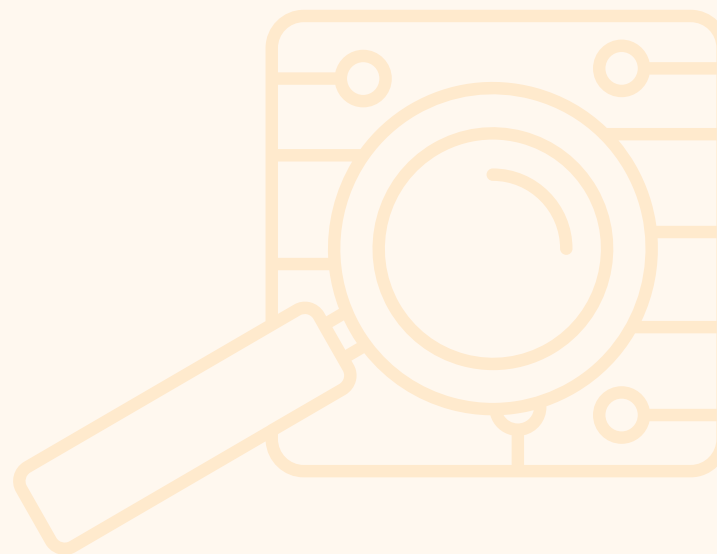
The committee has reviewed the entity's implementation plan for audit findings raised during the prior year and it has raised concerns regarding audit findings that remained unresolved for a long period.

The committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Ms Nonzuzo Makanda

Chairperson of the Audit and Risk Committee
31 August 2023



B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the public entity applied any code of good practice (B-BBEE Certificate levels 1 to 8) for the following:

CRITERIA	RESPONSE (YES/NO)	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations for economic activity in terms of any law?	No	Seda does not issue licences, concessions or other authorisations for economic activity
Developing and implementing a preferential procurement policy?	Yes	In terms of the approved Supply Chain Management Policy
Determining qualification criteria for the sale of state-owned enterprises?	No	Seda is an agency of the Department of Small Business Development and is not responsible for state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	Yes	Approved Stakeholder Management Guideline, Memoranda of Agreement and Service Level Agreements
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	Approved Socio-economic Development Policy (including selection criteria)

B-BBEE

- 1.1 The organization seeks to strategically maximize support and leverage stakeholder partnership for funding. One of Seda's key objectives is to strengthen strategic partnerships to augment the programme budget that the organisation receives from DSBD, amongst other reasons;
- 1.2 The Seda Board approved the B-BBEE Transformation Strategy in September 2020 with the main aim of improving the organization's B-BBEE Contributor status over the next three years from Level 8 to a desired Level 4;
- 1.3 In 2021/22 FY, the Organisation implemented a Learnership and Bursary programme to assist in reaching this target to respond to the objective. Level 4 will assist the Organisation to target stakeholders which are interested in working with B-BBEE compliant organisations.
- 1.4 With this strategy, the Organisation was able to reach Level 4 B-BBEE Rating score through the Skills Development Improvement Plan with R6 012 746.25 which was spent during 2021/22 financial year;

Programme name	Budget spent per individual	Total budget spent
National Certificate: Customer Management NQF L 5 – 17 Unemployed Learners		R1 711 857.45
National Certificate: Customer Management NQF L 5 – 17 Employed Learners (SEDA Employees)		R800 888.80
BURSARY FUNDING PROGRAMME (Recruited 60 students)	R70 000.00	R3 500 000.00
TOTAL INCL. VAT		R6 012 746.25

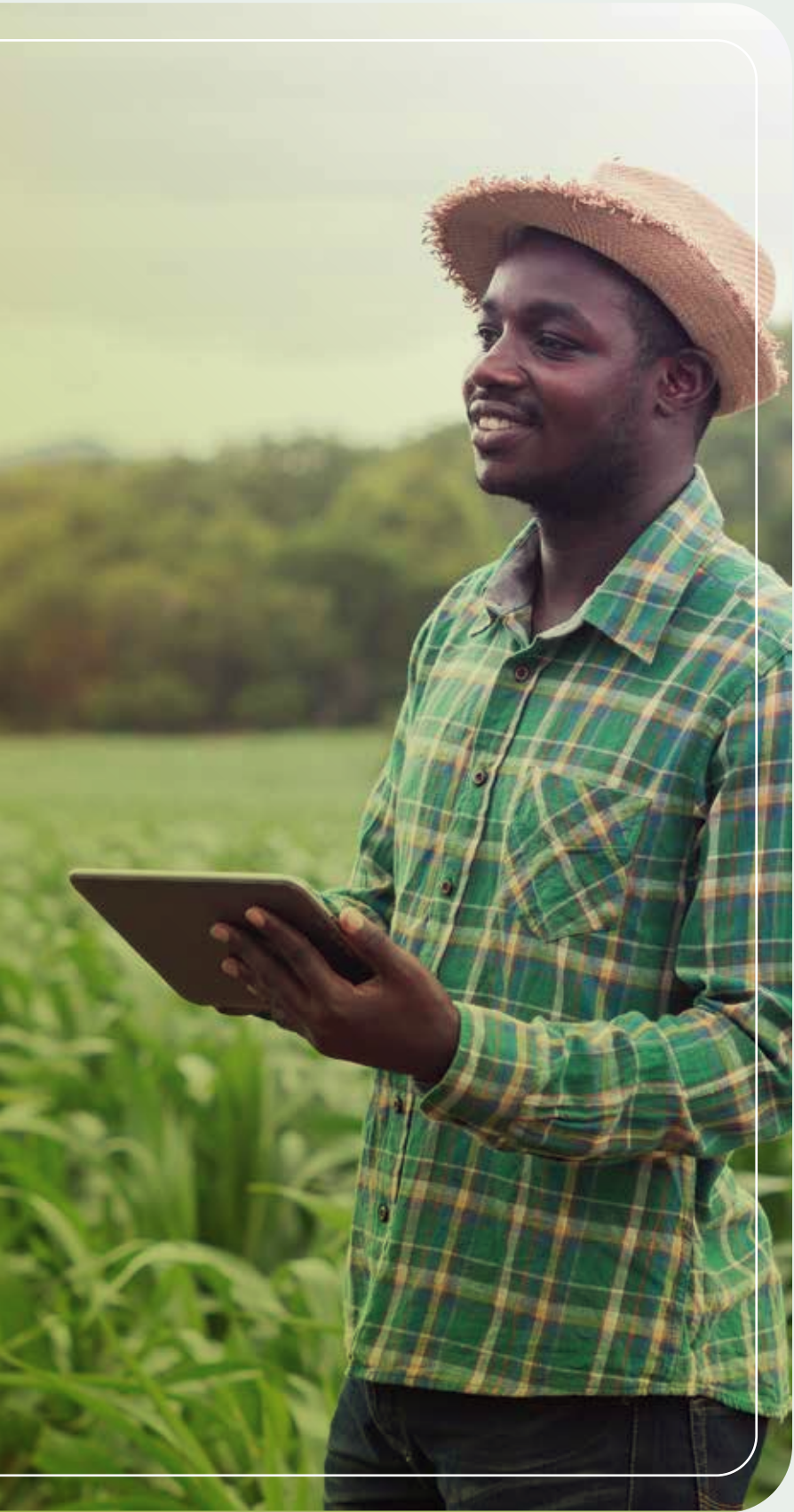
- 1.5 Bursaries were awarded within the following fields of study:
- Marketing Management (BComm)
 - Human Resources Management (BComm)
 - Information and Technology Management (BComm)
 - Supply Chain Management (BComm)
 - Financial Management (BComm)
 - Retail Management (BComm)
 - Entrepreneurship (BComm)
 - Bachelor of Public Administration (BPA)
 - Bachelor of Business Administration (BBA)





PART D:

HUMAN RESOURCE MANAGEMENT



INTRODUCTION

The Human Resources Unit enables other divisions to ensure that adequate and efficient service delivery is offered. Human Resources (HR) set strategic priorities that are translated into actions. Every quarter, an HR strategic report is consolidated to provide the Human Resource and Remuneration Committee with an overview of what has been achieved in terms of HR performance and milestones against set targets. It is widely acknowledged that employees are most productive when the working environment reflects a caring, supportive, and collaborative management culture.

A total of **128** employees received recognition for uninterrupted service to the organisation, ranging from five (5) to 15 years, as indicated in Table 20, below:

Table 20: Long service awards 2022/23

UNINTERRUPTED SERVICE PERIOD	NUMBER OF EMPLOYEES
5 years	58
10 years	24
15 years	46
Total	128

Workforce planning within Seda is the process of continuous optimisation that helps the organisation align its goals and needs with its workforce. Recruitment and retention take place in line with the Recruitment and Selection Policy and procedures, thus ensuring access to the required current and future critical human resources which are needed to meet organisational objectives. Workforce planning assists the organisation in attracting potential incumbents who have the correct values, skills, and experience to provide high-quality services to fill the workforce gaps.

The success of the Seda Strategy depends on Seda's ability to retain, motivate, develop, and continue to attract employees with the requisite skills, competencies, and experience to help the organisation achieve its goals to deliver on its mandate. Seda focuses on practical ways of attracting, shortlisting, selecting, and appointing suitable candidates with the right skills, knowledge, competencies and attributes.

Employee performance management framework

Seda promotes a culture of high performance, quality, and excellence, providing a forward-looking focus that permeates all levels of the organisation. Seda's performance management and development process encourages ongoing communication, good staff management practice across Seda, and dialogue between management and staff. It also assists employees to achieve both their individual and organisational objectives.

The Board has the discretion to decide on eligibility for performance reward consideration, subject to excellent organisational performance and the availability of funds, as well as other factors.



Employee wellness programmes

Seda is committed to improving the health and well-being of employees, and promotes a workplace that does not expose employees, visitors or clients to hazardous substances or conditions that may cause injury.

To improve employee's quality of work-life balance, Seda has a dedicated health provider, that offers counselling to support and enhance the mental and physical well-being of its employees and their families, through the Employee Assistance Programme. This programme includes psychological, legal, and economic/financial counselling.

Policy development

The Human Resources Policies, Procedures, Frameworks and Guidelines are essential as they provide control, consistency, fairness, and standardisation. They also ensure compliance with employment legislation and inform employees of their responsibilities and the organisation's expectations. HR Policies developed and reviewed in the 2022/23 financial year were as follows:

- Employment Equity Policy
- Remuneration Policy
- The Disciplinary Policy
- Performance Management and Development Policy
- Recruitment and Selection Policy
- Human Resources and Development Policy
- Internship Programme Framework.

Recruitment and selection

Seda's ability to function efficiently and effectively largely depends on the existence of an experienced leadership team that can provide direction and lead employees towards achieving organisational goals. With good leadership, corporate culture is not forced but developed, as everyone understands the vision and objectives of the organisation and has input into how these can be improved.

Seda recruits and retains individuals with the correct values, skills and competencies to support the organisation's mandate. The vacancy rate is one of Seda's strategic indicators, and the target is monitored regularly.

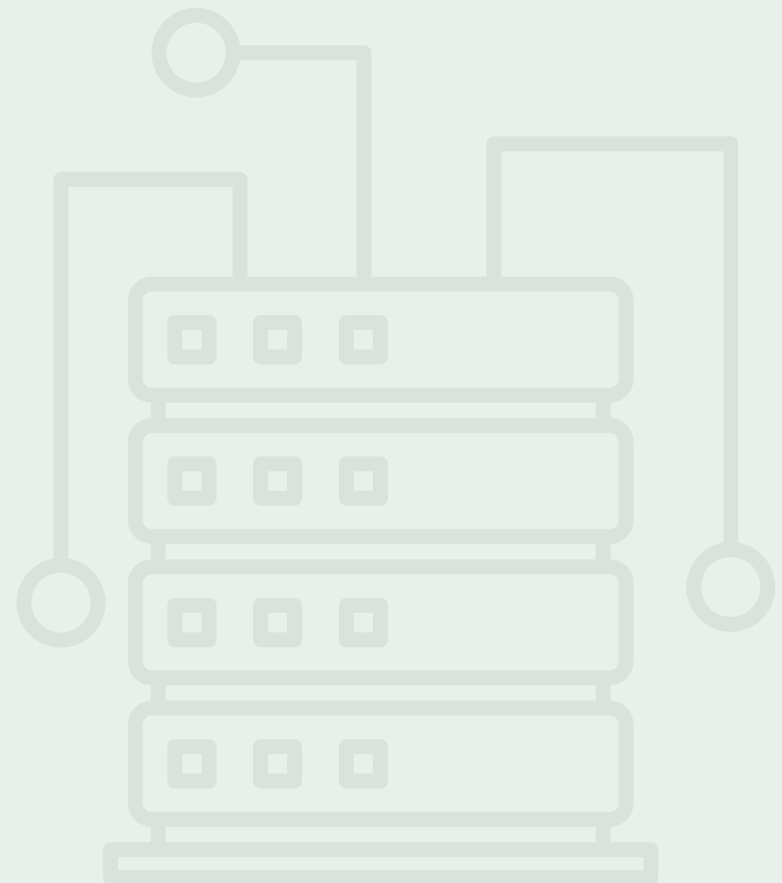
In the 2022/23 financial year, vacant positions were filled using fixed-term contracts to ensure that the merger process is not compromised. The annual target for the vacancy rate, as outlined in the Annual Performance Plan, was 10% and on average 7% vacancy rate management was achieved in 2022/23 financial year.

HR plans/goals

The new economic environment and the global downturn increase the pressure on organisations to adopt a corporate culture supported by structured pattern-based strategies. Seda's values lay the foundation for the understanding of clients' needs and employees' attitudes as these values influence perceptions, and enhance the core business value proposition and impact, in collaboration with all role-players in the ecosystem. Hence a performance-driven culture is deep-rooted at all levels in the organisation.

As we commit to making a difference in SMMEs' and Cooperatives' lives, contributing to inclusive economic recovery, it is important that Seda is better prepared for emerging risks, and sufficiently agile to seize new opportunities. To achieve this, HR will focus on developing employees' expertise and ensuring that Line Managers are trained and skilled.

Employee mental health and well-being will continue to be prioritised and an effort will be made to improve employee satisfaction levels by enhancing employee engagement sessions.



HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel expenditure per programme

Table 21: Personnel expenditure per programme

PROGRAMME/ ACTIVITY/OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE (R'000)	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Programme 1: Township, Rural and Informal Business	538 865	273 378	50.73%	560	488
Programme 2: Business Competitiveness and Viability	220 960	18 277	8.27%	25	731
Programme 3: Administration	194 730	89 490	45.96%	121	739

Personnel cost by salary band

Table 22: Personnel expenditure per employment level

LEVEL	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL PERSONNEL COST (R'000)	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	4 227	0.58%	3	1 409
Senior Management	31 643	9.28%	22	1 438
Professional Qualified	297 865	76.53%	459	659
Skilled	47 410	13.62%	222	213
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
Total	381 145	100%	706	

Training costs

Table 23: Training expenditure per programme

PROGRAMME/ ACTIVITY/OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NUMBER OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE (R'000)
Township, Rural and Informal Business	252 167	533	0.21%	24	22
Business Competitiveness and Viability	18 277	-	-	-	-
Programme 3: Administration	110 701	1,353	1.22%	283	5

Note: Training cost includes bursary cost. Bursaries are centralised under Programme 3: Administration, under the Learning and Talent Unit within HR.

Employment and vacancies

Table 24: Vacancies per programme, including positions on hold under Programme 3: Administration

PROGRAMME/ ACTIVITY/OBJECTIVE	2021/22 NO. OF EMPLOYEES	2022/23 APPROVED POSTS	2022/23 NO. OF EMPLOYEES	2022/23 VACANCIES	% OF VACANCIES
Programme 1: Township, Rural and Informal Business	522	548	518	30	5%
Programme 2: Business Competitiveness and Viability	26	28	27	1	4%
Programme 3: Administration	116	137	116	21	15%

Table 25: Personnel expenditure per employment level

LEVEL	2021/22 NO. OF EMPLOYEES	2022/23 APPROVED POSTS	2022/23 NO. OF EMPLOYEES	2022/23 VACANCIES	% OF VACANCIES
Top Management	1	6	3	3	50%
Senior Management	22	27	22	5	19%
Professional Qualified	455	483	451	32	7%
Skilled	186	197	185	12	6%
Semi-skilled	-	-	-	-	-
Unskilled	-	-	-	-	-
Total	664	713	661	52	7.3%

Employment changes

The table below illustrates the number of permanent employees at the beginning and end of the period.

Table 26: Employee changes per employment level (permanent employees only)

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	1	2	0	3
Senior Management	23	6	7	22
Professional Qualified	442	61	66	437
Skilled	183	31	15	199
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	649	100	88	661

The table below illustrates the number of permanent, fixed-term, interns and MOU employees at the beginning and end of the period.

Table 27: Employee changes per employment level (all employees)

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	1	2	0	3
Senior Management	24	6	8	22
Professional Qualified	462	63	66	459
Skilled	270	96	144	222
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	757	167	218	706



Reasons for staff leaving

Table 28: Reason for leaving

REASON	NUMBER	% OF TOTAL NUMBER OF STAFF LEAVING
Resignation	99	14
Dismissal	2	0
Retirement	6	1
Ill health	1	0
Expiry of contract	107	15
Deceased	1	0
Absconded	2	0
Permanent total	34	7.3
Grand Total	218	31

The table above indicates the reasons for leaving. Critical positions were filled on a descending fixed-term contract.

