

ANNUAL REPORT 2020/21







seda 

SMALL ENTERPRISE DEVELOPMENT AGENCY

an agency of the dsbd

ANNUAL REPORT 2020/21

>> CONTENTS

PART A: GENERAL INFORMATION **05**

General Information	06
List of Acronyms	07
Foreword by the Minister of Small Business Development	08
Overview by the Chairperson	10
Report of the Accounting Officer	12
Board Members	14
Statement of Responsibility and Confirmation of Accuracy for the Annual Report	16
Strategic Overview	17
Vision	17
Mission	17
Core Values	18
Products and Services	20
Legislative and Other Mandates	21
Organisational Structure	24
Seda Executive Management Team	25

PART B: PERFORMANCE INFORMATION **27**

Auditor's Report of the Performance Information	28
Situational Analysis	29
SEDA Contribution to MTSF	32
Institutional Programme Performance Information	33
Programme 1: Enterprise Development Division	33
Programme 2: Seda Technology Programme	38
Programme 3: Administration	42



SCAN this QR code to
get quick access to the
digital version of the
Annual Report 2020/21



Linking Performance with Budgets	46	PART E: FINANCIAL INFORMATION	107
SEDA Provincial Management Team	48		
Success Stories	50	Statement of financial performance	114
Agata Lonia (Pty) Ltd	50	Statement of financial position	115
KSM Chemicals Solutions	52	Statement of changes in net assets	116
Prexoz Engineering (Pty) Ltd	54	Cash flow statement	117
Notefull 1294 KZN (Pty) Ltd	56	Statement of comparison of budget and actual information	118
Barui Driehoek Cooperative Ltd	58	Notes to the annual financial statements	120
Rally Business Consulting (Pty) Ltd	60		
Khoma Ndlati General Trading t/a Gimbo Bricks and Sand	62	ANNEXURE A: SEDA PROVINCIAL OFFICES	167
Silver Solutions 3190 t/a Richtersveld Boekwinkel			
Kooperasies	64	EASTERN CAPE	168
Victoria Driving School (Pty) Ltd	66	FREE STATE	170
KGBW (Pty) Ltd	68	GAUTENG	172
Gotec Investments	70	KWAZULU-NATAL	174
LBN Trading Enterprise (Pty) Ltd	72	LIMPOPO	176
		MPUMALANGA	178
PART C: GOVERNANCE	75	NORTHERN CAPE	180
		NORTH WEST	182
Composition of the Board	78	WESTERN CAPE	184
Committees	84		
Audit and Risk Committee Report	91		
BBBEE Compliance Performance Information	93		
PART D: HUMAN RESOURCE MANAGEMENT	95		
Introduction	96		



Next

Menu

Prev



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

LIST OF ACRONYMS

4IR	Fourth Industrial Revolution	EXCO	Executive Committee	OHSAS	Occupational Health and Safety Act
AGSA	Auditor-General of South Africa	GDP	Gross Domestic Product	PAA	Public Audit Act
APP	Annual Performance Plan	GRAP	Generally Recognised Accounting Practice	PFMA	Public Finance Management Act
ASB	Accounting Standards Board	HR	Human Resources	PMD	Performance Management and Development
BESD	Basic Entrepreneurial Skills Development	ICT	Information and Communication Technology	PPE	Personal Protective Equipment
CBDA	Cooperative Banks Development Agency	IESBA	International Ethics Standards Board for Accountants	PRC	Policy Review Committee
CBD	Central Business District	IFRS	International Financial Reporting Standards	PTT	Policy Task Team
CCMA	Council for Conciliation, Mediation and Arbitration	IESBA	International Ethics Standards Board for Accountants	QMS	Quality Management System
CEO	Chief Executive Officer	IMEDP	Informal and Micro Enterprise Development Programme	SABS	South African Bureau of Standards
CfERI	Centre for Entrepreneurship and Rapid Incubator	ISA	International Standards on Auditing	SAFCOL	South African Forestry Company
CFO	Chief Financial Officer	ISO	International Organisation for Standardisation	SANS	South African National Standards
CO-OPs	Cooperatives	IT	Information Technology	SAQI	South African Quality Institute
CII	Confederation of India Industry	KZN	KwaZulu-Natal	Seda	Small Enterprise Development Agency
CPPP	Community Public Private Partnership Programme	MTSF	Medium-Term Strategic Framework	sefa	Small Enterprise Finance Agency
CSD	Central Supplier Database	MOA	Memorandum of Agreement	SIOC	Sishen Iron Ore Company
DDM	District Development Model	MOV	Means of Verification	SMMESA	Small, Medium and Micro Enterprise South Africa
DSBD	Department of Small Business Development	NAMAC	National Manufacturing Advisory Centre	SMME	Small, Medium and Micro Enterprise
the dtic	Department of Trade Industry and Competition	NDP	National Development Plan	Stp	Seda Technology Programme
EAP	Employee Assistance Programs	NT	National Treasury	UIF	Unemployment Insurance Fund
EDD	Enterprise Development Division	NYDA	National Youth Development Agency	TTF	Technology Transfer Fund
EDF	Enterprise Development Fund	OD	Organisational Design	TVET	Technical Vocational Education and Training
EJP	Ekurhuleni Jewellery Project				

FOREWORD BY THE MINISTER OF THE DEPARTMENT FOR SMALL BUSINESS DEVELOPMENT

Minister Stella Tembisa Ndabeni-Abrahams



The 2020/21 Annual Report reflects on how Seda navigated the unusual year, which was marked with many challenges. Among these challenges was the continued devastating impact of the Covid-19 pandemic, which affected many SMMEs and cooperatives through loss of sales and business closure.

Many South Africans who were dependent on formal employment lost their jobs, and others opted to start small businesses to survive. The high prevalence of informal businesses in township and rural areas and the lack of targeted interventions delayed financial support offered to these businesses. The low levels of digitalisation among government departments and its agencies hindered a speedy response to SMMEs and cooperatives needs.

During the 2021 State of the Nation Address, his Excellency President Cyril Ramaphosa reflected on the impact of the

Covid-19 pandemic by highlighting the need to accelerate economic recovery and reforms, which will result in sustainable job creation and drive inclusive growth. As a Department, we had to reprioritise budget allocation and identify key programmes in order to respond to this call. The SMME and cooperatives relief packages that were offered in the year under review were intended to minimise the impact of the Covid-19 pandemic. Transformation, equity and inclusive growth were also taken into account while supporting the SMME and cooperatives to adjust to this new normal.

Prior to the Covid-19 pandemic, some of the supported SMMEs and cooperatives relied on exporting products to the international markets, while some were importing bulk of their product inputs from the international community. These SMMEs and cooperatives were negatively impacted by the Covid-19 pandemic. The impact of the Covid-19 pandemic necessitated the need for South African businesses to expand their localisation content. During the year under review, through various Seda interventions, 238 locally produced products from 36 SMMEs were listed with several corporates and wholesalers.

Collaboration between government and private sector is key in ensuring economic recovery and stability. Seamless coordination between different spheres of Government is important to aid better response to SMMEs and cooperatives challenges. In this regard, Seda continued to engage with different district municipalities to support the District Development Model. DSB and its agencies championed the implementation of the Township and Rural Entrepreneurship Programme (TREP), which prioritised businesses based in these areas. Most of the businesses that are eligible for support are receiving assistance through capacity building, business formalisation and access to market from Seda.

An efficient and effective Seda is important to ensure that comprehensive non-financial support is offered to SMMEs and cooperatives. Merging of Seda, sefa and CBDA is underway to create a unified entity that will streamline its processes to swiftly respond to the needs of SMMEs and cooperatives.

Seda's performance clearly reflects that this was no ordinary year, as some of the challenges encountered in this year necessitated that the organisation introduced technology-based hybrid methods of supporting businesses with minimal face to face contact. This need came with its own challenges, for example, the readiness of SMMEs and cooperatives to utilise technology to support their business. Going forward, greater efforts including rolling out of digital hubs are being put in place to turn the situation around and to assist SMMEs and cooperatives in embracing the Fourth Industrial Revolution (4IR) as it is the future of doing business.

I would like to commend Seda for the achievement reflected in this Annual Report, more especially the profiled SMMEs and cooperatives that weathered the storm and showed resilience. They are the model of businesses that showed resilience and growth under the current difficult economic conditions. I should also acknowledge the leadership shown by the Executive Authority of the DSB for 2020/21 financial year, Honourable Minister Khumbudzo Ntshavheni and Deputy Minister Nokuzola Capa. A word of gratitude goes to the Portfolio Committee for guiding the Department and ensuring that it adheres to its mandate of supporting SMMEs and cooperatives in all sectors.

Furthermore, I acknowledge Seda Chairperson and Board members for providing the necessary oversight to ensure that the organisation delivers on its mandate and manages its resources prudently while adhering to good governance frameworks. Lastly, I would like to express my gratitude to Seda management and employees who worked with SMMEs and cooperatives in providing necessary support to ensure their sustainability and growth.

In conclusion, the objective of supporting and transforming the lives of ordinary South Africans can no longer be postponed, especially for those who are aspiring to be business owners and those who operate small businesses. The impact of the Covid-19 pandemic left our economy with indelible consequences. As a portfolio, we shall continue to provide necessary support and seek collaboration with like-minded partners. This will ensure that we contribute to changing the patterns of business ownership, and reduce levels of poverty, unemployment and inequality.



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

OVERVIEW BY THE CHAIRPERSON

Dr Matshediso Joy Ndlovu

It's a privilege to share the Seda Annual Report which attests to the work done by the organisation to respond to SMMEs and cooperatives needs. It should be acknowledged that the impact of the Covid-19 pandemic had a tremendous impact in many countries and South Africa was not spared.

Most supported SMMEs and cooperatives were directly affected through various levels of lockdown that impacted their revenue streams and levels of productivity. Some SMMEs and cooperatives were forced to reassess their business models and identify new sources of income. Other SMMEs and cooperatives, which were in existence for years, were hard hit by the prolonged trading restrictions that resulted in permanent business closures. The year under review reflects the unusual environment that Seda was operating under, as experienced by the supported SMMEs and Cooperatives.