Labour relations: Misconduct and disciplinary action

Table 29: Disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	16
Final written warning	1
Dismissal	2

Equity target and employment equity status

Table 30: Equity status – Male

MALE								
LEVELS	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	2	0	0	0	0	0	0	0
Senior Management	11	0	3	0	0	0	1	0
Professional Qualified	36	1	4	0	2	0	1	1
Skilled	162	12	13	2	3	0	6	2
Semi-skilled	14	0	2	1	0	0	0	1
Unskilled	7	0	2	0	0	0	0	0
Total	232	13	24	3	5	0	8	4

Table 31: Equity status – Female

FEMALE								
LEVELS	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	0	0	0	0	0	0	0
Senior Management	7	1	1	0	0	0	3	0
Professional Qualified	28	2	2	0	0	0	2	0
Skilled	160	2	19	1	3	0	5	1
Semi-skilled	94	0	14	1	0	0	4	0
Unskilled	47	0	0	0	1	0	1	0
Total	337	5	36	2	4	0	15	1



Table 32: Equity status - Employees with disabilities

EMPLOYEES WITH DISABILITIES				
LEVELS	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	1	0
Senior Management	3	0	1	0
Professional Qualified	3	1	3	0
Skilled	4	2	8	3
Semi-skilled	0	3	1	1
Unskilled	0	0	0	0
Total	10	6	14	4

Table 33: Permanent Employees by occupations category as at 31st March 2023

EMPLOYEE CHANGES PER EMPLOYMENT LEVEL (PERMANENT EMPLOYEES ONLY)													
OCCUPATIONAL CATEGORY	MALES					FEMALES					FOREIGN NATIONAL		
	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	MALE	FEMALE	TOTAL
Top Management	2	0	0	0	2	1	0	0	0	1	0	0	3
Senior Management	11	3	0	1	15	7	1	0	3	11	0	0	26
Junior Management	36	4	2	1	43	28	2	0	2	32	0	0	75
Specialist	162	13	3	6	184	160	19	3	5	187	1	2	371
Skilled Workers	14	2	0	0	16	94	14	0	4	112	0	1	128
Semi-skilled Workers	7	2	0	0	9	47	0	1	1	49	0	0	58
Grand Total	232	24	5	8	269	337	36	4	15	392	1	3	661
Employees with Disabilities	8	1	1	0	10	12	2	0	0	14	0	0	24
Percentage Total	35.10%	3.63%	0.76%	1.21%	40.70%	50.98%	5.45%	0.61%	2.27%	59.30%	0.15%	0.45%	100.00%
Disability %	1.21	0.15	0.15	-	1.51	1.82	0.30	0.00	0.00	2.12			3.63



PART E:

PFMA COMPLIANCE REPORT

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

	2022/23 R'000	2021/22 R'000	2020/21 R'000
Reconciliation of irregular expenditure			
Opening balance	5 514	5 539	5 434
Prior period errors	-	-	21
As restated	5 514	5 539	5 455
Add: Irregular expenditure confirmed	552	-	(267)
Less: Irregular expenditure condoned	-	(25)	(182)
Less: Irregular expenditure not condoned and removed	(243)	-	-
Less: Irregular expenditure recoverable	(115)	-	-
Less: Irregular expenditure not recovered and written off	(176)	-	-
Closing balance	5 532	5 514	5 539

	2022/23 R'000	2021/22 R'000
Reconciling notes		
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	552	-
Total	552	-

	2022/23 R'000	2021/22 R'000
Details of current and previous year irregular expenditure		
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	552	-
Total	552	-

	2022/23 R'000	2021/22 R'000
Details of current and previous year irregular expenditure condoned		
Irregular expenditure condoned	-	(25)
Total	-	(25)

	2022/23 R'000	2021/22 R'000
Details of current and previous year irregular expenditure removed		
Irregular expenditure NOT condoned and removed	(243)	-
Total	(243)	-

	2022/23 R'000	2021/22 R'000
Details of current and previous year irregular expenditure recovered		
Irregular expenditure recovered	(115)	-
Total	(115)	-

	2022/23 R'000	2021/22 R'000
Details of current and previous year irregular expenditure written off		
Irregular expenditure written off	(176)	-
Total	(176)	-

	2022/23 R'000	2021/22 R'000
Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure		
Under assessment – Supplier services rendered without a purchase order issued	-	-
Under assessment - Expenditure incurred by paying rental on an expired contract	-	-
Condoned – Expenditure incurred by paying rental on an expired contract	-	-
Total	-	-

Fruitless and wasteful expenditure

	2022/23 R'000	2021/22 R'000	2020/21 R'000
Reconciliation of fruitless and wasteful expenditure			
Opening balance	2 888	2 501	3 130
Add: Fruitless and wasteful expenditure confirmed	16	390	11
Less: Fruitless and wasteful expenditure recoverable	-	-	-
Less: Fruitless and wasteful expenditure not recovered and written off	(2)	(3)	(640)
Closing balance	2 902	2 888	2 501

	2022/23 R'000	2021/22 R'000
Reconciling notes		
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	386
Fruitless and wasteful expenditure for the current year	16	4
Total	16	390

	2022/23 R'000	2021/22 R'000
Details of current and previous year fruitless and wasteful expenditure		
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	218
Total	-	218

	2022/23 R'000	2021/22 R'000
Details of current and previous year fruitless and wasteful expenditure recovered		
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

	2022/23 R'000	2021/22 R'000
Details of current and previous year fruitless and wasteful expenditure written off (irrecoverable)		
Fruitless and wasteful expenditure written off	(2)	(3)
Total	(2)	(3)

Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure	2022/23 R'000	2021/22 R'000
Interest paid - internal measures put in place to prevent this in future	-	-
Fraud case - report issue to management to implement corrective action	-	168
Abuse and transgression of internal policy - case completed	-	-
Total	-	168

Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

Seda did not suffer any material losses.

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	NUMBER OF INVOICES	CONSOLIDATED VALUE R'000
Valid invoices received	14 587	688 875
Invoices paid within 30 days or agreed period	14 576	688 598
Invoices paid after 30 days or agreed period	10	174
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	0	0
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	1	103

Reasons for invoices paid after 30 days or agreed period

- Northern Cape Province: Two (2) invoices - Disciplinary is being instituted against the responsible officials.
- North West Province: One (1) invoice - Responsible official was issued with a warning.
- Western Cape Province: Seven (7) invoices - Responsible officials were issued with warnings.

Reason for invoices older than 30 days or agreed period (unpaid and in dispute)

One (1) invoice from National Office is being disputed and is pending investigation.

SUPPLY CHAIN MANAGEMENT

Procurement by other means

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Advert: Community Radio Slot and Interviews	Radio Igagasi 99 5	Sole Source	PO 4561	159
Advert: Community Radio Slot and Interviews	Ugu Broadcasting Services	Sole Source	PO 4560	89
Advert: Namakwa Pop Up Market	Radio NFM	Sole Source	PO 2727	15
Advert: Pop up Market	Radio Riverside	Sole Source	PO 2735	17
Advertisement: Pop Up Market Event	Mustard Seed Relationship Marketing	Single source	PO 6418	5
Advertisement: Pop Up Market Event (Pixley ka Seme)	Radio Ulwazi FM	Sole Source	PO 2577	27
Advertisement: Noordwes Koerant	Noordwes Koerant t/a Gemsbok	Single source	PO 3266	3
Advertisement: Outreach Partners	DFA	Sole source	PO 2471	9
Advertisement: Access Points	Arena Holding	Sole source	PO 3736	31
Advertisement: Outreach Partners	Die Platterlander	Sole source	PO 2472	6
Advertising: Access Points	Media 24	Sole source	PO 3805	18
Annual License and Maintenance Fee: QuikEval System	Emergency Growth SA	Sole Source	PO 4785	35
Annual Membership Fee: Institute of Directors	The Institute of Directors in South Africa	Sole Source	PO 4809	36
Annual Membership Fee: Knowledge Management Professional Body	Knowledge Management South Africa	Sole Source	PO 4733	6
Annual Membership: CIPS for SCM Employees (01 Mar 2023–28 Feb 2024)	CIPS Southern Africa	Sole Source	PO 4845	25
Annual Membership: Library and Information Association of SA	Library and Information Association of SA	Sole Source	PO 4654	3
Annual Mpumalanga Business and Investor's Seminar (19 Nov 2022)	Apostolic Faith Mission of South Africa Communion Church	Sole Source	PO 2789	21
Annual Subscription: Business Source Corporate Database	EBSCO International Inc t/a EBSCO Subs	Sole Source	PO 4715	437
Annual Subscription: Business Source Corporate Database (01 Oct 2022–30 Sep 2023)	EBSCO International Inc t/a EBSCO Subs	Sole Source	PO 4422	171
Annual Subscription: Online Information	Sabinet Online (Pty) Ltd	Sole Source	PO 4697	342

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Annual Subscription: Online Information (01 Oct 2022–30 Sep 2023)	Sabinet	Sole Source	PO 4423	30
Art of Pitching	Glen Hazel Letta Mabuya	Single source	PO 4699	10
Art of Pitching	Jack Matome Mawasha	Single source	PO 4679	10
Art of Pitching	Lindiwe Kelly Purity Boucher	Single source	PO 4736	10
Art of Pitching	Matsau Lerato	Single source	PO 4706	10
Art of Pitching	Ndlovu Nozipho	Single source	PO 4698	20
Arts Festival Kunste Onbeperk	Kunste Onbeperk	Sole Source	PO 6887	77
Black Business Council Summit (19 May 2022–20 May 2022)	Black Business Council	Sole Source	PO 4076	34
Board Training (25 May 2022–27 May 2022)	University of Stellenbosch	Single source	PO 3915	303
Building of the stands for FACIM exhibition.	GL Events	Sole Source	PO 4384	771
Business Analyst Conference (03–05 Oct 2022)	The IIBA-SA t/a The IIBA-SA NPC	Sole Source	PO 4496	59
CFE Prep Course (09–20 May 2022)	Anti-Fraud Risk Investigation and Compliance	Sole Source	PO 3989	59
Cloud Hosting Services, system customisation and System Testing. The system will replace the CRM (01 Mar 2023–28 Feb 2024)	Moya Technology	Sole Source	PO 4823	3 887
Entrepreneurship Training for Persons with Disability	Medunsa Organisation for Disabled Entrepreneurs	Sole Source	PO 4342	250
Ethics Officer Certification Programme (20–24 Mar 2023)	The Ethics Institute	Sole Source	PO 4845	91
Ethics Officer Certification Training (17–21 Oct 2022)	The Ethics Institute	Sole Source	PO 4467	28
Exhibition Space: Annual Farmer's Event (26 Nov 2022).	Sekaledi Group Enterprises Construction t/a SGE Limited	Sole Source	PO 2798	3
Exhibition Space: Annual Petrochemical Roadshow (23 Jun 2022)	African Petrochemicals	Sole Source	PO 2445	93
Exhibition Space: Box Shop Pop Up market (27–29 May 2022)	The Box Shop Vilakazi Street	Sole Source	PO 180	93
Exhibition Space: Decorex (16–19 Jun 2022)	Reed Exhibition	Sole Source	PO 286–290 PO 296	102
Exhibition Space: Indaba Trade Expo (03–5 May 2022)	Synergy Business Events (Pty) Ltd	Sole Source	PO 5663	39

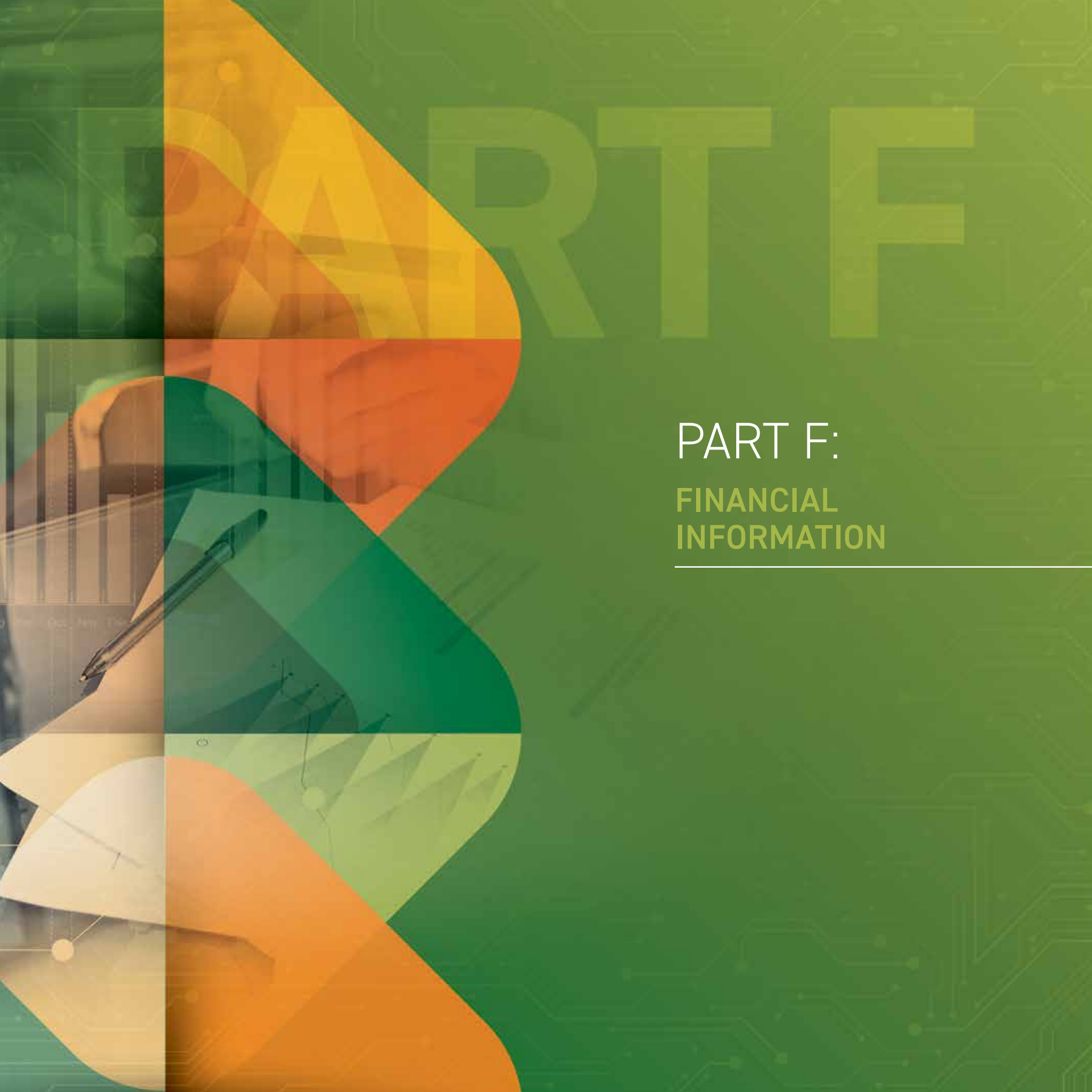
PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Exhibition Space: ITB Berlin (7–9 Mar 2023)	SA Tourism	Sole Source	PO 6799 PO 6798	161
Exhibition Space: Rand Show Exhibition (13–18 Apr 2022)	Dogan Exhibitions and Events	Sole Source	PO 3913	2 211
Exhibition Space: Royal Show (27 May–5 Jun 2022)	Conker Investments	Sole Source	PO 221	35
Exhibition Space: The House and Garden Show Durban	Clive Roy Shedlock t/a The H and G Exhibition Partnership	Sole Source	PO 121	18
Exhibition Space: Energy X Conference (29–30 Mar 2023)	Clarissa Carstens Specialised Services	Sole Source	PO 2759	31
Exhibition Stands: Chilla Nathi Event (07 Aug 2022)	Chilla Nathi Concept	Sole Source	PO 289	22
Exhibition Stands: Menswear (29 Sep 2022–01 Oct 2022)	Messe Frankfurt South Africa	Sole Source	PO 2531 PO 2555	180
Exhibition Stands: The Durban Fair (23–25 Sep 2022)	eThekweni Metropolitan Municipality	Sole Source	PO 164 PO 128	30
Garden Route Pop Up Market	Attacq Retail Fund	Sole Source	PO 6813	52
GEM Report	Stellenbosch University	Sole Source	PO 4765	500
Ghana Food and Beverage Exhibition (15–17 Mar 2023)	Mr Thomas James – Wegvoraus	Sole Source	PO 4869	825
IIASA Annual Membership (1 Sep 2022–31 Aug 2023)	The Institute of Internal Auditors	Sole Source	PO 4496	14
Innovation Summit (27–30 Sep 2022)	SA Innovation Summit	Sole Source	PO 4425	438
Installation of Backup Batteries	Hartwig & Henderson Business Trust	Single source	PO 4211	2
Invest South Africa Conference (22–24 Jun 2022)	Invest South Africa Conference	Sole Source	PO 5996	175
Liasa Conference (23–24 Sep 2022)	Library and Information Association of South Africa	Sole Source	PO 4458	5
New Incubators Training	GrowthWheel	Sole Source	PO 4343	345
Office Lease: Waterberg Branch (01 Feb 2023–31 Jan 2025)	Ismail Wholesalers (Pty) Ltd	Single source	PO 1688	1 112
Photocopier printing services (Copy charges only) – Bizhub (01 Dec 2022–28 Feb 2024)	Konica-Minolta	Single source	PO 4721 PO 4723 PO 4772 PO 4832 PO 4836 PO 4894 PO 4914 PO 4917 PO 4918	4,400

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Photocopier printing services (Copy charges only) – Printshop (01 Mar 2023–28 Feb 2024)	Konica-Minolta	Single source	PO 4769 PO 4770 PO 4771 PO 2916	583
Professional Membership and Subscription (01 Apr 2023–31 Mar 2024)	The Institute of Risk Management of South Africa	Sole Source	PO 4921	6
Provisioning of Exhibition Stands: Feira International De Maputo (FACIM) Participation & Stand (29 Aug 2022–04 Sep 2022). The Service provider organised the event.	Investment and Export Promotion Agency	Sole Source	PO 4383	504
Reed Venue Management Trade Show	Reed Venue Management	Sole Source	PO 6887	174
Renewal of Customer Relationship Management (CRM 200 ERP) License (01 Sep 2022–31 Aug 2023)	AccTech System	Sole Source	PO 4438	1 277
Renewal of Membership (1 Apr 2022–31 March 2023)	The Institute of Directors South Africa	Sole Source	PO 3872	35
Resource Centre Security System	CSX Customer Service	Sole Source	PO 4839	14
Sarcda Trade Show	Sarcda Trade Exhibitions	Sole Source	PO 6850	41
Seda Officials and clients attending Gulf International Technology Expo in Dubai (10–14 Oct 2022)	Cadivison t/a Catalyze	Sole Source	PO 4479	675
SMME Internal Report Updates	University of Stellenbosch	Sole Source	PO 4700	97
Step up to a National Youth Programme	PrimeStars	Sole Source	PO 4385	500
The Plant Powered Show (27–29 May 2022)	Live Events (Pty) Ltd	Sole Source	PO 292–5 PO 5414 PO 5727	471
Training: Business Analysis Training service	PM Dynamics t/a PMD Africa	Single source	PO 4761	77
TS Plus and Pastel Evolution (Sage 200) upgrade	CCG Systems	Single source	PO 4548	92
Vaal Mall Pop Up Market (28 Feb 2023–06 Mar 2023)	Lee Tours	Sole Source	PO 232	180
Venue for Board Induction (18 May 2022)	Atlantis Corporate Travel	Single source	PO 4040	98
Wide Area Network and Internet Services (01 Oct 2022–30 Apr 2023)	Vodacom South Africa	Single source	PO 3864 PO 3993 PO 4334 PO 4868 PO 4928 PO 4936	3 441



Contract variations and expansions

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE R'000	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S R'000	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R'000
Lease: Xhariep Branch (01 Nov 2022 – 31 Oct 2024)	Interactive Trading 604 (Pty) Ltd	Expansion	L2017/1657	2 106	–	710
Lease: Mangaung Branch (01 Nov 2022 – 31 Oct 2024)	Vukile Property Fund (Pty) Ltd	Expansion	L2017/1615	4 429	–	2 480
Lease: National Office (01 Jan 2023 – 31 Dec 2023)	Sayvon Building (Pty Ltd represented by City Property Administration (Pty) Ltd	Expansion	L2019/1202	88 459	44 857	33 248
Lease: uThungulu Branch (01 Jul 2022 – 30 Jun 2024)	Greenmile Investment CC	Expansion	L2022/2793	3 503	200	1 653
Short Term Insurance (01 Oct 2022 – 30 Sept 2023)	Lateral Unison Brokers	Expansion	L2019/2085	5 577	–	2 001
Office Lease: Amathole Branch (01 Aug 2022 – 31 Jul 2024)	Western Properties	Expansion	L2022/2743	2 481	2 990	1 801
Office Lease: Beaufort West Branch (01 Nov 2022 – 31 Oct 2024)	N1 Support	Expansion	L2022/744	498	332	365
Security Guard Services (01 Jan 2023 – 31 Jul 2023)	Fidelity Security Services	Expansion	L2018/1895	1 575	2 885	496
Office Lease: Vhembe Branch (01 Jan 2023 – 31 Dec 2024)	Muthivhi Investment Holdings	Expansion	L2017/1533	4 201	–	1 901
Office Lease: WC Provincial Office and CBD Branch (01 Jan 2023 – 31 Dec 2024)	Metamorphic Properties t/a Investicore	Expansion	L2020/2263	4 702	4 069	3 985
System maintenance and support (01 Feb 2023 – 31 May 2023)	CCG System	Expansion	L2021/2058	699	–	305
Office Lease: Johannesburg Branch (01 Nov 2022 – 31 Oct 2024)	Sanlam Life Insurance	Expansion	L2021/2308	1 226	147	1 033
Office Lease: Ngaka Modiri Branch (01 Jun 2022 – 31 May 2024)	Kakapa Skill Development	Expansion	L2021/2496	3 450		1 364
Reporting System (27 Jan 2023 – 26 Jan 2024)	Moya Technology	Variation	L2021/2041	1 740		257
BBBEE Skills Development services (01 Apr 2023 – 31 Aug 2024)	Izithelo Strategic Partner	Variation	L2022/2565	6 012	–	6 085



PART F:

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

Opinion

1. I have audited the financial statements of the Small Enterprise Development Agency set out on pages 96 to 135, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Small Enterprise Development Agency as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below disclosed in note 25 of the financial statements. My opinion is not modified in respect of this matter.

Merger of Small Enterprise Finance Agency and Co-operative Banks Development Agency into the Small Enterprise Development Agency

7. The cabinet approved the extension period of the merger of the three entities, Small Enterprise Finance Agency, Co-operative Banks Development Agency and Small Enterprise Development Agency. The merger was initially set to be effective 1 April 2022. This follows cabinet approvals for the merger to ensure government provides a single entity that will provide financial and non-financial in support small to medium enterprises. Cabinet mentioned that the approved extension will enable the Department of Small Business Development to finalise the legislative reviews to provide a proper legislated and policy environment that allows the formation of the single entity. The plans to merge the three entities are in progress.

Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 22 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Small Enterprise Development Agency. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measure the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 1 – Township, rural and informal businesses	26–28	To support township, rural-based enterprises, and informal businesses to ensure that they are competitive and contribute meaningfully. This includes providing compliance support to aid business formalisation to enable business growth by providing necessary support to ensure that they are competitive.

16. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives;
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements;
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated;
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents;

- the reported performance information is presented in the annual performance report in the prescribed manner; and
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over - or underachievement of targets.

18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

19. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 1 – Township, rural and informal businesses programme

Various indicators

20. The source information for achieving the planned indicator was not clearly defined for the below indicators.

21. Adequate systems and processes were not established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions for the indicators listed below:

Performance Indicator description	Planned targets	Reported achievement
Indicator 1 - Number of SMMEs and Cooperatives reached through awareness session.	20 000	68 117
Indicator 2 - Number of township and rural businesses supported.	16 000	21 802
Indicator 5 - Ecosystem Development Plan implementation.	40%	6%

Various indicators

22. The achievements below were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

Performance Indicator description	Planned targets	Reported achievement
Indicator 2 - Number of township and rural businesses supported.	16 000	21 802
Indicator 4 - Number of new Incubation Centres established.	11	11

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Township, rural and informal business programme. Management did not correct all of the misstatements and I reported material findings in this regard.

REPORT ON COMPLIANCE WITH LEGISLATION

26. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

27. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

28. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

29. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

30. The accounting authority is responsible for the other information included in the annual report, which includes the accounting officer report, the audit committee's report and statement of responsibility and the confirmation of accuracy for the annual report included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

31. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

32. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

35. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on the annual performance report included in this report.

36. Management did not adequately establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

37. Management has continued the journey of implementing proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support audit process, there was an instances where I questioned the credibility and integrity of supporting documentation provided for audit purposes.

38. Management did not adequately exercise oversight responsibility regarding performance reporting as well as related internal controls as numerous misstatements were identified that resulted in material findings on performance information.

39. Management developed action plans for addressing prior year issues related to performance reporting and the prior year material findings. The implementation of these actions plans is still in progress and therefore the public entity has not sufficiently implemented controls as the material findings related to performance reporting were noted in the current period.

40. Management did not adequately prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information, as numerous misstatements were identified that resulted in material findings on performance information.

41. Management did not adequately implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support performance reporting.

Other reports

42. I draw attention to the following engagement concluded during the previous financial year. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
43. The Risk and Compliance Unit performed an investigation into allegations of mismanagement of funds by a Small Enterprise Development Agency funded Incubator. This investigation covers period 16 September 2018 to 15 March 2019. The investigation concluded on 2 March 2022 and resulted in recommendations to improve internal controls of the public entity. The implementation of these recommendations was in progress at the date of this auditor's report.

Auditor General

Pretoria
31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the 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 my 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation



Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Selected legislation and regulations	Auditor's report
Public Finance Management Act 1 of 1999 (PFMA) and regulation	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(3)(c); 66(5)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c') Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c') Treasury Regulation 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)

Selected legislation and regulations	Auditor's report
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
Preferential Procurement Regulations, 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/23	Preferential Procurement Regulations, 2022
National Treasury Instruction No.1 of 2015/16	PFMA SCM Instruction no. 09 of 2022/23
PFMA SCM Instruction Note 03 2021/22	National Treasury Instruction No.1 of 2015/16
NT Instruction Note 03 of 2019/20	PFMA SCM Instruction Note 03 2021/22
NT Instruction Note 11 of 2020/21	NT Instruction Note 03 of 2019/20
PFMA SCM Instruction note 2 of 2021/22	NT Instruction Note 11 of 2020/21
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM Instruction 08 of 2022/23	Paragraph 3.2; Par. 4.3.2; 4.3.3
Competition Act No 89 of 1998	Section 4(1)(b)(ii)
NT Instruction note 4 of 2015/16	Paragraph 3.4
NT SCM Instruction note 4A of 2016/17	Paragraph 6
Second amendment of NT Instruction 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 2020/21	Paragraph 1
Erratum NTI 5 of 2020/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1, Paragraph 3.1 (b)
PFMA SCM Instruction Note 01 of 2021/22	Paragraph 4.1

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2023

	NOTES	2023 R	2022 R
Revenue: Exchange		21 423 236	36 779 965
Interest received	2	8 663 927	11 038 067
Sundry income and proceeds from insurance claims	2	3 318 180	6 323 786
Earnings from programmes and projects	2	9 441 129	19 418 112
Revenue: Non-exchange		935 444 451	865 453 147
Government grants	2	678 751 000	606 517 000
- Seda (from DSBD)		159 445 000	156 525 000
- Seda Technology Programme (Stp)		87 950 016	79 578 947
DSBD specific projects	2	7 324 461	17 766 218
Provincial governments	2	1 357 354	2 065 982
Other income – services in kind	2	616 620	3 000 000
Other earnings from programmes and projects	2		
Total revenue	2	956 867 687	902 233 112
Expenses			
Depreciation, impairment and amortisation	3	(16 991 614)	(13 193 269)
Goods and services		(552 768 566)	(773 063 136)
- Administrative and other costs	3	(158 399 758)	(155 229 086)
- Programme and project costs	3	(394 368 808)	(617 834 050)
Loss on sale and write-off of assets	3	(261 105)	(511 153)
Personnel cost	3	(381 145 151)	(376 706 574)
Total expenses		(951 166 436)	(1 163 474 132)
Surplus/(deficit) for the year		5 701 251	(261 241 020)

STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	NOTES	2023 R	2022 R
Assets			
Current assets			
Cash and cash equivalents	4	110 343 610	214 926 021
Accounts receivable	5	82 937 459	189 645 136
Inventories	6	27 095 294	25 035 878
		310 857	245 007
Non-current assets			
Plant and equipment	7	44 619 128	58 564 575
Intangible assets	8	42 779 824	54 599 679
		1 839 304	3 964 896
Total assets		154 962 738	273 490 596
Liabilities			
Current liabilities			
Accounts payable	9	162 120 626	285 387 749
Current portion of operating lease obligations	11	136 314 043	255 419 197
Provisions	10	1 448 487	1 821 301
		24 358 096	28 147 251
Non-current liabilities			
Long-term portion of operating lease obligations	11	508 395	1 470 380
		508 395	1 470 380
Total liabilities		162 629 021	286 858 129
Net assets			
Accumulated surplus/(deficit)		(7 666 283)	(13 367 533)
Total net assets		(7 666 283)	(13 367 533)

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2023

Balance at 1 April 2021

Deficit for the year

Balance at 31 March 2022

Surplus for the year

Balance at 31 March 2023

ACCUMULATED
SURPLUS
R

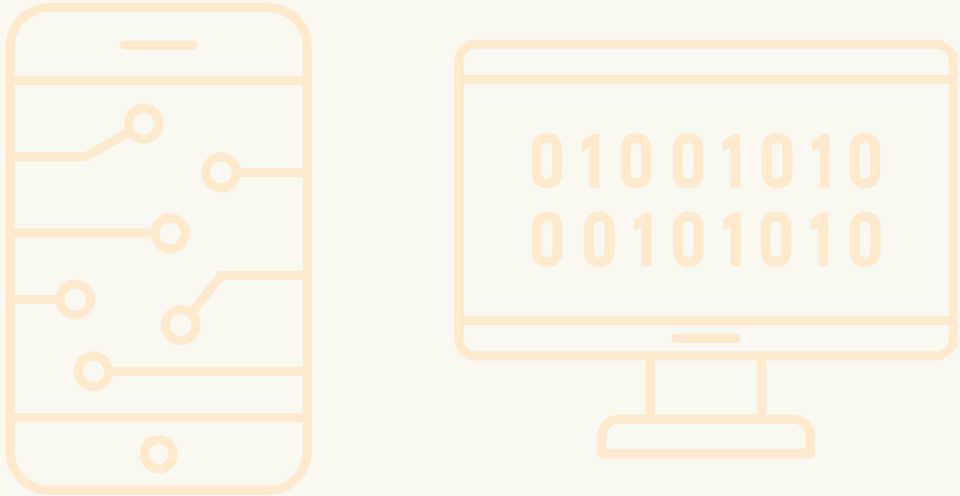
247 873 486

(261 241 020)

(13 367 534)

5 701 251

(7 666 283)



CASH FLOW STATEMENT

for the year ended 31 March 2023

	NOTES	2023 R	2022 R
Cash flows from operating activities			
Receipts			
Earnings from programmes and projects	15c	8 739 067	24 290 629
Interest received	2	8 663 927	11 038 067
Revenue: Non-exchange (excluding services in kind)	2	934 087 097	863 387 165
Sundry income and proceeds from insurance claims	2	3 318 180	6 323 786
		954 808 271	905 039 647
Payments			
Personnel cost	3	(381 145 151)	(376 706 574)
Suppliers	15d	(677 063 524)	(660 890 674)
		(1 058 208 675)	(1 037 597 248)
Net cash flows (used in)/from operating activities	15b	(103 400 404)	(132 557 601)
Cash flows from investing activities			
Proceeds on disposal of assets		82 132	254 246
Purchase of assets	15a	(3 389 405)	(21 592 468)
Net cash used in investing activities		(3 307 273)	(21 338 222)
Cash flows from financing activities			
Repayments on finances		-	-
Net cash used in financing activities		-	-
Net decrease in cash and cash equivalents		(106 707 677)	(153 895 823)
Cash and cash equivalents at the beginning of the year		189 645 136	343 540 959
Cash and cash equivalents at end of year	4	82 937 459	189 645 136

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL INFORMATION

for the year ended 31 March 2023

	ORIGINAL BUDGET 2022/23 R	ADJUSTMENTS R	FINAL BUDGET 2022/23 R	ACTUAL 2022/23 R	%	VARIANCE R
Revenue						
Earnings from programmes and projects ¹	137 642 416	(33 983 197)	103 659 219	105 332 226	1.61%	1 673 007
Gain on sale of assets	-	-	-	-		-
Government grants	776 193 000	62 003 000	838 196 000	838 196 000	0.00%	-
- Seda	616 748 000	62 003 000	678 751 000	678 751 000	0.00%	-
- Seda Technology Programme	159 445 000	-	159 445 000	159 445 000	0.00%	-
Interest received ²	10 000 000	-	10 000 000	8 663 927	-13.36%	(1 336 073)
Sundry income ³	3 131 584	216 720	3 348 304	4 675 534	39.64%	1 327 230
Total revenue	926 967 000	28 236 523	955 203 523	956 867 687	0.17%	1 664 164
Expenses						
Administrative and other costs ⁴	(158 042 019)	(1 098 876)	(159 140 895)	(158 399 758)	0.47%	741 137
Depreciation, impairment and amortisation ⁵	(15 795 916)	(1 619 102)	(17 415 018)	(16 991 614)	2.43%	423 404
Loss on sale and write-off of assets ⁶	-	-	-	(261 105)		(261 105)
Personnel cost ⁷	(375 989 133)	(5 319 704)	(381 308 837)	(381 145 151)	0.04%	163 686
Programme and project costs ⁸	(376 734 932)	(16 899 631)	(393 634 563)	(394 368 808)	-0.19%	(734 245)
Total expenses	(926 562 000)	(24 937 313)	(951 499 313)	(951 166 436)	0.03%	332 877
Surplus/(deficit)	405 000		3 704 210	5 701 251		1 997 041
CAPEX ⁹	(405 000)	(3 299 210)	(3 704 210)	(3 389 405)	8.50%	314 805
Total (including CAPEX)	(926 967 000)	(28 236 523)	(955 203 523)	(954 555 841)	0.07%	647 682
Net surplus (including CAPEX)	-	-	-	2 311 846		

Explanations of budget adjustments:

- Earnings from programmes and projects – Adjustment due to additional funding received during the year mainly from Departments, Provincial and Local governments.
- Administrative and other costs – Adjustment due to savings. Administrative cost budget was adjusted to support delivery of projects.
- Depreciation, impairment and amortisation – Depreciation was adjusted due to the delays in delivery of assets, mainly computer equipment due to a shortage in the country since the COVID-19 pandemic.
- Personnel cost – Adjustment due to provision for leave, additional staff of temporary workers and provision for performance rewards.
- Programme and project costs – Adjustment due to additional allocations for certain programmes and projects.
- Capital Expenditure – Additional funding was allocated to replace aging assets.