At the beginning of the financial year the organisation set itself the following key priorities: to improve service access for the supported and aspiring business owners, galvanising support and laying the groundwork for the district ecosystem facilitation, improving SMMEs and cooperatives access to finance and prioritising support offered to township- and rural-based SMMEs and cooperatives. The key driver for these priorities was to expand support provided to South African SMMEs and Cooperatives that are located outside the urban centres to improve their sustainability and viability.



1. IMPROVING SERVICE ACCESS

The organisation acknowledged that the number of SMMEs and cooperatives in the country far exceeds the number of Seda service points. To improve service access, Seda has established and supported 77 colocation points in collaboration with various municipalities and private sector organisations. These colocation points are mainly located in municipalities where Seda does not have a branch. Depending on the service demand, Seda employees provide business development support once or twice per week to SMMEs and cooperatives. The incubation centre network was also increased, where 101 incubation centres were established and supported in the year under review. The establishment of the Incubators was more biased towards township and rural areas, mainly focusing on 4IR and high growth sectors. Seda expanded support offered to SMME and cooperatives through its information centre; at the end of the financial year, 8 576 SMMEs and cooperatives were supported through information sharing, business referrals and business advice.

2. DISTRICT ECOSYSTEM FACILITATION

Seda piloted and implemented districts ecosystem facilitation in eight district municipalities; engagements in other districts are at an advanced stage. The intention is to increase the number of SMMEs receiving business development support through various partners within district municipalities. The organisation further identified the need to standardise support offered by the business development practitioners to SMMEs and cooperatives; in this regard, 345 business development practitioners and Seda practitioners were capacitated with sector-specific training. A business development standard was developed with the intention to standardise support offered by ecosystem partners to SMMEs and cooperatives. An incubation and accelerator standard was also developed to guide both public and private sector incubators and accelerators; both these standards are published on the SABS website.

3. IMPROVING SMMEs ACCESS TO FINANCE

Financial support offered to SMMEs and cooperatives is essential to ensure that they can sustain and grow their businesses. Various mechanisms are continuously being considered to increase business support offered to SMMEs and cooperatives to access finance. During the reporting period, 4 232 SMMEs and cooperatives were supported to access finance; these businesses were supported through business plans development, viability assessments, feasibility studies and applications to the funding institutions. Business pitching was also used to support SMMEs and cooperatives to access funding; through this approach, 826 SMMEs and cooperatives pitched their business ideas to the funders. Seda also tracked the number of SMMEs and cooperatives that accessed funding successfully; the intention was to monitor if the funding support does yield results. At the end of the financial year, 61% of the supported SMMEs and cooperatives received funding.

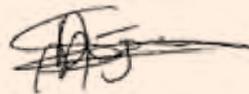
4. PRIORITISING TOWNSHIP AND RURAL-BASED SMMEs AND COOPERATIVES

The support offered to SMMEs and cooperatives prioritised businesses located in township and rural areas; at the end of the financial year, 20 258 SMMEs and cooperatives operating in these areas were supported. The interventions offered were mainly

on business formalisation, business compliance and business development training. Seda increased support to SMMEs and cooperatives based in township and rural areas due to the potential spin-off of job creation in these areas. In the new financial year, Seda will focus on improving access to finance, business mentorship and coaching, productivity improvement and market access to ensure business growth and sustainability. Access to technology has been identified as a game-changer for SMMEs and cooperatives based in the township and rural areas; going forward, eligible SMMEs and cooperatives will be provided with the necessary support to access technology.

5. LOOKING AHEAD

In 2020/21 financial year, the organisation's resilience and agility were tested; there are several lessons learnt among which is the need to continuously innovate and refocus our operational model to improve service output. There is a growing need to explore various approaches to offering business development services remotely, especially offering interventions online. Working closely with our partners in the ecosystem cannot be overemphasised more, especially the portfolio partners DSBD and sefa; through these relationships, SMMEs and cooperatives can receive comprehensive business support. On behalf of the Board, we would like to thank Seda management, who steered the organisation during these difficult times. A word of gratitude goes to staff members who diligently showed up whenever they were called to assist SMMEs and cooperatives in need. We appreciate the support and guidance offered by DSBD and the former Honourable Minister of Small Business Development Khumbudzo Ntshavheni. In the new financial year, the organisation will respond to the Government priorities with vigour and more determination. The Board is looking forward to a fruitful relationship with Honourable Minister Stella Tembisa Ndabeni-Abrahams as we move forward the SMME agenda.



Dr Matshediso Joy Ndlovu
Board Chairperson

ACCOUNTING OFFICER'S REPORT

Mr Nkosikhona Mbatha

Seda has continued to work with relevant stakeholders to ensure the implementation of its mandate and provide quality service delivery to its clients.

Seda strives to spend its resources economically and prudently to ensure adequate support and sustainability to its clients. The organisation continued to focus on programmes that are likely to improve the clients' performance through enhancing access to markets amongst others. There has also been an improvement of the incubation and the technology transfer programmes to ensure growth and sustainability of SMMEs and cooperatives.

The organisation continues to direct most of its financial resources to client support initiatives. Seda total revenue budget for 2020/21 financial year was R883 million and the total expenditure budget was R990,4 million. The actual expenditure for the period 1 April 2020 to 31 March 2021 amounted to R772,9 million resulting in a pro-rata underspending of R217,5 million (21.96%).

Seda will be requesting the rollover of surplus funds in the amount of R221,4 million. The surplus funds will be utilised to honour the current commitments that Seda had at year-end and enable Seda to cover inadequately funded programmes and projects of the Seda Technology Programme.

During the year under review, the organisation operated under capacity constraints in terms of staff due to a moratorium that was placed on filling vacant positions due to the impending merger process. All vacant positions were critically analysed to assess their importance and those positions deemed critical were filled on 12-month contract basis. Executive management positions were also affected, resulting in the majority of these positions being filled on an acting capacity basis.



The organisation constantly monitors capacity limitations and seeks to ensure that it does not compromise support offered to SMMEs and cooperatives. Some SMME and cooperatives support programmes that were implemented in the 2019/20 financial year were reassessed based on the organisation's capacity to continue supporting them. Amongst these are the Informal Micro-Enterprise Development Programme (IMEDP) and the National Gazelles programme. The Covid-19 pandemic necessitated the organisation to reevaluate its existing programmes with the intention to redirect its support to SMMEs and cooperatives that were in great need of relief support. In this regard, Seda participated in SMME relief initiatives that were championed by the DSBD portfolio, such as TREP, Debt Relief Fund and the localisation programmes.

The Organisation strives to ensure that the supply chain processes are consistent, unbiased and efficient to optimise client support. Necessary reviews are undertaken to ensure that all National Treasury guidelines and prescripts are followed, which results in fair and transparent procurement processes. In 2020/21 financial year, challenges encountered entailed delays in procurement, due to various alert levels of lockdown, more especially during levels 5 and 4. In areas where the organisation struggled to source products or services, the Central Supplier Database (CSD) was used to source eligible service providers.

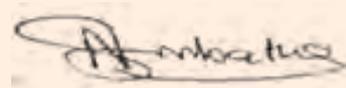
The organisation took note of the issues raised in the AG's audit report for the 2019/20 financial year. A number of initiatives were implemented where the Internal Audit and the Finance units made follow-ups to ensure that necessary controls are put in place to minimise the recurrence of control weaknesses highlighted in the AG's report. Different divisions within the organisation were engaged to implement preventative actions on the findings that were noted and these remedial actions are yielding results. However, in other areas of business the findings that were raised have not been fully mitigated, due to the changes in the environment in which the organisation operates. With the lessons learnt in the year under review and all the challenges experienced, Seda was able to achieve an unqualified audit opinion. Additional efforts will be invested to

respond to the identified challenges to ensure that Seda's control environment is improved.

Socio-economic challenges require Seda to spearhead support offered to SMMEs and cooperatives. The economic turmoil that left a devastating impact on small businesses will continue to be felt in the near future. In order to respond to this challenge, Seda will continue to provide needs-based support to SMMEs and cooperatives. The support to be offered includes expanding market access, supplier development and localisation. These interventions will prioritise businesses based in township and rural areas.

Import replacement will be championed through product quality and productivity improvement. South African SMMEs and cooperatives will be supported to ensure that they remain viable, claim their space in larger retailers and pursue international markets. All these initiatives require coordinated and resourced support. Seda will therefore actively identify like-minded partners and various stakeholders in different spheres of Government and the private sector to realise this goal.

On behalf of Seda management, I would like to extend our heartfelt appreciation to the Seda Board Chairperson and directors for always keeping us focused on our mission and mandate of transforming and improving the success prospects of small businesses in South Africa. Through your guidance and oversight, we will go from strength to strength. I would like to recognise the support and guidance received from the DSBD. It would be remiss not to recognise the former Acting CEO, Ms Ntokozo Majola, for steering the ship during the most challenging economic period. Lastly, I would also like to acknowledge the support received from Seda management and employees.



Mr Nkosikhona Mbatha
Acting CEO

BOARD MEMBERS



DR MATSHEDISO JOY NDLOVU



DR STELLA BVUMA



MR CHARL DE KOCK



MS NOMSO FAITH KANA



MR JIM MATSHO



MS MARGARET PHIRI



MR NKOSIKHONA
MBATHA
Acting CEO from 01 May 2021



MR MZOXOLO
MAKI



PRINCESS BEATRICE
TSAKANI NKAMBULE



MR MDUDUZI
SIBEKO



ADVOCATE DERICK J
BLOCK



ADVOCATE MTHOKOZISI
XULU



MS SUZAN MARY-ANN
BADANILE NYAKALE

STATEMENT OF RESPONSIBILITY

AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General.

The annual report is complete, accurate and free from omissions.

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

The annual financial statements (Part E) have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa (PFMA).

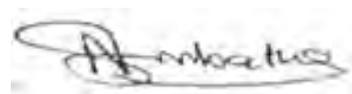
The accounting authority is responsible for the preparation of the annual financial statements and for the judgments made in this information. It is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance on the integrity and reliability of 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, performance information, human resources information and the financial affairs of the public entity for the financial year ended 31 March 2021.