Explanations of budget and actual amounts comparison variances:

- Earnings from programmes and projects – Income is recognised once expenditure is incurred. Projects with advance payments were delivered earlier than anticipated.
- Interest received – Due to lower bank balance maintained in the previous years when there was a surplus.
- Sundry income – Increase due to service-in-kind, shared office spaces provided by third parties in the provinces.
- Depreciation, impairment and amortisation – Assets useful lives were reviewed during the year.
- Loss on sale of assets – Disposal of asset loss is not budgeted for.
- Personnel cost – Minor deviation of 0.04% underspend.
- Programmes and project costs – Minor deviation of 0.19% overspend.

Refer to note 1.17.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

1 Accounting policies

The financial statements were prepared on a historical cost basis in accordance with Standards of Generally Recognised Accounting Practice and the Public Finance Management Act 1999 (Act No. 1 of 1999) as amended. The accounting policies have been applied consistently throughout the year and agree with the accounting policies applied in the previous financial year except where explicitly stated.

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis, in South African rand.

In terms of Section 55(1)b of the Public Finance Management Act, Seda is required to comply with Generally Recognised Accounting Practice (GRAP).

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretation, guidelines and directives issued by the Accounting Standards Board (ASB). The financial statements fairly present the entity's financial position, financial performance and cash flows as per the requirements of GRAP 1.

In the absence of a GRAP Standard, the GRAP hierarchy in GRAP 3 – Accounting policies, changes in accounting estimates and errors are used to develop an appropriate accounting policy. In terms of GRAP 3, judgement must be used when developing an accounting policy. In applying judgement, GRAP 3 requires that management refers to and considers the applicability of the following sources in descending order:

- (a) the requirements and guidance in Standards of GRAP dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements.

The Annual Financial Statements have been prepared on a historical cost basis, except for the measurement of certain financial instruments, and incorporate the principal accounting policies set out below.

1.1.1 Adoption of new and revised standards

No new standards were adopted by Seda for 2022/23 financial year.

1.1.2 Standards and interpretations issued, but not yet effective

Standards issued that are applicable to Seda but not yet effective up to date of issuance of Seda's financial statements are listed below. These standards will be adopted when they become effective.

STANDARD OR INTERPRETATION		PLANNED/ EFFECTIVE DATE
Amendment to GRAP 1	Presentation of Financial Statements	1 April 2023
GRAP (2020)	Improvement to Standards of GRAP	1 April 2023
GRAP 104	Financial Instruments	1 April 2025
GRAP 25	Employee Benefits	1 April 2023
IGRAP 21	The Effect of Past Decisions on Materiality	1 April 2023

IGRAP 21 – The effect of past decisions on materiality

The objective of this Standard is to address the following issues:

- (a) Whether past decisions about materiality affect subsequent reporting periods.
- (b) Whether applying alternative accounting treatments based on materiality is a departure from the Standards of GRAP or an error.

This means that when the effect of applying an accounting policy in a Standard of GRAP is:

- Material – An entity develops accounting policies for items using the principles outlined in the Standards of GRAP (hereafter referred to as "accounting policies").
- Immaterial – An entity may develop alternative accounting treatments for items (hereafter referred to as "alternative accounting treatments").

Accounting policies and/or alternative accounting treatments are applied based on an entity's assessment of materiality during a reporting period and at the reporting date. Materiality is assessed based on all relevant facts and circumstances that exist at the time of assessment.

As a result, the assessment of, and decisions about, materiality are period-specific and do not affect subsequent reporting periods unless an error occurred.

Accounting policies and/or alternative accounting treatments are applied consistently to similar items, or groups of items based on materiality. The effect of applying materiality is assessed for items (or groups of items) individually as well as collectively.

Is applying an alternative accounting treatment a departure from the Standards of GRAP or an error?

Materiality is assessed and applied during a reporting period and at each reporting date based on all facts and circumstances that exist at the time of assessment. GRAP 3 allows entities to not apply the accounting policies outlined in the Standards of GRAP when the effect of applying them is immaterial. This means that the application of materiality and alternative accounting treatments are not errors and are not departures from the Standards of GRAP.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

In applying materiality, it is possible for an error to occur. An error may occur in the following circumstances:

- (a) Immaterial items are omitted from the financial statements.
- (b) An inappropriate alternative accounting treatment is applied because of a failure to use, or misuse of, reliable information that was available or could reasonably have been expected to be used at reporting date.
- (c) An alternative accounting treatment is applied to immaterial items to achieve a particular presentation in the financial statements.
- (d) An incorrect assessment of materiality is made resulting in material transactions being accounted for as immaterial transactions.

If an error has occurred, it is corrected using the principles in GRAP 3.

This Interpretation shall be applied prospectively. Entities are not required to reassess the application of past decisions on materiality.

1.2 Property, plant and equipment

Property, plant and equipment is initially recorded at cost. Costs include costs incurred initially to acquire an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. Costs are capitalised to the extent that the cost can be measured reliably and is probable that the cost will result in the inflow of future economic benefits to Seda.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets to their residual value over their estimated useful lives, using the straight-line method.

The residual value and the useful life of an asset is reviewed at least at each financial year end and if expectations differ from previous estimates, the change is accounted for as change in an accounting estimate. An estimation is made of the amount it would receive currently for the asset if the asset were already of the age and condition expected at the end of its useful life.

The carrying amount of property, plant and equipment is de-recognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the Statement of Financial Performance.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is recognised if, and only if:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

An intangible asset is measured initially at cost.

The useful life of an intangible asset that arises from contractual or other legal rights shall not exceed the period of the contractual or other legal rights, but may be shorter depending on the period over which the entity expects to use the asset.

The useful life of the intangible asset shall include the renewal period only if there is evidence to support renewal by the entity without significant cost. The depreciable amount of the intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life.

Amortisation is charged so as to write-off the cost of assets to its residual value over their estimated useful lives, using the straight-line method.

1.4 Impairment of assets

An "impairment" is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/amortisation. Impairment, therefore, reflects a decline in the utility of an asset to the entity that controls it.

Cash generating assets are assets that are held with the primary objective of generating a commercial return. Assets will generate a commercial return when the entity intends to generate positive cash flows from the asset similar to a profit-orientated entity.

Non-cash generating assets are primarily held for service delivery purposes.

Given the overall objectives of Seda, its assets are non-cash generating.

At each Statement of Financial Position date, Seda reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Seda estimates the recoverable amount of the cash and non-cash generating unit to which the asset belongs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Performance.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance.

1.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This asset or liability is not discounted. Any contingent rents are expensed in the period they are incurred.

Assets held under finance leases are recognised as assets of Seda at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged as an expense in the Statement of Financial Performance, unless they are directly attributable to qualifying assets.

1.6 Inventories

Consumable stores are initially recognised at cost. Consumable stores are valued at the lower of initial cost or current replacement cost.

The entity recognises inventories as an expense in the Statement of Financial Performance when distributed.

Provision for inventory is recorded based on the differences between the inventory on the floor and the accounting records, while the approval process is not obtained.

1.7 Revenue recognition

Revenue from exchange transactions

Investment income represents interest received on cash balances with financial institutions. Interest is expensed, using the effective interest rate method.

Revenue from contracts and services rendered is recognised when all the following have been satisfied:

- Seda has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Seda retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to Seda; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the Statement of Financial Position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to Seda;
- the stage of completion of the transaction at the Statement of Financial Position date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue from the exchange transactions refers to revenue that accrued to the entity directly in return for services rendered, the value of which approximates the consideration received or receivable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net trade discounts and volume rebates, and value added tax.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Transfers from government entities represents the parliamentary grant from the Department of Small Business Development (DSBD). Transfers from government entities are recognised as income on accrual basis as and when invoiced or received from the DSBD.

Government grants are recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. The grant is recognised to the extent that there are no further obligations arising from the receipt of the grant.

Government grants received for the purpose of giving immediate financial support with no future related costs are recognised as income in the period in which they become receivable. Government grants relating to specific expenditure are deferred and recognised in the year during which the expenses are incurred.

1.8 Provisions

Provisions are recognised when Seda has a present obligation as a result of a past event, and it is probable that Seda will be required to settle that obligation. Provisions are measured at the Management's best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date, and are discounted to present value where the effect is material.

1.9 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to performance bonus and/or thirteen cheque represent the amount which Seda has a present obligation to pay as a result of employees' service provided to the reporting date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

Provident fund

Seda contributes to defined contribution plans and recognises the amount as an expense in the Statement of Financial Performance. This fund is governed by the Pension Fund Act, 1956.

Medical aid

Medical aid contributions are restricted to the period of employment.

1.10 Financial instruments

Financial assets and financial liabilities are initially recognised at fair value plus transaction cost on Seda's Statement of Financial Position when Seda has become a party to contractual provisions of the instrument.

Subsequent to initial recognition these instruments are measured as set out below:

Financial assets

Financial assets are cash and cash equivalents and trade and other receivables.

Accounts receivable

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are expensed when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Bank and cash balances

Cash and cash equivalents comprise of cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash is subsequently held at amortised cost.

Financial liabilities

Financial liabilities consist of finance lease long-term liabilities, trade and other payables and other short-term finance lease liabilities. The financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

De-recognition

The de-recognition of financial instruments occur when the obligation is extinguished. A financial liability (or part of it) is extinguished when the debtor either:

- Discharges the liability (or part thereof) by paying the creditor, normally with cash, other financial liabilities, goods or services;
- Is legally released from primary responsibility for the liability (or part of it) either by process of law (expires) or by the creditor (cancelled). If the debtor has given a guarantee, this condition may still be met; or
- Waives the debt or it is assumed by another entity by way of a non-exchange transaction. These transactions are accounted for by considering the requirements in GRAP 104 and GRAP 23 on Revenue from Non-exchange Transactions (Taxes and Transfers).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

1.11 Critical judgments in applying the entity's accounting policies

In the process of applying Seda's accounting policies management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements:

Property, plant and equipment

Depreciation is calculated on the historical cost using the methods and the rates stated below in note 7. The residual values of all assets are estimated, until they are not usable anymore.

Performance reward

The provision for performance reward on the financials represents the obligation to pay the reward to salaried employees as a result of predetermined performance criteria having been met. This is in line with GRAP 25.

Provision for debtors

The provision for doubtful debts is the amount of bad debt that will arise from accounts receivable that have been issued but not yet collected. All debts older than 12 months must be provided for in full, unless if there is reliable information and progress towards recovery.

1.12 Related parties

Seda, as a Schedule 3A Public Entity, under the PFMA, operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties. Key management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Only transactions with related parties not at arm's length or not in the ordinary course of business, are disclosed. Refer to notes 2, 14, 17 and 18.

1.13 Irregular expenditure

Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999); or
- the State Tender Board Act, Act No. 86 of 1968, or any regulation made in terms of that Act.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 Contingent assets and liabilities

A contingent liability is

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

A contingent asset usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefit to the entity. The inflow of economic benefit must be probable, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in the financial statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

1.16 Commitments

Commitments are agreements that were entered into by the agency with an external service provider or parties before the reporting date where delivery is expected to take effect after the reporting date.

Such commitments do not meet the definition of a liability in terms of the conceptual framework.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

1.17 Presentation of budget information

Comparison of budget and actual amounts are presented in the Statement of Comparison of Budget and Actual Information for the financial year 2022/23. Seda only presents the final budget amounts. Differences (variances) between the actual amounts and budget amounts are presented and explained.

As per GRAP 24, Seda prepares its budget on a comparable basis, meaning that the budget and financial instruments:

- are prepared using the accrual basis of accounting for both;
- including the same activities and entities;
- using the same classification system; and
- are prepared for the same period.

1.18 Segment reporting

The objective of this Standard is to establish principles for reporting financial information by segments. The disclosure of this information will:

- a) enable users of the financial statements to better understand the entity's performance, to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates;
- b) identify the resources allocated to support the major activities of the entity and assist in making decisions about the allocation of resources; and
- c) enhance the transparency of financial reporting and enable the entity to better discharge its accountability obligations.

A segment is a distinguishable activity or group of activities of an entity for which is appropriate to report financial information separately, for evaluating the entity's past performance in achieving its objectives and for making decisions about the future allocation of resources.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated or particular objectives achieved, by an entity within a particular region. Seda choose to adopt reporting based on geographical segments as management closely monitors operational performance and resources allocation to the provinces for optimal service delivery, as per GRAP 18. The basis of accounting for any transactions and nature of measurement between reportable segments is the same throughout Seda.

1.19 Expenditure recognition

The accrual accounting method recognises expenses when they are incurred, regardless of when cash is paid.

1.20 Foreign exchanges

The objective of GRAP 4 is to ensure that appropriate recognition criteria and measurement bases are applied to transactions and balances in a currency other than the reporting currency and that sufficient information is disclosed in the notes to the financial statements.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard:

- (a) in accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of the Standard of GRAP on Financial Instruments;
- (b) in translating the financial performance and financial position of foreign operations that are included in the financial statements of the entity by consolidation, proportionate consolidation or by the equity method; and
- (c) in translating an entity's financial performance and financial position into a presentation currency.

A foreign currency transaction is a transaction that is denominated or requires settlement in a foreign currency, including transactions arising when an entity buys or sells goods or services whose price is denominated in a foreign currency.

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in surplus or deficit in the period in which they arise.

The entity shall disclose: (a) the amount of exchange differences recognised in surplus or deficit except for those arising on financial instruments measured at fair value through surplus or deficit in accordance with the Standard of GRAP on Financial Instruments; and (b) net exchange differences classified in a separate component of net assets and a reconciliation of the amount of such exchange differences at the beginning and end of the period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

NOTES	2023 R	2022 R
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2 Revenue**Revenue: Exchange**

Interest received
 Sundry income (including asset related)
 Earnings from programmes and projects
 - Local government
 - Other specific projects

21 423 236	36 779 965
8 663 927	11 038 067
3 318 180	6 323 786
9 441 129	19 418 112
3 491 427	1 959 251
5 949 702	17 458 861

Revenue: Non-exchange

Government grants
 - Seda from DSBD
 - Seda Technology Programme (Stp) from DSBD
 DSBD specific projects
 Provincial Governments
 Other income - services in kind
 Other earnings from programmes and projects

935 444 451	865 453 147
838 196 000	763 042 000
678 751 000	606 517 000
159 445 000	156 525 000
87 950 016	79 578 947
7 324 461	17 766 218
1 357 354	2 065 982
616 620	3 000 000
956 867 687	902 233 112

Nature and type of services in kind are as follows:

Services in kind relate to the fair value of accommodation supplied at no charge by stakeholders to Seda branches in the provinces.

3 Expenses for the year

Surplus for the year is arrived at after taking into account the following:

Personnel cost

- Long service awards
 - Provision for leave
 - Provision for performance reward
 - Salaries
 - Skills Development Levy (SDL)
 - Temporary workers
 - Workmen's compensation

381 145 151	376 706 574
608 000	923 000
862 892	1 600 058
18 299 421	29 102 772
355 236 300	337 530 474
3 566 161	3 527 858
994 012	2 522 412
1 578 365	1 500 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

NOTES	2023 R	2022 R
	158 399 758	155 229 086
	97 085 619	91 814 170
	56 045 311	47 927 019
	6 572 451	6 385 110
	2 292 179	2 812 072
	2 566 978	2 801 082
	243 086	756 579
	49 147	247 604
	1 266 756	913 130
	1 007 989	883 769
	9 674 543	9 462 806
	19 582 566	16 670 133
	-	5 139
	15 356 594	9 790 677
	16 071 892	20 842 424
	3 040 541	2 224 257
	1 815 300	2 560 187
	1 366 964	3 160 367
	9 849 087	12 897 613
	20 559 125	18 778 918
	7 804 253	8 152 981
	75 684	1 333 172
	12 679 188	9 292 765
	1 552 371	1 083 058
	970 657	797 155
	289 229	255 185
	581 804	466 670
	99 624	75 300
	1 886 263	2 385 596

Administrative and other costs

Administrative costs

- Admin related (excluding boards members' emoluments, operating lease expense and provision for bad debt)
 - Cleaning
 - Consumables
 - Maintenance and repairs
 - Maintenance and repairs-hardware
 - Maintenance and repairs-office equipment
 - Maintenance and repairs-office buildings
 - Maintenance and repairs-vehicles
 - Municipal services
 - Other (includes catering, general expenditure, insurance, stationery etc.)
 - Provision for inventory write-off
 - Travel and accommodation
- Communication costs
 - Advertising and marketing
 - Printing and publication
 - Other (includes courier cost, library maintenance etc.)
 - Telephone and cell phone
- Computer services
 - Internet charges
 - Specialised computer services
 - Software licences
- Recruitment and re-location costs
- Professional services (excluding auditors' remuneration)
 - Consultants
 - Legal services
 - Other (includes membership fees to professional bodies etc.)
- Staff training and development

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	NOTES	2023 R	2022 R
Auditors' remuneration		3 884 439	7 351 105
- External auditors		2 867 845	6 234 162
• Regularity audit		2 867 845	6 234 162
- Internal auditors		1 016 594	1 116 943
Board members' emoluments		3 997 021	2 294 017
- For services as members (excl. CEO remuneration)		3 839 142	2 099 051
- Board sub-committees		157 879	194 966
Operating lease expenses		52 811 676	53 076 042
- Buildings and equipment			
Provision for bad debts	5	619 826	689 477
Interest paid		1 177	4 275
- Interest paid		1 177	4 275
Depreciation, impairment and amortisation		16 991 614	13 193 269
- Computer equipment		8 953 379	6 053 823
- Computer software		2 125 586	1 345 172
- Equipment		1 992 500	1 417 026
- Motor vehicles		2 774 837	3 667 157
- Office furniture		739 076	(145 291)
- Leasehold improvements		406 236	855 382
Loss on sale and write-off of plant and equipment		261 105	511 153
- Loss on sale and write-off of plant and equipment		261 105	511 153
Programme and projects costs		394 368 808	617 834 050
- Enterprise Development Fund (EDF)		52 941 381	87 757 513
- Other programmes and projects (includes DSBD specific projects, programme development, ICT projects, specific target market projects etc.)		139 117 368	94 675 334
- Seminars and workshops for clients		7 238 319	9 784 782
- Stp - Incubators		160 717 843	281 709 340
- Stp - Quality and standards projects		11 639 354	7 386 246
- Stp - Technology Transfer Assistance (TTA)		22 714 543	136 520 835

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	NOTES	2023 R	2022 R
4 Cash and cash equivalents			
Investment account		53 115	50 012
Current accounts		82 547 869	189 239 398
Petty cash		336 475	355 726
		82 937 459	189 645 136
Refer to note 16.4 for details on interest rates. Included in the cash balance of R82 937 459 is the R32 102 651 (2022: R23 203 872) relating to grants received in advance, which is to be utilised for specific projects as reflected in note 9.			
5 ACCOUNTS RECEIVABLE			
Exchange transactions			
Deposits		4 227 462	3 847 835
Payment in advance		22 549 033	20 725 246
Staff receivables		124 811	202 480
Sundry receivables		1 308 191	869 694
		28 209 497	25 645 255
Provision for bad debt - sundry receivables		(1 114 203)	(609 377)
		27 095 294	25 035 878
Provision for bad debts:			
Movement for the year:			
Opening balance at 1 April		609 377	4 537 948
Less: Bad debt written off or (recovered)		(115 000)	(4 618 048)
		494 377	(80 100)
Net charge to the Statement of Financial Performance	3	619 826	689 477
Closing balance at 31 March		1 114 203	609 377
The ageing analysis of the past due sundry receivables is as follows:			
< 3 months		318 565	217 919
3–6 months		9 007	10 707
6 months–1 year		484 716	45 683
1+ years		495 903	595 385
Total sundry receivables past due date		1 308 191	869 694

Notes:

1. No non-exchange transactions for accounts receivable.

2. Seda do not have credit sales.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

NOTES	2023 R	2022 R
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6 Inventories

Consumable stores at cost	310 857	250 146
Provision for inventory write-downs	-	(5 139)
Current replacement cost	310 857	245 007

Provision for stationery and computer consumables written off:

Movement for the year:

Opening balance at 1 April	5 139	9 057
Less: Stationery and computer consumables write downs/written off	(5 139)	(9 057)
	-	-
Net charge to the Statement of Financial Performance	-	5 139
Closing balance at 31 March	-	5 139

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

COMPUTER EQUIPMENT R	EQUIPMENT R	MOTOR VEHICLES R	OFFICE FURNITURE R	LEASEHOLD IMPROVEMENTS R	TOTAL R
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7 Plant and equipment

2022/23 Major assets (above R2 000 per item)

At 1 April 2022

Cost	84 801 549	21 230 826	49 948 560	24 822 191	10 562 105	191 365 231
Accumulated depreciation and impairment	(61 061 391)	(14 170 161)	(31 513 863)	(20 776 754)	(9 249 066)	(136 771 235)
Opening carrying amount	23 740 158	7 060 665	18 434 697	4 045 437	1 313 039	54 593 996

Year ended 31 March 2023

Opening carrying amount	23 740 158	7 060 665	18 434 697	4 045 437	1 313 039	54 593 996
Additions at cost	1 944 294	535 535	811 830	49 394	36 556	3 377 609
Disposals and write off at cost	(277 575)	(456 429)	(2 130 176)	(140 157)	(3 886 688)	(6 891 025)
Disposal and write off depreciation	209 898	427 351	1 940 688	128 624	3 841 271	6 547 832
Work in progress	-	-	-	-	-	-
Depreciation for the year	(8 946 202)	(1 985 333)	(2 774 837)	(739 071)	(406 236)	(14 851 679)
Closing carrying amount	16 670 573	5 581 789	16 282 202	3 344 227	897 942	42 776 733

At 31 March 2023

Cost	86 468 268	21 309 932	48 630 214	24 731 428	6 711 973	187 851 815
Accumulated depreciation and impairment	(69 797 695)	(15 728 143)	(32 348 012)	(21 387 201)	(5 814 031)	(145 075 082)
Carrying amount	16 670 573	5 581 789	16 282 202	3 344 227	897 942	42 776 733

Useful lives	4 years	6 years	5 years	6 years	6 years or lease period	
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	COMPUTER EQUIPMENT R	EQUIPMENT R	MOTOR VEHICLES R	OFFICE FURNITURE R	LEASEHOLD IMPROVEMENTS R	TOTAL R
2022/23 Minor assets (below R2 000 per item and excluding major assets)						
At 1 April 2022						
Cost	258 011	535 580	-	308 546	27 850	1 129 987
Accumulated depreciation and impairment	(253 872)	(534 562)	-	(308 041)	(27 829)	(1 124 304)
Opening carrying amount	4 139	1 018	-	505	21	5 683
Year ended 31 March 2023						
Opening carrying amount	4 139	1 018	-	505	21	5 683
Additions at cost	4 641	7 154	-	1	-	11 796
Disposals and write-off at cost	(2 499)	(7 837)	-	(784)	(18 888)	(30 008)
Disposal and write-off depreciation	2 497	7 817	-	782	18 873	29 969
Work in progress	-	-	-	-	-	-
Depreciation for the year	(7 177)	(7 167)	-	(5)	-	(14 349)
Closing carrying amount	1 601	985	-	499	6	3 091
At 31 March 2023						
Cost	260 153	534 897	-	307 763	8 962	1 111 775
Accumulated depreciation and impairment	(258 552)	(533 912)	-	(307 264)	(8 956)	(1 108 684)
Carrying amount	1 601	985	-	499	6	3 091
Total carrying value	16 672 174	5 582 774	16 282 202	3 344 726	897 948	42 779 824

Note: No assets are pledged as security and there's no contractual commitments for the acquisition of assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	COMPUTER EQUIPMENT R	EQUIPMENT R	MOTOR VEHICLES R	OFFICE FURNITURE R	LEASEHOLD IMPROVEMENTS R	TOTAL R
2021/22 Major Assets (above R2 000 per item)						
At 1 April 2021						
Cost	74 309 549	18 272 129	50 120 307	23 964 364	10 333 480	176 999 829
Accumulated depreciation and impairment	(55 601 294)	(12 774 709)	(30 312 154)	(21 007 884)	(8 428 091)	(128 124 132)
Opening carrying amount	18 708 255	5 497 420	19 808 153	2 956 480	1 905 389	48 875 697
Year ended 31 March 2022						
Opening carrying amount	18 708 255	5 497 420	19 808 153	2 956 480	1 905 389	48 875 697
Additions at cost	11 127 929	2 380 161	3 000 091	947 577	264 125	17 719 883
Disposals and write off at cost	(267 933)	(17 052)	(3 171 838)	(89 750)	(35 500)	(3 582 073)
Disposal and write off depreciation	214 987	15 863	2 465 599	85 839	34 407	2 816 695
Work in progress	-	590 597	-	-	-	590 597
Depreciation for the year	(6 041 902)	(1 408 964)	(3 667 157)	145 291	(855 382)	(11 828 114)
Cost re-allocated	(367 996)	4 991	-	-	-	(363 005)
Depreciation Reallocated	366 818	(2 351)	(151)	-	-	364 316
Closing carrying amount	23 740 158	7 060 665	18 434 697	4 045 437	1 313 039	54 593 996
At 31 March 2022						
Cost	84 801 549	21 230 826	49 948 560	24 822 191	10 562 105	191 365 231
Accumulated depreciation and impairment	(61 061 391)	(14 170 161)	(31 513 863)	(20 776 754)	(9 249 066)	(136 771 235)
Carrying amount	23 740 158	7 060 665	18 434 697	4 045 437	1 313 039	54 593 996
Useful lives	4 years	6 years	5 years	6 years	6 years or lease period	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	COMPUTER EQUIPMENT R	EQUIPMENT R	MOTOR VEHICLES R	OFFICE FURNITURE R	LEASEHOLD IMPROVEMENTS R	TOTAL R
2021/22 Minor assets (below R2 000 per item and excluding major assets)						
At 1 April 2021						
Cost	249 236	537 734	-	310 611	29 144	1 126 725
Accumulated depreciation and impairment	(245 105)	(532 467)	-	(310 104)	(29 120)	(1 116 796)
Opening carrying amount	4 131	5 267	-	507	24	9 929
Year ended 31 March 2022						
Opening carrying amount	4 131	5 267	-	507	24	9 929
Additions at cost	11 932	5 132	-	1	3	17 068
Disposals and write off at cost	(3 159)	(5 976)	-	(2 066)	(1 295)	(12 496)
Disposal and write off depreciation	3 154	5 967	-	2 063	1 291	12 475
Work in progress	-	-	-	-	-	-
Depreciation for the year	(11 921)	(8 062)	-	-	-	(19 983)
Cost re-allocated	2	(1 310)	-	-	(2)	(1 310)
Closing carrying amount	4 139	1 018	-	505	21	5 683
At 31 March 2022						
Cost	258 011	535 580	-	308 546	27 850	1 129 987
Accumulated depreciation and impairment	(253 872)	(534 562)	-	(308 041)	(27 829)	(1 124 304)
Carrying amount	4 139	1 018	-	505	21	5 683
Total carrying value						
	23 744 297	7 061 683	18 434 697	4 045 942	1 313 060	54 599 679

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

8 Intangible assets

Major assets (above R2 000 per item)

At 1 April

Cost
Accumulated depreciation/amortisation

Opening carrying amount

Year ended 31 March

Opening carrying amount
Additions at cost
Disposals and write off at cost
Disposal and write off depreciation
Work in progress
Depreciation/amortisation for the year
Cost re-allocated
Impairment
Depreciation re-allocated

Closing carrying amount

At 31 March

Cost
Accumulated depreciation/amortisation

Carrying amount

Useful lives

	2023 COMPUTER SOFTWARE R	2022 COMPUTER SOFTWARE R
	-	-
	8 786 200	5 521 280
	(4 821 306)	(3 476 134)
	3 964 894	2 045 146
	3 964 894	2 045 146
	-	3 264 920
	(65 394)	-
	65 388	-
	-	-
	(2 125 586)	(1 345 172)
	-	-
	-	-
	-	-
	1 839 302	3 964 894
	8 720 806	8 786 200
	(6 881 504)	(4 821 306)
	1 839 302	3 964 894
	4 years	4 years

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

Minor assets (below R2 000 per item and excluding major assets)**At 1 April**

Cost

Accumulated depreciation and impairment

Opening carrying amount**Year ended 31 March**

Opening carrying amount

Additions at cost

Disposals and write off at cost

Disposal and write off depreciation

Work in progress

Depreciation/amortisation for the year

Cost re-allocated

Impairment

Depreciation re-allocated

Closing carrying amount**At 31 March**

Cost

Accumulated depreciation and impairment

Carrying amount**Total carrying value**

	2023 COMPUTER SOFTWARE R	2022 COMPUTER SOFTWARE R
	763	763
	(761)	(761)
	2	2
	2	2
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	2	2
	763	763
	(761)	(761)
	2	2
	1 839 304	3 964 896

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

9 Accounts payable

Non-exchange transactions

Earnings from programme and projects received in advance¹

Exchange transactions

Leave pay

Long service awards accruals

Staff savings

Sundry payables

Accrued expenses²

Trade payables²

2023	2022
R	R

32 102 651	23 203 872
32 102 651	23 203 872
104 211 392	232 215 325
22 214 212	21 351 320
608 000	923 000
987 414	749 031
-	195 576
75 757 889	178 770 140
4 643 877	30 226 258
136 314 043	255 419 197

- 1) The balance relates to stakeholder-funded projects. These conditional balance will be recognised as revenue in future accounting periods upon completion of the specified task or incurring the costs on the projects.
- 2) Trade payables and accrued expenses are non-interest bearing and are settled on a 30 day basis. Due to the short-term nature of the payables, management believes that the carrying amount approximates their fair value.

10 Provisions

Provision for loss of assets

Provision for performance rewards

33 808	91 913
24 324 288	28 055 338
24 358 096	28 147 251

Movement for loss of assets

Provision for loss of assets

Opening balance at 1 April

plus: provision current year

less: written off

Net charge to the Statement of Financial Performance

Closing balance at 30 March

91 913	-
33 808	-
(91 913)	-
-	91 913
33 808	91 913

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	2023 R	2022 R
Movement for the year for performance rewards		
Provision for performance rewards		
Opening balance at 1 April	28 055 338	33 648 984
less: paid	(22 030 471)	(34 696 418)
Balance	6 024 867	(1 047 434)
Net charge to the Statement of Financial Performance	18 299 421	29 102 772
Closing balance at 31 March	24 324 288	28 055 338

The Board has discretion on eligibility for performance rewards consideration subject to organisational performance and availability of funds. Performance rewards is payable after year end as the assessment of eligible employees had not taken place at the reporting date.

11 Operating lease obligation

Seda leases office buildings and photocopiers for its National Office, Nationwide Provincial Offices and Branches in terms of operating leases. Seda does not have the option to acquire the buildings or photocopiers at the termination of the leases.

Current portion	1 448 487	1 821 301
Non-current portion	508 395	1 470 380
Straight-lining effect of the operating lease	1 956 882	3 291 681

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

Up to one year	42 970 923	22 829 591
Between two and five years	23 659 492	22 051 007
	66 630 415	44 880 598

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

2023	2022
R	R

12 Contingent assets and liabilities

Contingent liabilities

There are contingent liabilities in respect of:

Legal claims - Employees

Legal claims - Suppliers

Cash surplus awaiting approval from National Treasury

150 000	750 000
3 445 000	1 305 000
-	-
3 595 000	2 055 000

- **Legal Claims - Employees** - the first claim relates to an employee's dispute relating to payment of performance bonus (R100 000). The second claim relate to ex-employee dispute on unfair dismissal. Both matters are in Labour Court (R50 000).

- **Legal Claims - Suppliers** - the first claim relates to a supplier suing Seda for termination of a contract (R1,305 million). The second claim relates to Art crafts submitted to the offices of Seda during 2015 to be displayed in Atlanta, USA and were not paid for nor returned to supplier, she is suing Seda for the unreturned goods (R2,14 million).

Cash (deficit)/surplus declaration for National Treasury

2023	2023
Amount as per National Treasury	Amount as per AFS

Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No 6 of 2017/2018

Cash and cash equivalents at end of the year

Add: Receivables

Less: Current liabilities

Less: Commitments

Cash deficit

82 937 459	82 937 459
27 095 294	27 095 294
1 (104 211 392)	(136 314 043)
2 (129 349 312)	(129 349 312)
3 (123 527 951)	(155 630 602)

Note1: Accounts payable is R136 314 042 in terms of GRAP. Amounts received in advanced with obligations have been subtracted leaving the balance to R104 211 391 as per National Treasury.

Note 2: Commitments up to 12 months as per note 13.

Note 3: Seda will declare zero to National Treasury due to the deficit.