Yours faithfully



Dr Joy Ndlovu
Chairperson
15 September 2021



Mr Nkosikhona Mbatha
Acting Chief Executive Officer
15 September 2021

STRATEGIC OVERVIEW

Seda was established in December 2004 through the National Small Business Amendment Act – Act 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, 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 the 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 dti** to DSBD.



VISION

To make a difference in SMMEs' life everyday

The vision is translated into high-level **competency, motivation, accountability as well as customer drive for Seda.**

MISSION

To promote entrepreneurship and develop small enterprises by providing customised non-financial business support services that result in business growth and sustainability in collaboration with other role players

Seda's mission gives a clear-cut framework for everything it does. This is shown in Seda's product range and in the approach, attitude and working methods of Seda staff. **Success is ultimately measured against how well Seda is ensuring the growth and sustainability of the small enterprises with which it has interacted.**

CORE VALUES

The core values govern Seda's 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 and management. The meaning of Seda's core values is explained as follows:



NURTURE

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

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact is the long-term/ultimate outcome or consequence of Seda's activities and the effect this impact has on people and the environment. Seda's legislative mandate and mission direct what is expected from Seda in the long term. The organisation's impact is measured through periodic evaluations by the shareholder every three to five years.

The organisation focused on delivering on the following strategic themes:



In so doing, it contributes to the following outcomes:



INCREASE IN TURNOVER OF ASSISTED SMALL ENTERPRISES

This will be achieved through structured development programmes and interventions geared to enable supported clients to expand their markets both locally and internationally. Managing productivity and product quality is essential in ensuring that supported enterprises increase their sales. Adequate marketing and proper product positioning will enhance small enterprises turnover.

INCREASED NUMBER OF PEOPLE EMPLOYED IN ASSISTED SMALL ENTERPRISES

This will be achieved by providing small enterprises with needs-based interventions that will increase demand for their product, which will ultimately require additional human resources. Interventions such as technology transfer will require additional operators to manage production capacity, structured product marketing and sales will require additional human resources and structured business management training will emphasise delineation of duties, reprioritising supervisory and administration functions.

REDUCED MORTALITY RATE OF ASSISTED SMALL ENTERPRISES

Business management training and incubation will ensure that small enterprises are sustainable. Mentoring and coaching of clients will ensure continuous guidance where small enterprises encounter challenges. Access to markets ensures continued sustainability and includes supplier development and exposure to business opportunities through exhibitions.

PRODUCTS AND SERVICES

Seda provides business-related information, advice, consultancy, training and mentoring services in all areas of enterprise development. These services offer solutions in business functions such as production, human resources, finance, marketing and export development. Rural enterprise development and cooperatives are supported through the CPPP. Through Stp, Seda also provides technology transfer, business and technology incubation services, incentives for management systems implementation (such as ISO9001 and OHSAS 18001), product testing and certification.

Seda seeks long-term relationships with clients. Before any intervention, a Seda business adviser assesses the needs of the client and the two then draft a development plan. These services are delivered to the client either by Seda's own staff or through business development service providers.

Seda's target market covers SMMEs, including cooperatives, and potential entrepreneurs with business ideas. The definition of a small enterprise provided in the National Small Business Act of 1996 is based on the number of employees, turnover and fixed assets. Seda defines its clients according to the number of employees.

Historically, Seda focused primarily on the micro and very small segments of the SMME sector, due to the sheer volumes of people wanting to start businesses. The outputs of clients assisted have been huge, but this has come at a cost on impact measures such as employment, profitability and sustainability of assisted clients. The current economic realities necessitate that Seda focus on the entire small enterprise sector to reduce the mortality rate of nascent enterprises, build an entrepreneurial culture at micro- and survivalist level and create jobs and globally competitive small and medium enterprises.

The Seda service delivery network consists of delivery points throughout the country. These points are currently Seda branches, Seda enterprise development centres and Seda-supported incubation centres. Information kiosks and mobile units are used to access remote areas. In addition, Seda colocates with local municipalities and other partners in areas where it does not have a branch. At end-March 2021, Seda had a network of 54 branches, seven mobile units, 17 electronic information kiosks, 15 satellite offices, 101 incubation centres and 77 colocation access points.



LEGISLATIVE AND OTHER MANDATES

Seda's work is governed by a broad legislative framework, as outlined below:

NAME OF ACT	PURPOSE
<p>1. National Small Enterprise Act, No 102 of 1996 amended by the National Small Business Amendment Act, No 29 of 2004</p>	<p>To provide:</p> <ul style="list-style-type: none"> • for the establishment of the advisory body and the enterprise promotion agency • guidelines for organs of state to promote small business in the Republic.
<p>2. Occupational Health and Safety Act, No 85 of 1993</p>	<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 • Protection of 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.
<p>3. Public Finance Management Act, No 1 of 1999</p>	<ul style="list-style-type: none"> • Regulate financial management in national and provincial governments • Ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively • Provide for the responsibilities of persons entrusted with financial management in those governments.
<p>4. Cooperatives Act, No 14 of 2005</p>	<ul style="list-style-type: none"> • Formation and registration of cooperatives • Establishment of a cooperatives' advisory board • Winding-up of cooperatives • Repeal Act 91 of 1981.
<p>5. Basic Conditions of Employment Act, No 75 of 1997</p>	<ul style="list-style-type: none"> • To 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 so doing, to comply with the obligations of the Republic as a member state of the International Labour Organisation.
<p>6. Income Tax Act, No 58 of 1962</p>	<p>Consolidate the law relating to the taxation of incomes and donations, to provide for the recovery of taxes on persons, to provide for the deduction by employers of amounts from the remuneration of employees for certain tax liabilities of employees, and to provide for provisional tax payments and payment into the National Revenue Fund of portions of the normal tax and interest and other charges of these taxes.</p>

NAME OF ACT	PURPOSE
7. Labour Relations 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.
8. Employment Equity Act, No 55 of 1998	Provide for employment equity.
9. Promotion of Access to Information Act 2 of 2000	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
10. Promotion of Administrative Justice Act 3 of 2000	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.

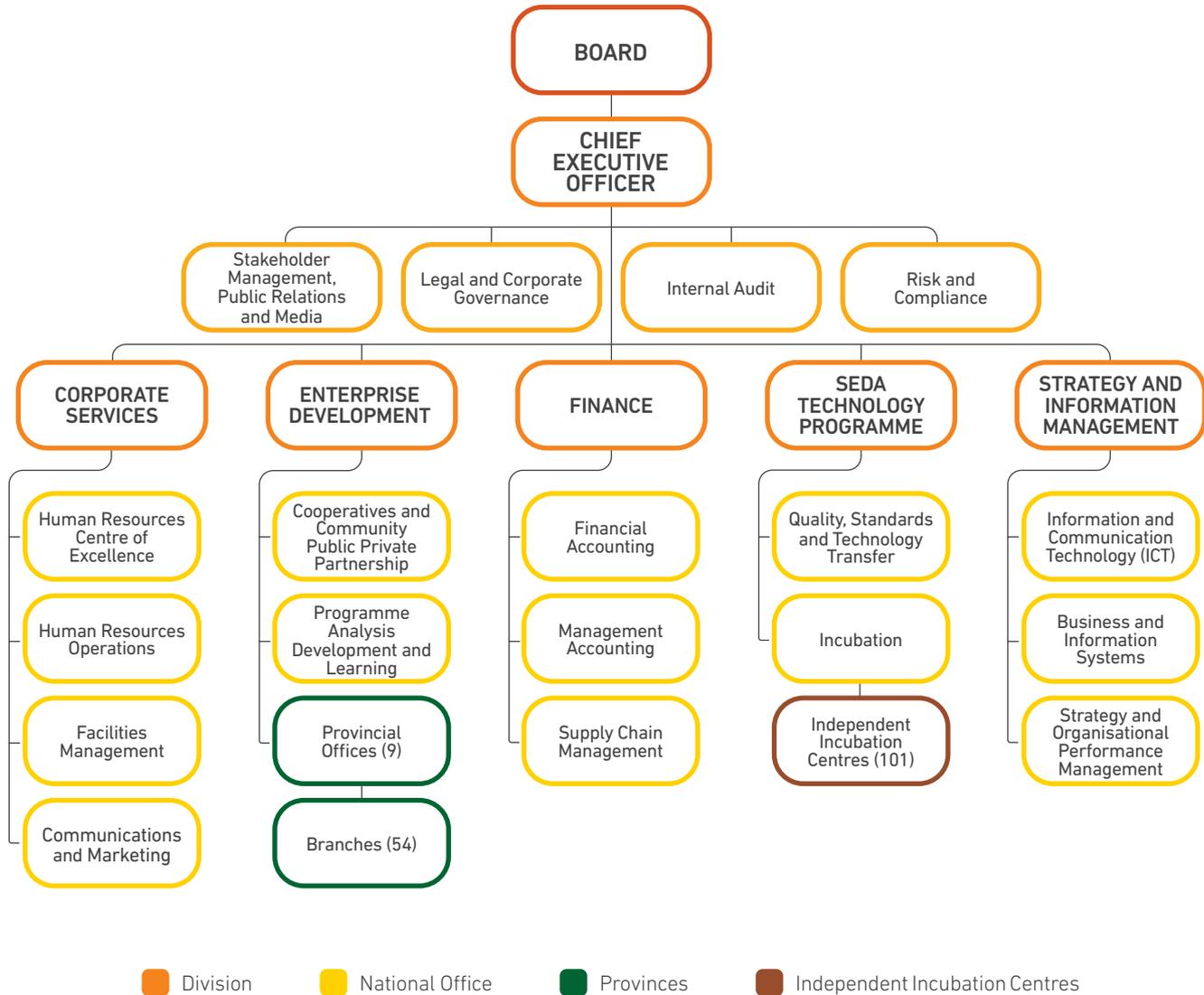


UPDATES ON INSTITUTIONAL POLICIES AND STRATEGIES

The policy and strategy mandates guiding Seda are as follows:

POLICY MANDATES	
INFORMING POLICY OR STRATEGY	KEY CONSIDERATIONS
National Development Plan, Vision 2030 (2012)	<p>The National Development Plan (NDP) envisions an economy that provides full employment by 2030. For this, 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 deal respectively with the economy and unemployment, and inclusive rural development and growth.</p>
Medium-Term Strategic Framework (2019 to 2024)	<p>The Medium-Term Strategic Framework (MTSF) is a combination of an NDP five-year implementation plan for the priorities outlined in the election mandate and an integrated monitoring framework. Through the five-year implementation plan, the government will collaborate with the private sector, labour and civil society to achieve set priorities. The DSBD and its portfolio have a primary role in:</p> <p>Priority 1: Economic Transformation and Job Creation:</p> <ul style="list-style-type: none"> • Upscale and expand support to small businesses; • Create more jobs; • Inclusive economic growth; • Reindustrialise the economy and emergence of globally competitive sectors; • Increase access to and uptake of information and communications technology (ICT); and • Competitive and accessible markets through reduced share of dominant firms in priority sectors.
New Growth Path	<p>The New Growth Path's vision is creating five million jobs by the year 2030, thus reducing the country employment rate by 15%. The SMMEs ecosystem is a key role-player in realising this goal.</p>

ORGANISATIONAL STRUCTURE



SEDA EXECUTIVE MANAGEMENT TEAM



TERVERN JAFTHA

Acting Executive Manager: STP
Bachelor of Business Administration
Certificate in Conformity Assessment



THABANG SERAPELO

Acting Executive Manager: Corporate Service
BA Communication
BA Honours in Industrial Relations



THENJIWE DLAMINI

Acting Chief Strategy and Information Officer
National Diploma Marketing and Business Administration
National Diploma Cost and Management Accounting
MBA



NTOKOZO MAJOLA

Acting CEO from 01 May 2020 to 30 April 2021

Executive Manager: Enterprise Development
BA Admin
BCom Honours in Economics
MA in Development Economics



ELIAS MAABANE PA(SA)

Acting CFO from 01 April to 30 September 2020 and from 01 April 2021

Acting Chief Financial Officer
BCom Accounting
Postgraduate Certificate in Advanced Taxation
BCom Honours in Finance
MBA
AMDP





PART B

PERFORMANCE INFORMATION

AUDITOR'S REPORT

The Auditor-General of South Africa currently audits 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' section in the report on other legal and regulatory requirements section of the Auditor-General's report, which appears from pages 106 to 111 in Part E: Financial Information of this report.



SITUATIONAL ANALYSIS

SERVICE DELIVERY ENVIRONMENT

The importance of small business in a developing economy cannot be overemphasised. In the year under review the organisation displayed success and noted some challenges. It's important to provide a global economic picture in order to be able to locate South Africa within that context. There a number of significant changes that happened in 2019/20 financial year. Most of these were related. The main genesis was the outbreak of Covid-19 pandemic in China, which spread throughout the world and left a devastating impact on many economies. Both large and big economies were not spared. This resulted in global travel restrictions, which eventually limited trading restriction. These restrictions directly affected small businesses, particular in South Africa.

At the beginning of the financial year in April 2021, South Africa was in full lockdown, many trading places were not opened except those offering essential services. Majority of small businesses were not operating and those that were operating were not enjoying normal customer traffic. As the level of restriction eased to level 4 some businesses opened but not in all sectors. The emphasis on social distancing was maintained. Business in leisure, tourism, transport, non-essential manufacturing, services and in construction felt the biggest hardship during lockdown. Some were back in operation as the level of lockdown was reduced.

The need of technology as a medium of communication was heightened, as people were working from home. Soon there was an emergence of quicker faster and unrestricted speed of internet. 5G fibre connection and unlimited data packages gained prominence, but 5G was questioned regarding its link with the spread of Covid-19 pandemic. Governments across the globe introduced some measures to cushion their economies from complete collapse. Some of the interventions entailed payment holidays for those who had credits, unemployment grants to support citizens who were not able to go to work and also those who lost employment during lockdown. In South Africa also similar interventions were

implemented, specifically in the small business development space, Department of Small Business Development offered debt relief package and Covid-19 relief support to SMMEs that met the stipulated criteria. This initiative also assisted government in formalising informal businesses by providing incentives that were attractive and necessary to mitigate against potential business closures.

Seda as part of the DSBD portfolio participated in a number of initiatives assisting SMMEs with compliance support, funding application business formalisation e.g. through municipal permit application. Other interventions included business diagnosis and due diligence for more established SMMEs. All these interventions were implemented to improve the survival potential of the SMMEs and cooperatives. It should be noted that some businesses supported faced permanent closure and the delays encountered in accessing the required support came too late. At the end of the first quarter the entity reviewed its focus areas, which was presented in the APP, which was also aligned to the organisation's strategy, key among the modification was the renewed focus on supporting township and rural based businesses. The project entailed utilising various platforms to invite SMMEs based in township and rural areas to access opportunities presented by the DSBD portfolio. Support was in a form of grants and loans that were managed by DSBD and sefa and non-financial support offered by Seda.

Apart from the challenges encountered in the period under review Seda was able to achieve and exceed 12 out of 23 indicators that were monitored. The partnership model, which was intended to increase the organisation's reach, was greatly affected by face to face restrictions. By the time engagements were established, some of the initially identified stakeholders' priorities had changed and they were no longer forthcoming on the initially stated commitments. Export training was prioritised as the clients were no longer able to go on trade missions. The development of the district ecosystem was mainly restricted to training Seda practitioners on key sectors

and on developing business standards. Through township and rural support the organisation was able to support 23 123 SMMEs. An additional 5 719 were supported through technology transfer and incubation programmes. Key impact indicators on jobs created and jobs sustained were significantly affected.

The need for business development service increased drastically in the year under review, moreover in the new financial year there is an increase in the number of SMMEs that are engaged in business through opportunity identification or through necessity due to unemployment. This is also evident through various spheres of government which are offering complementary services to the DSBD portfolio of better alternatives to what is being offered by government. It is clear that a need for collaboration has never been so crucial. Seda through different forums is engaging stakeholders for the benefit of the client where cost sharing alternatives are being explored.

ORGANISATIONAL ENVIRONMENT

In the planning period for the 2020/21 financial year the organisation identified the following priorities in order to improve its operations. Embracing technology in improving its efficiency and effectiveness, improving collaboration between Seda and sefa, rollout the district ecosystem facilitation and increasing incubation footprint. Towards the beginning of the financial year all necessary plans were in place to respond to these priorities. However due to national lockdown some of these plans had to be reviewed because of the observed changes, which impacted the likelihood for success.

Within the organisation a number of significant developments occurred, on the organisation leadership level, the CEO left the employ of Seda in the first quarter of 2020/21 financial year. During that period another executive manager left the organisation. From that point all executive positions were filled by acting personnel. There reason for not filling these positions was due to the pending

merger between Seda and sefa. The reason behind the merger is to ensure that clients who receive non-financial services from Seda can receive financial services within the same organisation without initiating a new process that could be marked with lot of bottlenecks. The Seda and sefa relationship was reinforced during the Covid-19 relief support, which was managed and guided by DSBD.

Working from home during hard lockdown and also during office rotation brought another dynamic, which required careful management and support. The organisation had to respond by availing working tools such as laptops and internet connectivity though data packages for most employees, including some who were rendering support services. This presented a dilemma and the need to move quicker in procuring the required tools. Data management and working from home guidelines were developed to ensure smooth operations. Virtual support for clients and employees became critical to ensure business continuity. Necessary changes to facilitate the support were introduced.

Office closure and employee infections were common and affected the morale of employees and created instability and discomfort. Procurement processes were also affected as reflected in the budget expenditure. Some delays were due to service providers not responding on time and in other instances by internal capacity issues and unavailability of key personnel. Employee morale was also affected by the non-payment of bonuses and salaries, which ultimately resulted in a go slow. It became evident that the set goals were not going to be achieved easily as some of the foundations were no longer in place. The need for leveraging on technology was identified as a key enabler in the previous financial year. If the organisation had seized the opportunity and moved with speed to address the technology as a more viable alternative in offering client support, it could have been better prepared during the hard lockdown and able to respond with speed to client's needs.



KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

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

The organisation 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. Locally pop-up markets catered for a limited number of customers. The organisation redirected most of its client support to digital platforms to improve business awareness and offered capacity-building interventions.

The strategic plan was reviewed to respond to the priorities of the sixth administration and to support economic recovery. Five pillars are now driving the organisation's strategy — economic recovery and reconstruction, localisation, business viability, township and rural business support, and shared infrastructure.

SEDA CONTRIBUTION TO MTSF

2019 TO 2024 MTSF TARGETS	SEDA'S MTSF TARGETS	SEDA'S CONTRIBUTION IN 2020/21
<p>Facilitate an increase in the number of competitive small businesses, with a focus on township economies and rural development</p>	<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"> • 23 123 SMMEs supported • 8 576 entrepreneurs trained on business development • 4 694 SMMEs participating in export development
<p>SMME development through incubation centres and digital hubs</p>	<ul style="list-style-type: none"> • Increase number of incubators, centres for entrepreneurship and rapid incubator (CfERIs) and digital hubs supported to 270 prioritised rural and township areas 	<ul style="list-style-type: none"> • 101 incubators, CfERIs and digital hubs supported
<p>Transformative, representative and inclusive economy that prioritises women, youth and persons with disabilities</p>	<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"> • 11 170 women-owned SMMEs supported through business development • 6 925 youth-owned SMMEs supported through businesses development • 223 SMMEs owned by disabled persons supported through businesses development
<p>Competitive and accessible markets through reduced share of dominant firms in priority sectors and expanded small business</p>	<ul style="list-style-type: none"> • 20 product markets established to ensure localisation and that citizens are encouraged to buy local 	<ul style="list-style-type: none"> • 2 pop-up markets supported

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The performance information reported here for the year under review supports the strategic indicators in the Seda 2020/21 Annual Performance Plan (APP). There are three main programmes in (APP), namely Programme 1: EDD, Programme 2: Stp and Programme 3: Administration. The sections below provide detailed support offered under each programme and its contribution to the institutional outcome. Moreover, they outline the support offered to priority groups, namely women, youth and people with disabilities.

PROGRAMME 1: EDD

PURPOSE

To support small businesses and cooperatives by providing them with needs-based and growth-oriented non-financial business development support, to ensure that their businesses are sustainable and contribute to the country's developmental goals of decreasing unemployment and increasing contribution to GDP.

INSTITUTIONAL OUTCOMES	APP CONTRIBUTION
Improved service access	<ul style="list-style-type: none"> • Districts facilitation model implemented • Spaza shops supported • Business development standards implemented • Export development • Colocation points supported • SMMEs assisted with access to finance • SMMEs that accessed finance successfully • SMMEs assisted through the information centre • BDS providers and practitioners capacitated with sector-specific support • Cooperatives supported • SMMEs accessing business development support

Significant achievements under programme 1: EDD, includes 100% implementation of the business development standards, 4 694 SMMEs supported through export development, 77 colocation points supported, 61% of SMMEs that accessed finance successfully and 345 business development providers and practitioners capacitated with sector-specific training. This noted achievement contributed to the improved service access offered to SMMEs and cooperatives.

PRIORITY GROUP	SEDA'S RESPONSE TO PRIORITY GROUP	CORRECTIVE ACTION TO IMPROVE PERFORMANCE
<p>Women</p>	<ul style="list-style-type: none"> • Women's coaching programme where a 10 month structured programme was implemented in Free State, Limpopo, Mpumalanga and in KZN. • Seda also championed an intervention to support women in accessing the procurement programme • Involvement in a project that was driven by the United Nations and Department of Women, Youth and Persons with Disability providing sanitary project for women. • Various initiatives were implemented to support cooperatives that are owned by women that are now formalised and are accessing new markets. • Out of the 23 123 businesses supported 50% are women owned. 	<ul style="list-style-type: none"> • To engage women empowerment organisations that can advise on how to structure offered support for the maximum benefit for the targeted group. • Provide support in sectors where there are many women who are operating in the informal sectors e.g. fruit and vegetable vendors, hairdressing salon etc. • Prioritise township-based women-owned businesses and provide structured support.
<p>Youth</p>	<p>Seda hosted a number of events focusing on youth throughout the year, most of these were organised around the youth month. Among these are;</p> <ul style="list-style-type: none"> • Youth coaching programme for 12 months, which was implemented in the Free State. The targeted youth was coached by established mentors in various topics of business management. • The coaching programme for Ekurhuleni came to an end. • Capacity-building programme for youth and business advice. 	<ul style="list-style-type: none"> • Engage youth organisations to understand youth needs and the type of new businesses that require support. • Actively engage youth organisations such as NYDA and other local structures with the intention to partner with them in supporting youth business opportunities and business growth. • Out of the 23 123 businesses supported 31% are youth owned.
<p>People with disabilities</p>	<p>This is one area where the organisation has been facing challenges.</p> <ul style="list-style-type: none"> • Out of the 23 123 businesses supported 1% are owned by people with disabilities. 	<ul style="list-style-type: none"> • The organisation identified a need to engage organisations that represent people with disabilities. Such plans were initiated but could not be concluded due to Covid-19 pandemic, which impose a number of restrictions and shifted priorities to economic recovery. Going forward these plans will be reactivated with the intention to improve the organisation's performance in this area.

Key performance indicators, planned targets and actual achievement

Outcomes	Output	Outputs Indicator	Audited 2019/20 Achievement	Planned Annual Target	Actual achievement	Variance	Reasons for variance
Improve Service Access	Districts Facilitation Model implemented	Number of Districts where the Facilitation Model Implemented	Not monitored in 19/20	15	8	7	The engagements with municipalities was affected by lockdown in the 1st and 2nd quarter. Not all provinces are establishing the COGTA institutional structures for the DDM, which made it difficult to rollout our model in the manner it was conceptualised hence the lower numbers.
	Spaza shops supported	Number of spaza shop supported	Not monitored in 19/20	16 666	5 703	10 963	The uptake of the spaza shop programme was low across the country. Provincial Organisations (external to Seda) introduced their own Spaza support programmes which had higher incentives than those of the DSBD portfolio. This resulted in the low uptake on Spaza Shops to be supported by Seda.
	Business Development Standards implemented	Percentage of BDS Standards developed and implemented	Not monitored in 19/20	50%	100%	50%	All the milestones of adopting the Business Advisory Services Standards, SANS 20700, have been completed. It is now available for purchase at SABS. The next step is to conduct training and create awareness.
	Export development	Number of SMMEs participating in Export Development	585	2 487	4 694	2 207	The Export Awareness and SheTrades Webinars had large numbers registering and participating in the webinars.

Key performance indicators, planned targets and actual achievement (continued)

Outcomes	Output	Outputs Indicator	Audited 2019/20 Achievement	Planned Annual Target	Actual achievement	Variance	Reasons for variance
Improve Service Access	Co-location Points Supported	Number of Co-location Points Supported	87	66	77	11	Some of the colocation agreements expired in this financial year and other new ones were established through stakeholder engagement.
	SMMEs assisted with Access to Finance	Number of SMMEs assisted with Access to Finance	Not monitored in 19/20	4 973	4 232	741	The economic difficulties impacted most of the businesses negatively, as a result, they could not qualify for funding under normal circumstances. The Business Viability programme that has been launched seeks to address this where most businesses will qualify for funding.
	SMMEs which accessed finance successfully	Percentage of SMMEs which accessed finance successfully	Not monitored in 19/20	40%	61%	21%	This indicator is reported from a sample of Improvement assessments that are conducted 6 months after a client was assisted. Of the sample of clients that wanted access to finance, 61% obtained funding successfully.
	SMMEs Assisted through the Information Centre	Number of SMMEs Assisted through the Information Centre	Not monitored in 19/20	14 666	8 576	6 090	There has been Insufficient awareness of Seda's Information Centre.
	BDS Providers and Practitioners capacitated with Sector Specific Support	Number of BDS Providers and Practitioners capacitated to provide Sector Specific Support	Not monitored in 19/20	198	345	147	The milestones have been achieved as various courses and training sessions were conducted in the Enterprise Development Sector, Food Sector, Process (Manufacturing sector, Agro Processing (Agriculture sector), and in the Coaching industry.

Key performance indicators, planned targets and actual achievement (continued)

Outcomes	Output	Outputs Indicator	Audited 2019/20 Achievement	Planned Annual Target	Actual achievement	Variance	Reasons for variance
Improve Service Access	Cooperatives supported	Number of cooperatives supported through ecosystem partners	618	2 600	1 222	-1 378	The majority of support provided and the focus for the year has been on COVID 19 relief programmes. Not many Cooperatives applied for the schemes that were available.
	SMMEs accessing Business Development support	Number of SMMEs accessing Business Development Support (min 40% women, 30% youth and 7% disabled persons)	Not monitored in 19/20	55 667	23 123	-32 544	Seda could not leverage on ecosystem partners on which some of the targets were based due to challenges with the roll out of the model in some of the municipalities. Face-to-face model of delivering services was affected by lockdown. Most of our offerings are face to face and lockdown had a huge impact and the adjustment to hybrid model was slow.

STRATEGIES TO OVERCOME AREAS OF UNDERPERFORMANCE

- Seda is engaging municipalities and other stakeholders to achieve alignment on the delivery model. Seda now understands models applied by different provinces and the delivery model should be seamless in the new financial year.
- DSBD has increased the funding limits for spaza shops to make the programme more attractive and Seda will play a role in supporting these entities. There is also outreach that is championed by the Deputy Minister to improve the uptake especially in rural areas.
- There is a focus and alignment on the township and rural programmes these numbers will be tracked and reported accordingly. Seda is also focusing and aligning with sefa to ensure that clients business plans are aligned to sefa requirements.
- Seda Information Centre team will be trained on various programmes within the DSBD portfolio in order to assist clients effectively. There is a large number of entrepreneurs who are still not sure of where to go for assistance. Our marketing digital campaign will focus on improving awareness in the new financial year.
- There is additional funding that has been allocated for cooperatives, Seda will play a role in preparing the coops to be ready for funding. We also will be engaging our partners in the ecosystem to activate the co-ops model.
- Seda will leverage on the hybrid model (face to face plus digital) to improve performance in the new financial year.

PROGRAMME 2: STP

PURPOSE

To provide technology and innovation oriented interventions, including quality and product improvement support to small enterprises and cooperatives. To enable incubated clients to improve their survival rate beyond first two challenging years of business start-up by providing support to improve their product offering and other business development support.

INSTITUTIONAL OUTCOMES

APP CONTRIBUTION

Improve service access

- Incubation and acceleration eco-system facilitation model implemented
- Incubation and acceleration standards completed
- SMMEs accessing finance through pitching
- Tech start-up enterprises supported
- Incubation centres, CfERIs and digital hubs supported
- SMMEs supported with technology transfer and technical assistance
- SMMEs supported with conformity assessments

Significant achievements under programme 2: Stp, includes 25% implementation of the incubation and ccceleration ecosystem facilitation model, 100% development of the incubation and acceleration standards, 826 SMMEs accessing finance through pitching, 1336 tech start-up enterprises supported and 101 incubation centres, CfERIs and digital supported. This noted achievement contributed to the improved service access offered to SMMEs and cooperatives.