Refer to note 1.15. Due to the uncertain and adversarial nature of litigation it is extremely difficult to determine the exact cost involved in litigating a matter, thus the cost order on a specific tariff and interest amounts are not determined.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

14 Remuneration of Board of directors

14.1 Board members: 1 April 2022 to 31 March 2023

NO	NAME	DIRECTOR FEES AND PREPARATION TIME	SUBSISTENCE ALLOWANCE	TRAVELLING	SALARY	ALLOWANCES	ACTING ALLOWANCE	PERFORMANCE BONUS	LONG SERVICE AWARD	RE- IMBURSEMENTS	TOTAL R
1	Adv. Block, DJ	35 671	-	-	-	-	-	-	-	-	35 671
2	Dr Bvuma, MS	33 031	-	-	-	-	-	-	-	-	33 031
3	Daku, XE	707 832	9 256	103 525	-	-	-	-	-	353 543	1 174 156
4	Prof. Gumede, VT	120 679	300	5 823	-	-	-	-	-	8 309	135 111
5	Kana, NF	463 714	2 689	25 820	-	-	-	-	-	2 571	494 794
6	Khubeka	-	-	-	-	-	-	-	-	-	-
7	Matsho, J	213 150	2 945	30 774	-	-	-	-	-	16 300	263 169
8	Dr Ndlovu, MJ	254 266	2 667	49 120	-	-	-	-	-	6 244	312 297
9	Ngcukuva, GN	192 129	3 578	27 821	-	-	-	-	-	8 270	231 798
10	Nkambule, BT	188 816	1 050	6 865	-	-	-	-	-	3 796	200 527
11	Nyakale, D ^	-	-	-	-	-	-	-	-	-	-
12	Maki, M ^	-	-	-	-	-	-	-	-	-	-
13	Medupi, N	148 808	900	7 582	-	-	-	-	-	698	157 988
14	Mfuleni, MM	191 487	450	2 555	-	-	-	-	-	2 419	196 911
15	Mqingwana, P	208 594	1 500	16 808	-	-	-	-	-	712	227 614
16	Mbatha, N	-	-	-	2 165 538	60 000	433 108	-	-	-	2 658 646
17	Mtsweni, SJ	76 097	150	-	-	-	-	-	-	-	76 247
18	Dr Qobo, MJ	109 760	150	2 225	-	-	-	-	-	1 633	113 768
19	Sibeko, MM	31 681	-	-	-	-	-	-	-	-	31 681
20	Adv. Xulu, MD	19 547	-	-	-	-	-	-	-	-	19 547
21	Tobias- Pokolo, VT	134 832	-	-	-	-	-	-	-	-	134 832
		3 130 094	25 635	278 918	2 165 538	60 000	433 108	-	-	404 495	6 497 788

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

Board Sub-committees Members: 1 April 2022 to 31 March 2023

NO	NAME	CONSULTATION FEES	SUBSISTENCE ALLOWANCE	TRAVELLING	SALARY	ALLOWANCES	ACTING ALLOWANCE	PERFORMANCE BONUS	LONG SERVICE AWARD	RE- IMBURSEMENTS	TOTAL R
22	Phiri, MM	104 411	-	-	-	-	-	-	-	-	104 411
23	Makanda, N	51 700	-	1 768	-	-	-	-	-	-	53 468
		156 111	-	1 768	-	-	-	-	-	-	157 879
		3 286 205	25 635	280 686	2 165 538	60 000	433 108	-	-	404 495	6 655 667

Notes:

1. Adv. Block, DJ – Term ended 30 April 2022.
 2. Dr Bvuma, MS – Term ended 30 April 2022.
 3. Daku, XE – Appointed as Board member from 1 May 2022.
 4. Prof. Gumede, VT – Appointed as Board member from 1 May 2022.
 5. Kana, NF – Appointed as Board member from 1 May 2022.
 6. Khubeka – Appointed as Board member from 1 May 2022 and resigned during May 2022.
 7. Matsho, J – Appointed as Board member from 1 May 2022.
 8. Dr Ndlovu, MJ – Appointed as Board member from 1 May 2022 and resigned 17 April 2023.
 9. Ngcukuva, GN – Appointed as Board member from 1 May 2022.
 10. Nkambule, BT – Appointed as Board member from 1 May 2022.
 11. Nyakale, D ^ – Term ended 30 April 2022.
 12. Maki, M ^ – Term ended 30 April 2022.
 13. Medupi, N – Appointed as Board member from 1 May 2022 and resigned 31 December 2022.
 14. Mfuleni, MM – Appointed as Board member from 1 May 2022.
 15. Mqingwana, P – Appointed as Board member from 1 May 2022.
 16. Mbatha, N – Acting CEO.
 17. Mtsweni, SJ – Appointed as Board member from 1 May 2022.
 18. Dr Qobo, MJ – Appointed as Board member from 1 May 2022 and resigned 31 August 2023.
 19. Sibeko, MM – Term ended 30 April 2022.
 20. Adv. Xulu, MD – Term ended 30 April 2022.
 21. Tobias-Pokolo, VT – Appointed as Board member from 1 May 2022 and resigned 14 March 2023.
 22. Phiri, MM – Term ended 30 June 2022.
 23. Makanda, N – Appointed as Audit & Risk committee (ARC) Chairperson on 1 January 2023.
- ^ These members did not receive remuneration due to being employed elsewhere in the Public Sector.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

14.2 Board members: 1 April 2021 to 31 March 2022

NO	NAME	DIRECTOR FEES AND PREPARATION TIME	SUBSISTENCE ALLOWANCE	TRAVELLING	SALARY	ALLOWANCES	ACTING ALLOWANCE	PERFORMANCE BONUS	LONG SERVICE AWARD	RE- IMBURSEMENTS	TOTAL R
1	Adv. Block, DJ	136 911	-	2 453	-	-	-	-	-	3 062	142 426
2	Dr Bvuma, MS	202 671	3 197	23 267	-	-	-	-	-	2 304	231 439
3	De Kock, CG	30 420	-	-	-	-	-	-	-	-	30 420
4	Kana, NF	290 115	3 475	23 718	-	-	-	-	-	999	318 307
5	Matsho, J	237 509	4 865	53 619	-	-	-	-	-	30 220	326 213
6	Dr Ndlovu, MJ	368 132	7 089	94 500	-	-	-	-	-	11 107	480 828
7	Nkambule, BT	212 079	2 502	21 364	-	-	-	-	-	17 089	253 034
8	Nyakale, D ^	-	-	-	-	-	-	-	-	-	-
9	Maki, M ^	-	-	-	-	-	-	-	-	-	-
10	Majola, N	-	-	-	145 748	3 000	76 074	251 940	10 000	-	486 762
11	Mbatha, N	-	-	-	1 985 077	55 000	397 015	-	-	-	2 437 092
12	Sibeko, MM	163 422	278	8 666	-	-	-	-	-	6 672	179 038
13	Adv. Xulu, MD	125 623	278	6 213	-	-	-	-	-	5 232	137 346
		1 766 882	21 684	233 800	2 130 825	58 000	473 089	251 940	10 000	76 685	5 022 905

Board Sub-committees Members: 1 April 2021 to 31 March 2022

NO	NAME	CONSULTATION FEES	SUBSISTENCE ALLOWANCE	TRAVELLING	SALARY	ALLOWANCES	ACTING ALLOWANCE	PERFORMANCE BONUS	LONG SERVICE AWARD	RE- IMBURSEMENTS	TOTAL R
14	Phiri, MM	187 746	278	5 400	-	-	-	-	-	1 542	194 966
		187 746	278	5 400	-	-	-	-	-	1 542	194 966
		1 954 628	21 962	239 200	2 130 825	58 000	473 089	251 940	10 000	78 227	5 217 871

Notes:

3. Mr C de Kock resigned as Board member on 31 December 2021.

10. Ms N Majola - Acting CEO from April 2021. Executive: EDD 11 months (see note 18).

11. Mr N Mbatha - Acting CEO from May 2021.

^ These members did not receive remuneration due to being employed elsewhere in the Public Sector.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

		2023 R	2022 R
15 Notes to the cash flow statement			
a) Plant, equipment and intangible assets			
Seda acquired assets, as per asset note 7 and 8.		3 389 405	21 592 468
b) Reconciliation of surplus for the year to net cash flows from operating activities			
(Deficit)/Surplus for the Year		5 701 251	(261 241 020)
Non-cash movements:		17 252 719	13 704 422
Depreciation, impairment and amortisation		16 991 614	13 193 269
Loss on sale and write-off of assets		261 105	511 153
Changes in working capital		(126 354 374)	114 978 997
(Decrease)/Increase in accounts payable		(119 105 154)	118 641 616
(Decrease)/Increase in accounts receivable		(2 059 416)	2 806 535
(Increase)/Decrease in inventories		(65 850)	82 164
(Decrease) in provisions		(3 789 155)	(5 501 733)
Smoothing effect of operating lease		(1 334 799)	(1 049 585)
Net cash flows from operating activities		(103 400 404)	(132 557 601)
c) Receipts of earnings from programme and projects			
Accounts receivable - current period	5	(27 095 294)	(25 035 878)
Accounts receivable - prior period	5	25 035 878	27 842 413
Gross Earnings from programme and projects	2	10 798 483	21 484 094
		8 739 067	24 290 629
d) Reconciliation of suppliers payments			
Goods and Services		552 768 566	773 063 136
Changes in working capital		124 294 958	(112 172 462)
Increase/(Decrease) in accounts payable		119 105 154	(118 641 616)
(Decrease)/Increase in inventories		65 850	(82 164)
Decrease in provisions		3 789 155	5 501 733
Smoothing effect of operating lease		1 334 799	1 049 585
Supplier payments		677 063 524	660 890 674

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

16 Financial instruments

16.1 Capital risk management

As Seda is not exposed to long term debt, there is no meaningful debt to equity ratios such as gearing ratios to be disclosed. The majority of the funding is received from the Department of Small Business Development (dsbd) and therefore is dependent on their support.

16.2 Financial risk management objectives

Management monitor and manage the financial risks relating to the operations of the entity through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value, interest risk), credit risk, liquidity risk and cash flow interest rate risk.

Compliance with policies and exposure limits is reviewed by the Internal Auditors on a continuous basis. Seda does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

16.3 Market risk

Seda’s activities are of such a nature that it does not materially expose it to financial risks of changes in foreign currency exchange rates and interest rates. There has been no change to the agency’s exposure to market risks or the manner in which it manages and measures the risk.

16.4 Interest rate risk management

Seda is exposed to interest rate risk with the current interest rate movements. The risk is managed by investment of surplus funds at fixed and floating interest rates for periods of 90 days and shorter with reputable banks.

The following table identifies the period over which those financial instruments that are sensitive to interest rate risk reprice. Seda surplus funds are invested in terms of its investments policy.

		2023 LESS THAN 6 MONTHS R	2023 MORE THAN 6 MONTHS	TOTAL R
ASSETS				
Effective interest rate as at 31 March 2023				
Current cash balances	4.33%	82 494 754	-	82 494 754
Investment account	7.40%	53 115	-	53 115
		82 547 869	-	82 547 869

Seda has also invested in short-term investment accounts during 2022/23 financial year. The average interest rate on these accounts were 4.33%. All these investments have been matured before 31 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

ASSETS	Effective interest rate as at 31 March 2022	2022 LESS THAN 6 MONTHS R	2022 MORE THAN 6 MONTHS R	TOTAL
Current cash balances	2.75%	189 239 398	-	189 239 398
Investment account	3.75%	50,012	-	50,012
		189 289 410	-	189 289 410

16.5 Other Price Risks

Prices for future purchases and sales of goods and services are generally established on normal commercial terms directly with suppliers and customers. Management consider the price risk to be insignificant.

16.6 Credit Risk Management

Credit risk refers to the risk that a counter party would default on its contractual obligations resulting in financial loss to the entity.

Financial assets which potentially subject Seda to concentrations of credit risk consist principally of cash and short-term deposits placed with high credit quality financial institutions. Currently Seda's cash balances and call deposits are held at ABSA bank and Corporation for Public Deposit. Trade receivables are presented net of an allowance for doubtful receivables. Seda does not have any significant exposure to any other individual customer or counter party.

The carrying amounts of financial assets included in the Statement of Financial Position represent the Seda's exposure to credit risk in relation to these assets.

The carrying amount of financial assets to credit risk at the reporting date was:

ASSETS	NOTE	2023 R	2022 R
Accounts receivable	5	27 095 294	25 035 878
Cash and cash equivalents	4	82 937 459	189 645 136
		110 032 753	214 681 014
Ageing of accounts receivables (Net of provision for doubtful debts)			
Current (0 - 30 days)		5 733 318	3 393 221
31-60 days		1 743 168	332 399
61-90 days		178 257	748 178
91-120 days		9 007	535 361
121+ days		19 431 544	20 026 719
		27 095 294	25 035 878

There were no impairment losses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

16.7 Liquidity Risk Management

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management are satisfied that the agency will be able to settle their financial liabilities and lease liability in the normal course of business. The liquidity ratio current assets vs. current liabilities is 0.68:1.

The following are the financial liabilities at reporting date. Disclosure is at carrying amount

	NOTE	CARRYING AMOUNTS	< 30 DAYS	1– 6 MONTHS	6– 12 MONTHS	1+ YEARS
31 March 2023						
Trade and other payables	9	136 314 043	80 401 766	32 102 651	23 809 626	-
		136 314 043	80 401 766	32 102 651	23 809 626	-
31 March 2022						
Trade and other payables	9	255 419 197	209 191 974	23 203 872	23 023 351	-
		255 419 197	209 191 974	23 203 872	23 023 351	-

17 Related parties

RELATIONSHIPS	NAME OF RELATED PARTY
Controlling entity	Department of Small Business Development
National department and entities within the national sphere of government	Department of Communication and Information Systems
	Department of Higher Education and Training
	Department of Employment and Labour
	Department of Tourism
	Department of Social Development
Public entity under common control	Small Enterprise Financial Agency (sefa)

During the year the entity in the ordinary cause of business entered into various transactions with related parties. Transactions entered into and balances outstanding between these parties are as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	2023 R	2022 R
Related parties balances		
Department of Small Business Development	(2 205 228)	(3 899 798)
Department of Small Business Development	-	115 000
Department of Higher Education and Training	268 838	(21 378)
Department of Employment and Labour	(1 542 805)	(1 500 000)
Department of Tourism	(3 000 000)	-
Small Enterprise Financial Agency (sefa)	13 870 764	13 870 764
Department of Social Development	(1 500 000)	-
Related parties transactions		
Department of Small Business Development (Government grant)	(838 196 000)	(763 042 000)
Department of Small Business Development (Other)	(88 065 016)	(89 739 797)
Department of Communication and Information Systems	-	(120 954)
Department of Higher Education and Training	(1 232 865)	(1 643 571)
Department of Employment and Labour	1 542 805	1 500 000
Small Enterprise Financial Agency (sefa)	-	1 893 729

Notes:

- Remuneration of the Board of Directors is disclosed in note 14.
- Remuneration of Key Management is disclosed in note 18.
- Department of Higher Education and Training. This amount is for the Basic Entrepreneurial Skills Development (BESD) project through the National Skills Fund.
- Department of Employment and Labour. This amount relates to Workmen's Compensation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

18 Remuneration of key management

Payments made to Seda's Executive Managers for the year ended 31 March 2023:

NO	NAME	SALARY	CONTRIBUTIONS PAID BY THE ORGANISATION	PERFORMANCE BONUS	TRAVEL ALLOWANCE	CELL PHONE ALLOWANCE	RE- IMBURSEMENTS	OTHER (ACTING ALLOWANCE & LONG SERVICE)	TOTAL R
1	Dlamini, TO	831 453	141 434	-	-	26 000	-	494 748	1 493 635
2	Leshou, C	827 868	204 986	81 799	161 084	32 000	21 025	485 516	1 814 278
3	Maabane, E	1 001 369	195 794	140 228	-	35 000	2 497	713 092	2 087 980
4	Majola, N	1 615 731	289 369	146 145	-	36 000	5 008	-	2 092 253
5	Ndaba, SL	407 822	4 693	-	-	8 353	-	-	420 868
6	Ngcai, SM	455 085	5 172	-	-	9 000	-	-	469 257
7	Serapelo, T	991 922	205 203	140 228	-	35 000	1 650	713 092	2 087 095
		6 131 250	1 046 651	508 400	161 084	181 353	30 180	2 406 448	10 465 366

Notes:

- 1. T Dlamini – Acting Chief Strategy and Information Officer from 1 April to 31 December 2022.
- 2. C Leshou – Acting as Executive Manager: Seda Technology Programme (Stp) from April to December 2022.
- 5. S Ndaba – Chief Strategy and Information Officer from 9 January 2023.
- 6. S Ngcai – Executive Manager: Seda Technology Programme (Stp) from 1 January 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

Payments made to Seda's Executive Managers for the year ended 31 March 2022:

NO	NAME	SALARY	CONTRIBUTIONS PAID BY THE ORGANISATION	PERFORMANCE BONUS	TRAVEL ALLOWANCE	CELL PHONE ALLOWANCE	RE- IMBURSEMENTS	OTHER (ACTING ALLOWANCE AND LONG SERVICE)	TOTAL R
1	Dlamini, T	944 303	179 119	-	-	24 000	-	692 763	1 840 185
2	Jaftha, T	423 432	71 450	145 441	-	10 000	8 412	208 898	867 633
3	Leshou, C	454 824	115 625	-	93 965	14 000	14 519	405 368	1 098 301
4	Maabane, E	939 181	186 041	156 154	-	24 000	3 955	633 913	1 943 244
5	Majola, N	1 394 090	252 797	-	-	33 000	-	-	1 679 887
6	Serapelo, T	951 459	195 084	156 154	-	24 000	1 251	683 064	2 011 012
7	Slabbert, K	90 285	24 001	145 705	-	2 000	-	25 090	287 081
		5 197 574	1 024 117	603 454	93 965	131 000	28 137	2 649 096	9 727 343