PRIORITY GROUP	SEDA'S RESPONSE TO PRIORITY GROUP	CORRECTIVE ACTION TO IMPROVE PERFORMANCE
Women	<ul style="list-style-type: none"> • Women were supported in a number of incubation centres, primarily bakery incubators, rapid incubators and technology-based incubators. • Of the 5 719 businesses supported, 31% are women owned. 	<ul style="list-style-type: none"> • To engage women empowerment organisations who can advise on how to structure offered support for the maximum benefit of targeted group. • Provide support in sectors where there are many women who are operating in the informal sectors e.g. Clothing and textile and etc. • Prioritise women owned township businesses and provide structured incubation, technology transfer and quality improvement interventions. • Prioritise women owned business for listing with retailers through localisation and import replacement programme.
Youth	<ul style="list-style-type: none"> • Hosted a number of pitch and perfect events for business start-ups, most run by the youth. • Technology-based incubators and rapid incubators benefit primarily the youth. • Out of the 5 719 businesses supported 40% are youth owned. 	<ul style="list-style-type: none"> • Engage youth organisations to understand youth needs and the type of new businesses that require support. • Partner with youth organisations such as NYDA to support youth business opportunities and business growth.
People with disabilities	<ul style="list-style-type: none"> • Of the 5 719 businesses supported, 0.5% are owned by people with disabilities 	<ul style="list-style-type: none"> • Planned engagement with organisations representing people with disabilities were affected by Covid-19 but will be resumed.

Outcomes	Output	Outputs Indicator	Audited 2019/20 Achievement	Annual Target	Actual achievement	Variance	Reasons for variance
Improved service access for SMMEs	Incubation and Acceleration Eco-system Facilitation Model implemented	Percentage of Incubation and Acceleration Eco-system Facilitation Model Developed and Implemented	Not monitored in 19/20	25%	25%	0	None.
	Incubation and Acceleration Standards Completed	Percentage of Incubation and Acceleration Standards Completed	Not monitored in 19/20	100%	100%	0	None.
	SMMEs Accessing Finance through Pitching	Number of Investment Ready SMMEs prepared to Access Finance through Pitching	5 295	300	826	526	Virtual sessions with incubators, pitch for technology sessions and vigorous marketing from the Branch network.
	Tech Start-Up Enterprises Supported	Number of Tech Start-Up Enterprises Supported	Not monitored in 19/20	700	1 336	636	New Township incubators and Digital Hubs contributed to this achievement.

Outcomes	Output	Outputs Indicator	Audited 2019/20 Achievement	Annual Target	Actual achievement	Variance	Reasons for variance
Improved service access for SMMEs	Incubation Centres, CfERIs and Digital Hubs Supported	Number of Incubation Centres, CfERIs and Digital Hubs Supported (prioritising township and rural areas)	Not monitored in 19/20	96	101	5	New incubators were approved for funding and more ecosystem partnerships were approved.
	SMMEs supported with Technology Transfer and Technical Assistance	Number of SMMEs Receiving Technology Transfer and Technical Assistance	77	5 000	3 557	-1 443	Not all the procurement could be completed before the end of the financial year because additional budget for this programme became available late in the financial year.
	SMMEs Supported with Conformity assessments	Number of SMMEs Supported with Conformity assessments	275	500	206	-294	The application process was affected by the back-log at SABS which were beyond Seda's control.

STRATEGIES TO OVERCOME AREAS OF UNDERPERFORMANCE

- Seda will assist more clients as we continue with the localisation programme and procurement will resume early in the new financial year.
- The challenges due to conformity assessment have been sorted out and the process is now seamless. In the new financial year Seda will then be reporting on time numbers and certificates will be issued on time.

PROGRAMME 3: ADMINISTRATION

PURPOSE

To provide strategic leadership and support to core delivery to ensure successful implementation of the organisation strategy. This includes monitoring organisations performance, strategic alignment with the shareholder's expectations and capacitating the organisation to achieve its set objectives.

INSTITUTIONAL OUTCOMES	APP CONTRIBUTION
Improve Service Access	<ul style="list-style-type: none"> Support leveraged from partners SMMEs accessing procurement opportunities in government and corporates
Increase in Turnover of Assistance Small Enterprise	<ul style="list-style-type: none"> Turnover increase for SMMEs
Increased number of People Employed in the Small Enterprise	<ul style="list-style-type: none"> New jobs created Jobs sustained

Significant achievements under programme 3: Administration, includes R60.4 million on support leveraged from partners, the noted achievement contributed to the improved service access offered to SMMEs and cooperatives. R1.1 Billion turnover increase for SMMEs, this achievement reflects the organisations efforts to increase the turnover generated by SMMEs and cooperatives.

Outcomes	Output	Outputs Indicator	Audited 2019/20 Achievement	Annual Target	Actual achievement	Variance	Reasons for variance
Improve service access	Support Leveraged from Partners	Value of Support Leveraged from Partners	R87.4 million	R20 million	R60.4 million	R40.4 million	The unlocking of economic activities and the network being successful in leveraging funds from various partners including National Departments, Local Municipalities, Banks and private sector.
	SMMEs Accessing Procurement Opportunities in Government and Corporates	Number of SMMEs Accessing Procurement Opportunities in Government and Corporates (30% government set asides and ESD)	Not monitored in 19/20	800	35	765	Clients are reluctant to provide information on contracts and procurement opportunities accessed, and there were no structured agreements with Government Departments, Corporates and Municipalities to track procurement opportunities accessed.

Key performance indicators, planned targets and actual achievement (continued)

Outcomes	Output	Outputs Indicator	Audited 2019/20 Achievement	Annual Target	Actual achievement	Variance	Reasons for variance
Increase in Turnover of Assisted Small Enterprise	Turnover increase for SMMEs	Turnover increase in supported Enterprises through Eco-system Partnership	R 2,055 Billion	R666 Million	R1.1 Billion	R434 Million	Positive impact of interventions implemented resulted in increase in turnover on supported businesses.
Increased number of People Employed in the Small Enterprise	New Jobs created	New Jobs Created and Reported by Eco-system Partners Supported	6 709	6 300	2 292	4 008	The economic conditions were not conducive to the creation of new jobs. This is also evident on the number of businesses that could obtain funding. We focused on informal businesses, which are largely owner-managed.
	Jobs sustained	Number of Jobs Sustained by Eco-system supported	22 230	18 666	8 283	10 383	Some of the businesses supported closed whilst others decreased employment positions due to the effects of Covid-19 lockdown, restrictions and poor economic conditions.

STRATEGIES TO OVERCOME AREAS OF UNDERPERFORMANCE

- Seda, DSBD, Dept of Youth Women and People with Disabilities, the Office of the Presidency and Offices of the Premier are currently implementing a women-empowerment programme to make it easy for them to access government procurement. So far, 1205 women entrepreneurs have been reached so far in Limpopo and Eastern Cape. Other provinces will follow in the new financial year, which will improve the number of women owned SMMEs that are accessing procurement opportunities.
- Seda will assist businesses to improve their sustainability through the various programmes. Improvements in the number of SMME uptake and access finance interventions will also improve prospects for job creation.
- Struggling businesses will be referred to business viability programme for support, this will improve the sustainability of these businesses which will result in job sustainability.

SEDA'S RESPONSE TO THE COVID-19 PANDEMIC

ORGANISATIONAL RESPONSE TO COVID-19

KEY INTERVENTIONS IMPLEMENTED

Internal interventions

Seda became involved in many of the DSBD's work streams to develop initiatives to alleviate the economic impact on SMMEs during this time. More resources were required to make an impact on SMMEs and the most support was provided with the joint development of the Covid-19 growth and debt relief funding facilities.

Seda representatives also participated in the following work-stream:

- SMME recovery plan work-stream;
- Trade and export promotion work-stream;
- Informal traders work-stream;
- Scenario planning work-stream;
- Business viability and rescue work-stream;
- Automotive and artisans work-stream;
- Clothing and textile manufacturers work-stream;
- Spaza and general dealers work-stream etc.

Seda's role was defined, flow processes were drawn regarding the Covid-19 relief applications between sefa, Seda (national office), the provincial network as well as assistance with the DSBD Covid-19 Hotline, which has been inundated with calls and e-mails.

Provincial and branch managers have also been participating in their District Covid-19 Command Groups where they were disseminating information about:

- Available relief funding facilities at DSBD and sefa;
- How to access these funds; and
- Subsequent business development support provided by Seda.

Given the advent of the pandemic, there was urgent and necessary work that needed to be carried out in order to provide SMMEs with the critical support they needed in desperate times. The good practice of implementing new initiatives upon successful piloting to ensure proper operational alignment was not done this time around, exposing the organisation to high levels of challenges.

External interventions

Seda prioritised support for SMMEs that needed to access financial relief programmes/schemes whilst continuing the provision of relevant business advice and support. A number of SMMEs were assisted with their applications for the various support schemes introduced by the DSBD and other government departments such as the debt relief finance, SMME Growth Fund and Spaza Shops Support Scheme. SMMEs who have applied for the debt relief finance and SMME Growth Fund were also assisted with legal compliance support and information on how to register on the SMMESA portal (DSBD SMME database portal).

The strategy of repurposing resources to assist clients to apply for Covid-19 relief funds paid off. In the Northern Cape through the SIOC CDT Covid-19 relief fund, 12 SMMEs were approved for funding to the value of R873,265 sustaining 46 jobs. There were about 350 pipeline applications to the value of R5 million processed. Through the Mudzi Consulting and Standard Bank Partnership 7 SMMEs were approved for funding for the value of R275 000, sustaining 12 jobs. Leboko Tyres, Bling Bling Pet Groomers and Silvester Coffee Shop in the Northern Cape received funding in the form of working capital and company vehicles from Droogfontein Solar Power, Silvester Coffee Shop received R185, 425 company vehicle and a working capital.

Earl-Nique Decorators an SMMEs from Cape Winelands in Western Cape was approved by the Western Cape Provincial Government for the Covid-19 Business Relief fund to the value of R228, 407. Ekurhuleni Jewellery Project (EJP) has started manufacturing Sneeze screens for Rand Refinery with the use of the CO2 laser machine. EJP has also been receiving orders for cutting of face mask patterns in bulk using the CO2 laser.

LINKING PERFORMANCE WITH BUDGETS

SEDA BUDGET 2019/20 AND 2020/21

PROGRAMME/ ACTIVITY/OBJECTIVE	2019/2020			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
Programme 1: EDD	R540 457 861	R490 595 013	R49 862 848	R512 218 807	R432 708 023	R79 510 784
Programme 2: Stp	R282 755 337	R273 772 707	R8 982 630	R270 147 107	R171 441 340	R98 705 767
Programme 3: Administration	R205 554 489	R166 804 165	R38 750 324	R208 007 405	R168 696 316	R39 311 089
TOTAL	R1 028 767 687	R931 171 885	R97 595 802	R990 373 318	R772 845 679	R217 529 639

In the 2019/20 financial year, EDD and Stp were allocated 80% and the support divisions 20% of the more-than R1 billion budget. The core divisions spent 78% and there was a 23% underspend. Of the performance targets, 87% were achieved. The organisation realised it needed to expand its client support by engaging other business development partners in the ecosystem, including private sector partners, government entities involved in economic development and other business development partners that support SMMEs and cooperatives. A strategy was implemented to support the District Development Model sanctioned by the presidency.

In 2020/21, Seda's budget was reduced by 10%, downscaling certain planned interventions. Programmes 1 and 2 were allocated 79% of the budget and spent 78%. The year ended with a 22% under-expenditure, which contributed to underperformance. However, the main reason was Covid-19's effect on face-to-face client engagement, group interventions and trainings, travel and trade, exhibitions and international trade missions, and visits to client premises to assess operations and recommend interventions.



SEDA PROVINCIAL MANAGEMENT TEAM



MR SIPHIWO SOGA

Eastern Cape



MR NEVILLE MAIMANE

North West



MS KEDISALETSE WILLIAMS

Northern Cape



MR KOENIE SLABBERT

Limpopo



MR MASHIBA KGOLE

Mpumalanga



MR ALEX QUNTA

Western Cape



MR CEDRIC MNGUNI

KwaZulu-Natal



MR COLIN LESHOU

Gauteng



MS JACKIE NTSHINGILA

Free State

SUCCESS STORIES

Agata Lonia (Pty) Ltd



PROVINCE
Limpopo



DISTRICT/BRANCH
Seda Sekhukhune



BUSINESS TYPE
Cleaning materials



I thank Seda for their assistance with my company from the beginning.

BACKGROUND

Agata Lonia (Pty) Ltd is a private company, that was established by Lerato Phokane in 2018. The business is 100% black youth, and woman-owned and is situated in Burgersfort, Tubatse Local Municipality. The owner invested R40 000 of which R10 000 was an interest-free loan from her father.

The business supplies cleaning materials such as dishwashing liquid, tile cleaner and degreaser to local businesses and for general distribution. Raw materials are bought from different suppliers, mixed using standardised formulae, packaged and sold. The business also resells other products, bought and marked up.

CHALLENGES

Lerato approached Seda for business development support. An assessment identified the following challenges:

- Lack of financial management system
- Poor product quality
- Inadequate waste management

SEDA INTERVENTION/SOLUTION

The client was placed on a programme with Productivity SA to help with waste management and received mentorship from a business adviser on business management. A mentorship project was awarded to improve on financial management. Technology Innovation Agency tested and developed products to enhance their quality.

OUTCOME/RESULTS

The owner's financial management strengthened. She learnt how to minimise waste during the production process and her products improved in quality. Turnover increased by 1 132% and the business created 14 permanent jobs.



SUCCESS STORIES

KSM Chemical Solutions



PROVINCE
Free State



DISTRICT/BRANCH
Fezile Dabi Metsimaholo



BUSINESS TYPE
Manufacturing



Seda has become family

BACKGROUND

KSM Chemical Solutions was founded by Kevin and Selina Jacobs after both decided to leave their full-time employment to start manufacturing cleaning detergents such as pine gel, dishwasher, all-purpose cleaner, hand soaps and biodiesel for corporates and government institutions.

The business completed the 12-month incubation with Sasol Business Incubation, where it used the incubator's infrastructure, equipment and machinery to manufacture its products. The business was incubated for a further three months to ensure a smooth transition from incubation to self-sustainability. Seda provided a clear exit strategy and mentorship.

CHALLENGES

- Limited workshop capacity to meet increasing demand
- Lack of equipment and machinery
- Inadequate supply of used oil as a raw material to manufacture biodiesel

SEDA INTERVENTION/SOLUTION

Seda facilitated the acquisition of an additional workshop, assisting with the Stp application for a R600 000 grant to procure equipment,

machinery and tankers. It engaged with Sasol to assist with skilled, trained employees who are trained and helped KSM to meet the South African Revenue Service requirements for an ethanol supplier.

OUTCOME/RESULTS

The business acquired another workshop and equipment, its application for finance having been approved. The client completed the Seda enterprise coaching programme and received a longer contract with Sasol to deliver 20 000 litres of sanitisers daily to the National Department of Health under the enterprise development approach. It also received a certificate of compliance for handling large volumes of ethanol. The number of employees increased from six to nine, with monthly turnover increasing markedly for April, May and June 2020.

The client received a contract with McDonald's for exclusive collection of used oil in Gauteng central for its biodiesel. With the Covid-19 outbreak, the business diversified into manufacturing of hand sanitisers, which earned it a six-month contract with the health department. This was subsequently extended to three years.



SUCCESS STORIES

Prexoz Engineering (Pty) Ltd



PROVINCE
Gauteng

DISTRICT/BRANCH
Tshwane

BUSINESS TYPE
Airconditioning supply,
installation, service and
repairs



We greatly appreciate Seda's support and business advice

BACKGROUND

Prexoz Engineering, a level 1 black economic empowerment company, was established by Lufuno Madima in 2013 to offer professional and efficient heating, ventilation, air-conditioning and electrical services. It specialises in design, supply, installation, service, maintenance and commissioning. With a staff of seven and a head office in Centurion, Pretoria Prexoz has a geographical footprint across South Africa.

CHALLENGES

- Unsatisfactory sales, customer base and market access
- Inadequate business finance management, recordkeeping and bookkeeping skills

SEDA INTERVENTION/SOLUTION

A diagnostic assessment was conducted using the critical planning exercise and assessment of company operations to measure financial viability, assess the operational framework and identify market barriers. It was recommended that the business be assisted to attend trade exhibitions such as the Eskom Small Business Expo, which provides a valuable platform for small businesses to market themselves and interact with prominent business leaders and company representatives.

OUTCOME/RESULTS

The business was able to increase the number of employees from 7 to 17, which is a 243% increase.



SUCCESS STORIES

Notefull 1294 KZN (Pty) Ltd

PROVINCE

KwaZulu-Natal



DISTRICT/BRANCH

uThungulu



BUSINESS TYPE

Engineering and
construction

BACKGROUND

Notefull 1294 KZN is a black-woman-owned and managed company established by Nokuthula Mpunzana in 2011, drawing on her 12 years' experience in engineering and construction management. The business is based at Ceramic Curve, Alton in Richards Bay and has a branch in Tongaat. The business was part of the Small Enterprise Coaching Programme 2018/19.

CHALLENGES

- The business wanted to broaden its product portfolio by expanding into international markets to improve sales and product knowledge.

SEDA INTERVENTION/SOLUTION

It was selected for the Seda and Automotive Industry Development Centre best practice tour of Bangalore, Hozur and Wysore from 31 October to 10 November 2019 to obtain first-hand experience of world-class manufacturing, including total productive maintenance,

lean manufacturing, six sigma and other production systems approaches. The tour offered training and workshops hosted by the Confederation of India Industry (CII) and the CII Institute of Quality.

OUTCOME/RESULTS

The business uses the manufacturing best practice methods learnt in India and has established ties with AgriSeta and merSETA to create a training academy and to train 11 employees.

Turnover of the business increased by 15.50% and productivity by 365.28%. Profit is up 7.79% and asset value by 428%.

Staff complement has increased from 63 to 73. The existing customer base was maintained and contract extensions secured.

The owner's focus is now on strategic issues, while operational matters are in the hands of capable employees.



SUCCESS STORIES

Barui Driehoek Cooperative Ltd

PROVINCE
North West

DISTRICT/BRANCH
Dr Ruth S Mompoti, Vryburg

BUSINESS TYPE
Vegetables, layers and
livestock farming



We will always be grateful for the assistance received from Seda

BACKGROUND

Founded in November 2010 by Deidre Cloete and Levina Gerber, Richtersveld Boekwinkel and Kooperasies creates an enabling platform for learning and reading for both individual and corporate customers in Port Nolloth. It also provides the community with internet services. After four years, Deidre became sole owner of the business.

Although the business thrives on creation of knowledge-based services, one of Deidre's aspirations is to raise awareness of environment-friendly products to improve the lifestyles of her clientele. In addition, items such as invitations and printing of T-shirts are done onsite, the business buying local raw materials and manufacturing byproducts that conform to industry standards

CHALLENGES

- Inadequate financial management, business administration and marketing skills
- Lack of insight into procurement and tender procedures
- Need for equipment and material for onsite signage to enhance visibility of its premises
- Insufficient working capital
- Product range needing expansion

SEDA INTERVENTION/SOLUTION

The owner approached Seda in January 2011 to request marketing interventions. An assessment confirmed inadequate marketing and signage to attract potential customers, including the lack of a logo. Signage, promotional material and a company profile were implemented in February 2019.

Subsequently, additional support was sought to buy equipment and material for onsite production. The development of a business plan was initiated. As the business flourished, a bigger printing machine was needed and it was decided to apply to funders to solicit finance in order to address the current challenge. The pandemic forced Deidre to approach Seda a third time to assist with access to finance.

OUTCOME/RESULTS

Branding attracted customers and turnover grew from zero to a small amount. The staff complement increased from one to two permanent workers and one casual worker. With Seda's help, the owner was better equipped to manage finances and administration, advancing the business from start up to established.

The second intervention resulted in loan funding of R50 000 from Mme Re Ka Thusa Trust Fund for equipment and material. Turnover increased by 340% and profit doubled. The number of staff increased to four.

The third intervention brought in grant funding of R390 000 from the Department of Economic Development and Tourism. These funds enabled expansion of the business printing section, almost tripling both turnover and profit.

Visible signage continues to yield results, with turnover and profit growing further and a fifth employee recruited. Most recently, Covid-19 relief valued at R100 469 was approved through Seda's blended finance and DSBD's Township and Rural Entrepreneurship Programme.