Notes:

2. Jaftha, T – Acting Executive: Stp until 30 August 2021.
3. Leshou, C – Acting Executive: Stp from 1 September 2021.
4. Maabane, E – Acting CFO from 1 April 2021.
5. Majola, N – Executive: EDD remuneration for 11 months. Acting CEO in April 2021 (see note 14)
6. Serapelo, T – Acting Executive: Corporate Services from 1 April 2021.
7. Slabbert, K – Acting Executive: EDD for April 2021.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

19 Medical aid and retirement benefits

The total amounts paid towards medical aid of 429 (482) employees for the period and retirement benefits of 530 (598) employees for the period are as follows:

	2023 R	2022 R
Medical Aid	24 520 145	25 269 232
Short term portion	24 520 145	25 269 232
Long term portion	-	-
Provident Fund	24 193 848	25 709 345
Short term portion	24 193 848	25 709 345
Long term portion	-	-
Total	48 713 993	50 978 577

20 Tax status

Seda is exempt from income tax in terms of section 10 (1)(cA) of the Income Tax Act, 1962.
Seda is exempted from VAT registration.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

2023 REVENUES FROM NON- EXCHANGE ALLOCATIONS R	2023 REVENUES FROM EXCHANGE TRANSACTIONS R	2023 TOTAL REVENUE R	2023 TOTAL EXPENDITURE R	2023 NON-CURRENT ASSETS R
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21 Segment reporting

National office	246 523 082	16 377 222	262 900 304	(218 932 743)	10 250 185
Provinces	688 921 369	5 046 014	693 967 383	(735 623 098)	34 368 943
Eastern Cape province	93 643 592	1 098 617	94 742 209	(102 291 492)	5 419 334
Free State province	55 263 160	53 347	55 316 507	(62 390 305)	3 407 044
Gauteng province	103 356 766	2 385 502	105 742 268	(110 186 610)	2 579 370
KwaZulu-Natal province	135 220 201	234 117	135 454 318	(134 358 409)	3 268 168
Limpopo province	61 654 338	439 790	62 094 128	(70 087 927)	4 357 823
Mpumalanga province	57 959 055	91 298	58 050 353	(60 298 779)	3 107 692
Northern Cape province	47 401 887	140 070	47 541 957	(44 540 138)	2 389 134
North West province	53 731 919	21 990	53 753 909	(54 452 821)	2 939 869
Western Cape province	80 690 451	581 283	81 271 734	(97 016 617)	6 900 509
Total	935 444 451	21 423 236	956 867 687	(954 555 841)	44 619 128

Notes:

1. Explanations of the net surplus and deficit amounts are covered in context under the Statement of Budget and Actual Information.
2. The allocation of resources to the provinces depends on the number of branches, staff, activities etc.
3. Reporting from the financial year 2022/23 to indicate centralise cost sharing in provinces.

Refer to note 1.18

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

	2022 REVENUES FROM NON-EXCHANGE ALLOCATIONS R	2022 REVENUES FROM EXCHANGE TRANSACTIONS R	2022 TOTAL REVENUE R	2022 TOTAL EXPENDITURE R	2022 NON-CURRENT ASSETS R
National Office (including Stp)	455 643 576	32 862 172	488 505 748	(715 878 908)	13 928 106
Provinces	409 809 571	3 917 793	413 727 364	(447 595 223)	44 636 469
Eastern Cape province	47 189 917	17 404	47 207 321	(58 977 149)	7 057 642
Free State province	42 591 678	17 059	42 608 737	(47 379 193)	5 088 255
Gauteng province	32 345 693	1 988 057	34 333 750	(35 557 494)	3 143 754
Kwa Zulu-Natal province	64 346 268	143 167	64 489 435	(64 077 819)	4 603 197
Limpopo province	42 686 189	513 515	43 199 704	(53 029 692)	5 083 567
Mpumalanga province	39 415 489	6 335	39 421 824	(40 455 280)	3 793 058
Northern Cape province	40 696 065	966 418	41 662 483	(33 865 432)	2 457 991
North West province	41 507 482	36 849	41 544 331	(42 358 932)	4 407 194
Western Cape province	59 030 790	228 989	59 259 779	(71 894 232)	9 001 811
Total	865 453 147	36 779 965	902 233 112	(1 163 474 131)	58 564 575

Note:

- 1. Explanations of the net surplus and deficit amounts are covered in context under the Statement of Budget and Actual Information.
- 2. The allocation of resources to the provinces depends on the number of branches, staff, activities etc.

Refer to note 1.18

22 Irregular and fruitless and wasteful expenditure

	2023 R	2022 R
Irregular expenditure	551,880	-
Fruitless and wasteful expenditure	16,096	386,787
Closing balance	567,976	386,787

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Incident description 2022/23

Irregular expenditure - there were two cases all relating to transgression of procurement process total to R551 880 as follows:

- a) One procurement irregularities totalling (R54 000).
- b) Expenditure made on expired building lease agreement (R497 880).

Fruitless and wasteful expenditure - there was one case of transgression of procurement process, amounting to R16 096.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2023

23 Events after the reporting date of 31 march 2023

None to report.

24 Retrospective restatement of prior period errors

Fruitless and wasteful expenditure has been understated in previous year relating to fraud and transgression of Subsistence and Travel policy. This fruitless and wasteful expenditure has now been recognised which resulted in the restatement of prior year figures in note 22.

Note on fruitless and wasteful expenditure

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure - current year

Fruitless and wasteful expenditure - cleared

Fruitless and wasteful expenditure - correction

Fruitless and wasteful expenditure - restated for 2022

	2023 R	2022 R
	-	4 275
	-	(3 363)
	-	385 875
	-	386 787

Fruitless and wasteful expenditure includes:

- a) Fraud case (R167 562) - report issue to management to implement corrective action.
- b) Abuse and transgression of internal policy (R206 313) - case still under investigation.
- c) A duplication of payment request (invoice) (R12 000) for the service that was already rendered.

25 Merger of sefa, CBDA and SEDA

The cabinet approved the extension period of the merger of the three entities, Small Enterprise Finance Agency, Co-operative Banks Development Agency and Small Enterprise Development Agency. The merger was initially set to be effective 1 April 2022. This follows cabinet approvals for the merger to ensure government provides a single entity that will provide financial and non-financial in support small to medium enterprises. Cabinet mentioned that the approved extension will enable the Department of Small Business Development to finalise the legislative reviews to provide a proper legislated and policy environment that allows the formation of the single entity. The plans to merge the three entities are in progress.

26 GOING CONCERN

"Seda's financial statements are prepared based on the going concern assumption. This assumption presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Management has considered several inputs in the annual going concern assessment for the year-ended 31 March 2023 including preparing budgets as per the approved budget as per approved National Treasury's vote 36.

The financial plans that have been prepared were based on the National Treasury's vote 36 funds allocation, Dsbd allocation of budget and the approval of the Annual Performance Plan for the 2023/24. Management is satisfied that there is no material uncertainty that cast doubt on the entity's ability to continue as a going concern.

In conclusion Management is of the view that Seda is remaining a going concern and the application of this principle in the preparation of its financial statements as at 31 March 2023 is appropriate."

ANNEXURE A

ANNEXURE A:

**SEDA PROVINCIAL
OFFICES AND
INCUBATION
CENTERS**

SEDA OFFICES

Eastern Cape

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	4 Scherwitz Road, Berea	Buffalo City Metropolitan Municipality	043 706 6700	Ms Tandeka Rozani (PM)
Alfred Nzo	188 Nolangeni Street, Disaster Management Centre, Mount Ayliff	Alfred Nzo District Municipality	039 254 6500	Ms Nomfundo Dlatu (BM)
Amathole	49b Balfour Road, Vincent, East London, Eastern Cape, 5247	Amathole District Municipality	043 709 6200	Mr Duma Maqubela (BM)
Chris Hani	No 1 Sasol Complex Cathcart Road Queenstown	Chris Hani District Municipality	045 808 6600	Ms Babette Davids (BM)
Nelson Mandela	329 Cape Road; Newton Park; Port Elizabeth	Nelson Mandela Bay Municipality	041 390 8500	Mr Andile Yengeni (BM)
OR Tambo	Shop 07, 26 Sprigg Street, Theobrook Centre Mthatha	OR Tambo District Municipality	047 504 2300	Mr Xolisa Mxabo (BM)

Free State

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	Telkom Building, 195 Nelson Mandela Road, Bloemfontein	Mangaung Metropolitan Municipality	051 411 3800	Ms Jackie Ntshingila (PM)
Fezile Dabi	37 Buitenkant Street, Kroonstad	Fezile Dabi District Municipality	056 213 1809/10/33	Dr Riaan Oelofse (PM)
Lejweleputswa -Matjhabeng	One Reinet Building, Ground Floor, Reinet Street, Welkom, 9460	Lejweleputswa District Municipality	057 352 1870	Ms Lorinda Volschenk (BM)
Mangaung	Bloemplaza, Shop 133, Charles Street, Bloemfontein	Mangaung Metropolitan Municipality	051 411 8300	Mr Andrew Setho (BM)
Thabo Mofutsanyana - Dihlabeng	Corner Richter and Malan, Bethlehem	Thabo Mofutsanyana District Municipality	081 389 6517	Ms Lesego Zengele (BM)
Xhariep	Shop2&5 Trompsburg	Xhariep District Municipality	051 713 9500	Mr Lehlohonolo Thekiso (BM)

Gauteng

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	33 Hoofd Street, Braampark, Forum 5, 2nd Floor	City of Johannesburg Metropolitan Municipality	114 086 520	Mr Colin Leshou (PM)
Tshwane Branch	11th Floor, Fedsure Forum, Lilian Ngoyi Street, Pretoria	City of Tshwane Metropolitan Municipality	012 400 8880	Ms C Coetzee (BM)
Joburg Branch	33 Hoofd Street, Braampark, Forum 5, 2nd Floor	City of Johannesburg Metropolitan Municipality	011 408 6500	Mr Simon Shiya (BM)
Ekurhuleni	The Business Place, Cnr Monument & Voortrekker Rd, Kempston Park	City of Johannesburg Metropolitan Municipality	011 973 9645	Mr Simon Shiya (BM)

KwaZulu-Natal

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office / Durban	Ground Floor, Block B Essex Park,46 Essex Terrace, Westville, Durban, 3610.	eThekwinini Metropolitan Municipality	031 277 9500	Mr Cedric Mnguni (PM)
uThungulu	Lot 611237 Veldenvlei, Richards Bay	uThungulu District Municipality	035 789 3735	Mr Dennis Ndlovu (BM)
Ugu	Office 4, First Floor, 28 Bazley Street, Port Shepstone, 4240	Ugu District Municipality	039 688 1560	Mr Themba Kunene (BM)
Harry Gwala (Sisonke) – Ixopo	17a Margaret Street, Ixopo, 3276	Harry Gwala District Municipality	039 834 7100	Mr Justice Shange (BM)
uThukela	94/96 Murchison Street, Ladysmith	Uthukela District Municipality	036 638 9780	Mr Thanda Khathi (BM)
Amajuba	28 Scott Road Newcastle	Amajuba District Municipality	034 312 9096	Mr Dumisani Zikalala (BM)
uMgungundlovu	The Tourism Hub Building,283 Langalibalele, PMB 3201	uMgungundlovu District Municipality	033 264 3100	Mr Michael Zondo (BM)
Durban	Ground Floor, Block B Essex Park,46 Essex Terrace, Westville, Durban, 3610.	eThekwinini Metropolitan Municipality	031 277 9500	Ms Sbongile Sabela (BM)

Limpopo

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	1st & 2nd Floor, 68 Hans van Rensburg, Polokwane	Capricorn District Municipality	015 290 8720/015 287 2940	Mr Koenie Slabbert (PM)
Capricorn	1st & 2nd Floor, 68 Hans van Rensburg, Polokwane	Capricorn District Municipality	015 290 8720/015 287 2940	Mr Peter Maredi (BM)
Vhembe	B102 Bendulavhathu Complex, 102 Mphephu Street, Thohoyandou	Vhembe District Municipality	015 960 8700	Mr Marcus Mukumela (BM)
Mopani	13 Danie Joubert Street, Tzaneen, 0850	Mopani District Municipality	015 306 6400	Ms Maseje Nchabileng (BM)
Sekhukhune Branch (Groblersdal Office)	12 Hereford Street, Groblersdal	Sekhukhune District Municipality	013 262 9430	Mr Martin Rafferty (Acting BM)
Waterberg	Nedbank Building, 40 Retief Street, Mokopane, 0600	Waterberg District Municipality	015 492 9600	Ms Tantaswa Jozana (BM)

Mpumalanga

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	Suite 101-102, Brander 16 Trust Building, Nelspruit	Ehlanzeni District Municipality	013 755 8730	Mr Mandla Sibiya (PM)
Ehlanzeni (EHZ)	Suite 103, Brander 16 Trust Building, Nelspruit	Ehlanzeni District Municipality	013 754 4380	Mr Ishmael Mmbadi (BM)
Bushbuckridge (BBR)	Shop 10C and 10D, Simunye Shopping Centre, 1263 Arend Street, Hazyview	Ehlanzeni District Municipality	013 799 5340	Ms Carol Matsheka (BM)
Gert Sibande (GTS)	South Wing, G.Mbeki Bld, Lurgi Square, Secunda	Gert Sibande District Municipality	017 634 4339	Ms Florance Bogatsu (BM)
Nkangala (NKA)	Shop 21, Saveways Crescent Shopping Centre, Corner Nelson Mandela Road & OR Tambo Street, Witbank	Nkangala District Municipality	013 655 6970	Ms Zanele Khoza (BM)
Nkomazi (NKO)	Erf 156, Office 1 & 6, Lorengo Street, Malelane	Ehlanzeni District Municipality	013 790 1183	Ms Andile Jambane (BM)

Northern Cape

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	Telkom Building No 41, Schmidtsdrift Road Kimberley	Frances Baard District Municipality	053 839 5700	Ms Kedisaletse Williams (PM)
Frances Baard	21 Du Toitspan Rd. Suite 6, Perm Building, Kimberley, 8301	Frances Baard District Municipality	053 836 7720	Ms Masego Job (BM)
John Taolo Gaetsewe	Corner Church & Roos Street, Kuruman, 8460	John Taolo Gaetsewe District Municipality	053 714 3160	Mr Ncedile Tola (BM)
ZF Mgcawu	Corner Scott & Hill Street, Old Sanlam Building, 3rd Floor, Upington, 8800	ZF Mgcawu District Municipality	054 337 8280/11	
Pixley ka seme	Corner Main & Station Street, De Aar, 7000	Pixley Ka Seme District Municipality	053 632 7560/90	Mr Piet Papier (BM)
Namakwa	4 Hospital Street, Springbok, 8240	Namakwa District Municipality	027 712 8500	

North West

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	186 Beyers Naude Street, Rustenburg	Bojanala Platinum District Municipality	014 591 8460	Mr Sabelo Ntshangase (PM)
Seda Bojanala West	186 Beyers Naude Street, Rustenburg	Bojanala Platinum District Municipality	014 591 8460	Mr Caritus Maselesele (BM)
Bojanala East Branch	15 Murray Ave, Brits	Bojanala Platinum District Municipality	012 262 9120	Mr Mike Nyenes (BM)
Dr Ruth S. Mompoti	8 Moffat Street, Vryburg, 8600	Dr Ruth Segomotsi Mompoti District Municipality	053 928 8800	M. Paul Manoto (BM)
Ngaka Modiri Molema Branch	4059 Newton Street Mafikeng	Ngaka Modiri Molema District Municipality	018 391 9900	Ms Morongwa Moseki (BM)
Dr Kenneth Kaunda Branch	West End Building, 51 Leask Str, Klerksdorp,2520	Dr Kenneth Kaunda District Municipality	018 487 1920	Mr Afrika J. Mpeqeka (BM)



Western Cape

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM)/ BRANCH MANAGER (BM)
Provincial Office	Corner of Strand and Burg Street, Cape Town.	City of Cape Town District Municipality	021 487 3640	Mr Alex T. Qunta (PM)
Cape Town CBD	Corner of Strand and Burg Street, Cape Town.	City of Cape Town District Municipality	021 487 3640	Ms Zaida Jackson (BM)
City of Cape Town	2nd Floor Louwville Building, 23 Vrede Street, Bellville, 7530	City of Cape Town District Municipality	021 949 2227	Ms Zaida Jackson (BM)
George - Eden	1st Floor Old Mutual Building, Cnr York and Hibernia streets, George	Garden Route District Municipality	044 874 4770	Mr Quinton Coetzee (BM)
Cape Winelands	1st Floor Eikestad Mall, 43 Andringa Street, Stellenbosch, 7600	Cape Winelands District Municipality	021 861 4800	Mr Kiewit Mhlongo (BM)
Beaufort West	119 Donkin Street, Beaufort West	Central Karoo District Municipality	023-414 3368	Mr Quinton Coetzee (BM)
Cape Town CBD	Corner of Strand and Burg Street, Cape Town.	City of Cape Town District Municipality	021 487 3640	Ms Zaida Jackson (BM)
Atlantis	Novell Building, Neil Hare Avenue, Atlantis	City of Cape Town District Municipality	021 577 1086	Ms Zaida Jackson (BM)
Vredenburg	19 West Coast Centre, 11 Long Street, Vredenburg.	West Coast District Municipality	022 713 4405	Mr Kiewit Mhlongo (BM)
Worcester	C/o High & Stockenstrom Streets, Worcester	Cape Winelands District Municipality	023 342 2381	Mr Kiewit Mhlongo (BM)
Hermanus	1st Floor Hermanus Gateway Centre, Hermanus	Overberg District Municipality	028 312 2359	Mr Kiewit Mhlongo (BM)
Oudtshoorn	Seppie Greef Building, 75 Voortrekker Road, Oudtshoorn	Garden Route District Municipality	044 272 7783	Mr Quinton Coetzee (BM)
Knysna	Shop 13B Woodmill Centre, Main Street (N2) Knysna	Garden Route District Municipality	044 382 2861	Mr Quinton Coetzee (BM)
Mossel Bay	Unit 8 Voorbaai Business Park, Watson Avenue, Mossel Bay	Garden Route District Municipality	044 695 0418	Mr Quinton Coetzee (BM)
Khayelitsha	2nd Floor Harare Library, 42 Ncumo Rd, Harare Square, Khayelitsha	City of Cape Town District Municipality	021 361 8233	Ms Zaida Jackson (BM)

INCUBATION CENTERS

Eastern Cape

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
CVC Africa Township Hub	ICT	Gqeberha	GM Industrial Park, Kempston Road, Sidwell Gqeberha 6001	Raleshaba Moeng
T3 Incubator Hub T/A Propella Township Incubator	Multisectoral	Port Elizabeth (Gqeberha)	7 Bennett Street, Neave Industrial Plant, Neave Industrial Area, Nelson Mandela Bay Metropole (Gqeberha)	Wilhela Gie
Walter Sisulu University -CfERI	Multisectoral	Mthatha	Private Bag X6030 Mthatha Campus, Zamukulungisa Heights, 5099	Thobekani Lose
IKHALA CfERI	TVET College	Queenstown	Zone D, Gwadana Drive, Ezibeleni, Queenstown, 5320	Mtunase Kali
Rhodes University CFERI	Education	Grahamstown	Top Floor, Rhodes Theatre Building,Room 305, Cnr Somerset & Prince Alfred Streets, Grahamstown	Prof Tshidi Mohapeloa (contact person-new CFERI)
Nelson Mandela Bay iHub	ICT	Gqeberha	1st Floor Kwantu Towers, Govan Mbeki Avenue, Port Elizabeth	Darryl Dennise
Nelson Mandela Bay themba lethu	ICT	Themba lethu	1st Floor, Kwantu Towers Building , Vuyisile Mini Square, Govan Mbeki Avenue , 6201	Sivuyo Ngcwangu
Nelson Mandela University CFERI	Education	Gqeberha	University Way, Summerstrand, Gqeberha, 6019	Ms Karen Snyman (contact person-new CFERI)
Lovedale TVET College Centre for Entrepreneurship Rapid Incubator	Agriculture	Alice and King Williams Town	1 Amatola raw	Azola MGQUBA
Chemin East London	Chemical	East London	Site 16 Fish Eagle Street, Fort Jackson Industrial, Mdantsane	Colin Mkhonza
Chemin Mthatha	Chemical	Mthatha	9 Timber Street, Vulindlela Heights, Mthatha	Colin Mkhonza
SANAMI	Agriculture	Mount Ayliff	Centre's address: SANAMI, Umzimvubu Goats Complex, Hospital Road, Mount Ayliff, 4735	Nontlahla Boyce
The Furniture Technology Centre Trust t/a Furntech	Manufacturing - Furniture and wood products	Mthatha	10 Timber Road, Vulindlela Height, Mthatha	Harriet Moloi

Free State

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Motheo TVET College CfE and RI	Manufacturing	Bloemfontein	46 St Georges Street CBD	Anica Labuschagne
Goldfields TVET College CFE/ RI	Renewable Energy	Welkom	14107 Ndaki Street Thabong Ext 6 Welkom 9463	Jimmy Tsiu Masoetsa
SAMTI (Small Business Agricultural and Mining Tool Incubator	Manufacturing	Bloemfontein	20 President Street, BHP Bulletin Building, Central University of Technology, Bloemfontein, 9301	Cantridge Sibanyoni
Maluti Tvet CfERI	Mixed Sectors	Qwaqwa	Cnr. Mampoi & Bolata Road	Thandeka Kenalemang Mahlatjie
Botshabelo digital hub	Information Communication Technology	Botshabelo	09 Pink Street, Botshabelo Industrial park	Ayanda Ndinise

Gauteng

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Wakanda NPC	Hospitality	Mellville	27 Boxes, 74 4th Avenue Melville 2109	Miles Khubeka
Africa Beyond 4IR NPC	Gaming, VR and Robotics	Mabopane	Workshop F, Tshwane South TVET College, Odi Campus, Mabopane, 0190	Kelebogile Molopyane
Bakery & Food Technology Incubator	Food & beverage manufacturing sector	Pretoria East	Unit 1, 70 Banghoek crescent, N4 Gateway Industrial Park, The Willows, Pretoria	Ansie Potgieter
South African Manufacturing Technology Demonstration Centre (SMTDC)	Manufacturing	Soshanguve	Corner Aubrey Matlala and College Roads, Soshanguve, 0152	Phumudzo Madzunya
The Furniture Technology Centre Trust t/a Furntech	Manufacturing - Furniture and wood products	Roodepoort	11 Granville Avenue North, Lea Glen, Roodepoort	Khodani Radzilani
Rail Manufacturing Centre for Entrepreneurship Rapid Incubator (RMCERI)	Manufacturing	Pretoria	Ditsel Place. Corner Park and Jan Shoba streets. Hatfield	Martin Manmohan
Lepharo Incubation Programme NPC	Manufacturing, Mining & Engineering	Springs	01 Plover Street	Zenzo Nkomo
Galaxcoc	Technolgy	Alexandra	17 Arkwright Avenue, Wyneburg, Sandton, 2090	Patric Baloyi
Gibela Business Incubator BNPC	Multisector	Springs- Kwa-Thema	Kwa-Thema Business Park, Kwa-Thema	Justine Mogashoas
Ekurhuleni Jewellery Project	Jewellery Manufacturing	Germiston	Housr 51, Rand Refinery Estate, 1 Refinery Road	Samuel Manyisa
Global Jewellery Academy	Jewellery and others	Johannesburg	159 Volta Street, Extension 10, Lenasia, 1827	Thami Bolani

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Ekurhuleni West Tvet College CFERI	Education	Germiston	782 Poole Street Palime Section KATLEHONG 1431	Mandla Cosmos Mkhize
University of Johannesburg CFERI	Education	Johannesburg	Cnr. Barry Hertzog and Napier Road, Milpark	Ms. Machaka M. Mosehana (contact person-new CFERI)
Fourth Industrial Revolution Incubator Johannesburg	4IR,FINTECH	Johannesburg	78 Corlett Drive Birnam 2196	Naomi Musi
National Construction incubator attredgeville	Construction	Attredgeville	351 Kalafong Hopsiaal Road	Thabiso Matla
Softstart Business and Technology Incubator NPC	Information Communication Technology	Midrand	136 2nd Street, Randjespark Midrand	Ayanda Ndinise
Automotive Industry Development Centre (AIDC)	Automotive	Silverton	Gate 1 Simon Vermooten road Silverton	Faheem Hussain
Seda Automotive Technology Centre (SaTec)	Automotive	Rosslyn	Automotive Supplier Park, 30 Helium Road, Rosslyn, Pretoria	Dion Harold
Kagiso Township Hub operated by Property Point	Property & Construction	Chamdor	19 Nichols Street, Chamdor, Krugersdorp	Desigan Chetty
TuksNovation NPC	Technology	Pretoria	Room 14-4, Humanities Building, Lynnwood Road, Hatfield Campus, University of Pretoria	Phindile Tshabangu
South African Creative Industries Incubator (SACII)	LOCALIZATION	Pretoria	224 Perry Avenue, Eersterust, Pretoria, Gauteng	Beth Arendse
Chemin Modderfontein	Chemical	Johannesburg	Lesedi House, McGowan Avenue, Lethabong	Colin Mkhonza
Chemin Thembisa	Chemical	Johannesburg	47 Thami Mnyele Drive, Tembisa	Colin Mkhonza
SMU	University	Pretoria	Molotlegi Street, Ga-Rankuwa, Pretoria	Taurai Hungwe



CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Invotech	Multi mixed	Berea	123 Botanic Gardens Road, Berea	William Roy Goldstone
Innovation & Technology Incubator (Invotech)	Mixed High Tech	Berea	123 Botanic Gardens Road, Berea	William Roy Goldstone
Durban University of Technology CFERI	Manufacturing	Berea	121 Steve Biko Road Musgrave Berea, Durban 4001	Gnanam Pillay
CVC Africa Localization	Manufacturing	Salt Rock	868 Shakashead Salt Rock Kwazulu Natal 4420	Percy Gumbi
The Furniture Technology Centre Trust t/a Furntech	Manufacturing - Furniture and wood products	Kwa Mashu	Number: 30 , 109236 Street , Emakhosini Kwa Mashu	Delyshia Govender
Esayidi CfERI	Mixed	Port Shepstone	2 Hillside Crescent, Oslo Beach, Port Shepstone	Jobina Mark
Esayidi CfERI	Mixed	Umzimkhulu	Mankofu Road, 3297 Umzimkhulu,Eastern Cape	Jobina Mark
SmartXchange Durban	Media, Information, Communication, Technology, Electronics, Arts (MICTea)	Durban	5 Walnut Road Durban	Jonathan Naidoo
SmartXchange Portshepstone	Media, Information, Communication, Technology, Electronics, Arts (MICTea)	Portshepston	54 Michell Drive Portshepston 4240	Fatima Sarigat
SmartXchange KwaMashu Digital Hub	Media, Information, Communication, Technology, Electronics, Arts (MICTea)	Kwamashu	Number: 30 / 109236 Street / Emakhosini / KwaMashu / 4156 / South Africa	Jonathan Naidoo
National Construction Incubator	Construction	Durban	199 Anton Lambede Street, 23rd Floor Embassy Building , Suite 2305, Durban, 4000	Patricia Ntombizodwa Mazibuko
National Construction incubator Durban	Construction	Durban	127 Johannes Nkosi Street Durban	Sam mahlaba
National Construction incubator kwamashu	Construction	Kwamashu	M76 bhunezi Road Kwamashu	Sam Mahlaba
National Construction Incubator Umhlathunzi	Construction	Umhlathuzi	Eskahleni Road Umhlathuzi	Sam Mahlaba
University of KZN	CFERI	Durban	University of Kwazulu Natal, Durban 4041	Suvina Singh interim
Durban Textile	Textile	Durban	126 Johannes Nkosi Street Durban	Gnanam Pillay
Sasopsbiz	Manufacturing	Pietermaritzburg	1st floor Maincity bld,210 langalibalelele street, PMB	Pumla Vilakazi
Downstream Aluminium Centre for Technology NPC (DACT)	Multi-Sector	Richards Bay	ZCBF Community Park, South Central Arterial, Alton, Richards Bay	Lindiwe Radebe

Limpopo

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Sekhukhune TVET College - Centre for Entrepreneurship & Rapid Incubator	General	Globersdal	676, Motetema, Groblersdal, 0470	Kwanele Goodenough Mkhwanazi
Limpopo Jewellery Business Incubator	Mineral Beneficiation	Polokwane	07 Freedom Drive, Seshego Industrial Park	Mokgadi Tessa Ngobeni
VHEMBE TVET CFERI	Manufacturing & Engineering	Thohoyandou	10 Thengwe Road vhembe Tvet college Makwarela campus	Rudzani Makheda
University of Venda CFERI	Education	Thohoyandou	P/bag x 5050, Thohoyandou, 0950	Dr Robert L. Martin (contact person-new CFERI)
Hope Givers Foundation	ICT	Tzaneen	Stand 20761,Lydenburg Main Road, JB Mhlaba Cross, Tzaneen	Ms Tsakani Muhlari (contact person-new incubator)
BBI	Biodiesel	Pretoria	Stand no1 Tompi Seleka College of Agriculture, Phetoane Village, Marble Hall	Charles Siphugu
UL Limpopo Information & Technology (LIT) Hub	Digital	Polokwane	University of Limpopo, U Block Building, Tselagopo St. Turfloop Campus Private Bag X1106, Sovenga, 0727, South Africa	Tashveer Bodhi (Interim)

Mpumalanga

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Gert Sibande CfERI	Multi sector	Evander	12 Cornell road Evander 2280	Zinitha Maseko
Ehlanzeni TVET College CFERI	Renewable Energy	Barberton	3074 General Street Barberton 1300	Donald Pako
Lesedi Agri-Biz Incubator	Agriculture	Machadodorp	388 JT Zevenfontein, Portion 12 and 13 entokozweni Machadodorp	Ntokozo Sibiya
The Furniture Technology Centre Trust t/a Furntech	Manufacturing - Furniture and wood products	White River	5 Indus Road, Suite 2, White River	Khodani Radzilani
MSI	Manufacturing	Middelburg	19/20 Cnr Newtown& Mnotho Street	Mamba Hazel (Acting)
Timbali Technology Incubator	Agriculture	Nelspruit	Portion of Portion 74 Friedeheim Farm, Nelspruit 1200	Louise de Klerk
MASDT	Agricultural Sector	Nelspruit	10 Bester Street North, Canary Walk Buisness Park, Nelspruit 1200	Chris Williams
Firi Digital Hub Nelspruit	4IR	Nelspruit	1Aqua street riverside office park nelspruit	Naomi Musi
University of Mpumalanga Centre for Entrepreneurship Ripid Incubator	Education	Mbombela	Cnr of R40 & D725 Roads, Mbombela 1200, South Africa	Dr Kanayo Ogujiuba

Northern Cape

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Kimberley Diamond and Jewellery Incubator	Mineral beneficiation	Kimberley	25 villiers street	Bonolo Moea
Sol Plaatjie University(VUT CfERI migrated to SPU CFERI)	Various	Upington	11 Toekoms Street,Upington	Anthony Mac Minn
Northern Cape Rural TVET College Centre for Entrepreneurship Rapid Incubator	Multi-Sector	De Aar & Kathu	1 Van Riebeeck Street	Fabian Humphreys
Northern Cape Agricultural Incubator	Agriculture	Kimberly	Boontjieskraal, Portion 27 of Farm 127 Margersfontein,Kimberly	Adv Itemogeng Steenkamp(contact person-new incubator)

North West

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Leema Township Incubator NPC	Technology	Mogwase	Stand 43, Factory 7 A&B Bodirelo Platinum SEZ	Emson Moyo
The Platinum Incubator	Mining and Minerals Beneficiation	RUSTENBURG 0300	C/o ORBIT Tvet College, Corner Fatima Bhayat and Bosch Street Rustenburg	Sibongile Shongwe
OBPI Incubator	Manufacturing	Mogwase	Stand 43,Bodirelo Industrail Park, Mogwase	Mpho Tsheole
Mafikeng digital innovation hub	4IR	Mahikeng	2696 James Watt Cres, Industrial site Mafikeng 2735	Joseph Semanga Ndaba
Orbit Tvet Collge	Automotive	Rustenburg	36 Van Zyl Street	Peter Matlou



Western Cape

CENTER NAME	SECTOR	TOWN	CENTER PHYSICAL ADDRESS	CENTER MANAGER
Falsebay TVET College CFERI	Manufacturing	Westlake	Westlake Drive Westlake Cape Town 7950	Steve Reid
THE DAILY GRIND INNOVATION HUB	Multi Sector	CAPE TOWN	3 PIONEER RD, SCOTTSVILLE KRAAIFONTEIN	DOMINIQUE ADONIS
The Furniture Technology Centre Trust t/a Furntech	Manufacturing - Furniture and wood products	Cape Town	8 Lowe Stoft Street, Paarden Eiland, 7420	Michael Reddy
The Furniture Technology Centre Trust t/a Furntech	Manufacturing - Furniture and wood products	Nyanga	1023 New Eisleben Road, Nyanga	legshaan Ariefdien
BioCiTi Labs NPC	Health	Cape Town	Block B, 2 nd Floor Bandwidth Barn Woodstock Exchange Building 66 – 68 Albert Road, Woodstock	Dheepak Maharajh
West Coast College CFERI	Manufacturing	Vredenburg	01 Akademie Street	Xolani Mhlongo
Fourth Industrial Revolution Incubator Cape Town	4IR, FINTECH	Cape Town	1 waterhouse place century city cape town	Naomi Musi
Fsatlabs	ICT	Cape Town	Block C Mayfair Bulding Century way Century City Cape Town	Ndileka Nzantsi
Savant Technology Incubator NPC	Hardware Technology	Cape Town	Unit GU03, Collingwood Building, Observatory, Cape Town	Nivida Wicomb
South African Renewable Energy Business Incubator (Sarebi)	Renewable Energy	Atlantis	1st Floor, 9 Novel Building Cnr John Dreyer and Neil Hare Road, Atlantis, 7349	Helmut Hertzog







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