SUCCESS STORIES

Victoria Driving School (Pty) Ltd



PROVINCE

Western Cape



DISTRICT/BRANCH

Eden



BUSINESS TYPE

Service



BACKGROUND

Victoria Driving School is accredited by the Transport Education and Training Authority to offer driver training for codes eight to 14. The business is co-owned by Elton and Lizelle Olivier.

It was registered in 2013 and has branches in George and Knysna. Training includes defensive and advanced driving skills, K53 learner licence classes for all driving codes (Elton is a K53 expert and former South African Springbok heavy vehicle driver of the year award winner), driver evaluation, vehicle inspection and professional driving permit renewals. Driving lessons are presented in Afrikaans, English or isiXhosa.

CHALLENGES

- Poor marketing of the business
- Lack of funding
- Lack of coaching and mentorship

SEDA INTERVENTION/SOLUTION

The client approached Seda for assistance and the business underwent a critical planning exercise that prepares financial projections for 12 months or more and simulates various 'what if' scenarios. It assisted the owners to make accurate, realistic financial predictions and gave them a plan to increase business viability. Coaching and mentorship were provided, as was promotional material including pull-up banners, teardrop banners, flyers, business cards and car magnetic stickers.

OUTCOMES/RESULTS

With Seda's assistance with streamlining internal processes and mentorship, the business gained market share by 241.05%.



SUCCESS STORIES

KGBW (Pty) Ltd



PROVINCE
Gauteng



DISTRICT/BRANCH
Incubation



BUSINESS TYPE
Property development
and rentals



*Seda provided us with promotional material,
which attracted clients on the Garden Route*

BACKGROUND

KGBW was formed in 2013 to service the commercial, industrial and residential markets. The business, owned and managed by brothers Gobusamang and Onkabetse Mosielele, prides itself with delivering the highest quality standards on time. Gobusamang is operations director, having been involved in the delivery of large- and small-scale projects, while Onkabetse leads strategic business development and financial growth.

CHALLENGES

KGBW joined the Property Point enterprise development programme in November 2019, while experiencing challenges such as:

- Growth – increasing sales, numbers of clients, profit and cash
- Selling strategy – changing the model from demand-pull to supply-push
- Cash flow – generating the cash to drive working capital needs

SEDA INTERVENTION/SOLUTION

The business owners were assisted with developing a vision, mission and strategy to guide business development and growth, and are now using a well-defined customer value proposition that addresses client needs (known and unknown).

OUTCOMES/RESULTS

Following the intervention, KGBW accessed R5 million worth of projects from Growthpoint Properties. The brothers are financially literate, commercially astute and are managing the business growth successfully, demonstrated by a recent tenant installation contract from Seda.

Five new permanent jobs and 10 temporary jobs were created, one job was sustained and turnover increased by R700 000.



SUCCESS STORIES

Gotec Investments

PROVINCE
Gauteng



DISTRICT/BRANCH
Incubation



BUSINESS TYPE
Cleaning



BACKGROUND

Founded in 2005, Gotec Investments has evolved from a 'traditional' cleaning company to a supplier of innovative solutions to solve modern cleaning problems. It has a strong, experienced team led by highly qualified and skilled directors. Gotec invests a great deal in research and development of new products and services that are economic and environment-friendly.

CHALLENGES

- Need for long-term contracts with private sector companies to maintain a positive cash flow to support the high number of staff on the books
- Relatively low barriers to entry to cleaning, resulting in intense competition

INTERVENTION

Gotec joined the Property Point programme on the recommendation of Growthpoint Properties. Following a gap analysis, the Property Point programme manager identified that clients would not compromise on quality and that, even in a tough economy, clients will pay a premium for it. Property Point helped Gotec with its ISO 9001 accreditation process.

OUTCOME/RESULTS

After four months of rigorous auditing and revision of policies and systems, Gotec Investments received ISO 9001 accreditation. This exposed the company to a larger market and will help the company focus on the important areas of the business and improve efficiency. The management processes established throughout the business will increase productivity and profitability. Many corporations are showing interest in the services and solutions offered by Gotec, which is now a registered vendor at Growthpoint Properties.



SUCCESS STORIES

LBN Trading Enterprise (Pty) Ltd



PROVINCE

Eastern Cape



DISTRICT/BRANCH

Nelson Mandela Bay



BUSINESS TYPE

Chemical/detergent
manufacturing and
supply of safety gear



The Seda practitioner's services exceeded our expectations

BACKGROUND

LBN Trading Enterprise is 100% owned and managed by Lazola Nxele and run from his home in Gqeberha. The business, founded in 2012, manufactures cleaning detergents ranging from dishwashing liquid and all-purpose cleaner to car tyre polish and car shampoo.

The business started on a small scale, with a limited number of detergents hand-mixed. Lazola then approached Seda for business development support and a business assessment was conducted.

CHALLENGES

- Limited market exposure
- Products were not labelled
- Time-consuming manual production of inconsistent-quality products
- No vehicle
- New entrant unknown to its target market
- Not visible and opportunities were lost
- Reliance on sales achieved by the owner
- Owner had insufficient time to market the business.

SEDA INTERVENTION/SOLUTION

With assistance, the business secured a grant from Seda Technology Transfer Fund in 2015, which funded mixing tanks and bottling equipment.

The business went on to be selected as a National Gazelle in 2018 and received a grant of R1 million, part of which financed a delivery truck and a product label printer that improved profitability, reduced costs and improved service through quicker turnaround time. Lazola was also assisted in buying a bakkie for delivery of smaller orders.

The truck was branded to market the business and its products.

OUTCOME/RESULTS

Truck branding increased public awareness of the company and attracted new customers.

Turnover increased by 4% and the business now employs three people.







PART C

GOVERNANCE

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 (PFMA) and run 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 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 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 by and large on the prescripts of the PFMA. The Seda Act provides that the Executive Authority can appoint and dismiss Board members including the Chairperson, Vice Chairperson and non-executive Board members. The Executive Authority must also 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 for approval by the Executive Authority its strategic and annual performance plans with budgets. During the 2020/21 financial year, Seda submitted the four quarterly reports and the annual performance report 2020/21 required by the Executive Authority.



ACCOUNTING AUTHORITY/BOARD

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

The roles of the Board are as follows:

- Absolute responsibility for performance
- Full and effective control of the organisation
- Ensures compliance with laws, regulations and government policy
- Unrestricted access to information of the organisation
- Formulates, monitors and reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans
- Ensures that the shareholder's performance objectives are achieved
- Manages potential conflicts of interest
- Develops a clear definition of levels of materiality
- Attends annual meetings
- Ensures financial statements are prepared
- Appraises the performance of the Chairperson
- Ensures effective Board induction
- Maintains integrity, responsibility and accountability
- Annually reviews 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

During the review year, the Board evaluated itself and its committees and drew up action plans to address areas requiring improvement.

COMPOSITION OF THE BOARD

The Board consists of 12 non-executive Board members and the Chief Executive Officer (CEO) as an executive member. The Minister appoints the CEO on 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. Ninety-two percent of Board members are from historically disadvantaged communities and forty-six percent are women. The Board meets as often as the business of Seda requires, but at least six times a year.

COMPOSITION OF THE BOARD

Name	Designation	Date appointed and tenure	Qualification	Area of Expertise	Board Directorships	Other committees or task teams	Number of meetings attended
Matshediso Joy Ndlovu	Board Chairperson	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • Doctor of Business Administration (University of KwaZulu-Natal) • Master of Business Administration • National Diploma in Transportation Management (Rand Afrikaans University) • BTech (Technikon SA) • National Diploma – Human Resource Management (Technikon Natal) • Management Development Programme (broad-based black economic empowerment) (University of the Witwatersrand) 	Varied	<ul style="list-style-type: none"> • South African State Theatre • Ndlovu and Co • FQB Holding Group and Women Knowledge (Director) 	<ul style="list-style-type: none"> • Human Resources and Remuneration Committee 	<ul style="list-style-type: none"> • Board – 16 • HRRC – 2
Beatrice Tsakani Nkambule	Board Member SOPC Chairperson	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • BSc (University of Fort Hare) • HDip (Education) (University of the Witwatersrand) • BEd (University of the Witwatersrand) • MBA (Mancosa) 	Varied	<ul style="list-style-type: none"> • Greensweep Consortium • Quintax Cleaning Services • Commissioner at Presidential Climate Change Commission 	<ul style="list-style-type: none"> • Strategy and Organisational Performance Committee • Audit and Risk Committee 	<ul style="list-style-type: none"> • Board – 14 • SOPC – 9 • ARC – 6

Name	Designation	Date appointed and tenure	Qualification	Area of Expertise	Board Directorships	Other committees or task teams	Number of meetings attended
Jim Matsho	Board Member HRRC Chairperson	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • BCom Economics • BCom Hons in Business Management (University of the North) • BCom Hons in Economics (Vista) • MCom in Marketing (University of Pretoria) • MBL (Unisa School of Business Leadership) • MCom in Economics (University of Zululand) • MCom in Leadership (University of KwaZulu-Natal) • M Management (Southern Business School) • Diploma Corporate Law (University of Johannesburg) 	Varied	<ul style="list-style-type: none"> • Khulanathi Forests • National Forestry Advisory Council • Khulanathi Growers Trust 	<ul style="list-style-type: none"> • Human Resources and Remuneration Committee • Social and Ethics Committee • Audit and Risk Committee 	<ul style="list-style-type: none"> • Board – 14 • HRRC - 7 • SEC – 3 • ARC – 6
Suzan Mary-Ann Bandile Nyakale	Board Member	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • BCom Accounting (University of Western Cape) • BCom Hons – CTA (Unisa) • Global Executive Development Programme (Gordon Institute of Business Science) 	Chartered accountancy		<ul style="list-style-type: none"> • Strategy and Organisational Performance Committee • Audit and Risk Committee 	<ul style="list-style-type: none"> • Board – 10 • ARC – 5 • SOPC - 3

Name	Designation	Date appointed and tenure	Qualification	Area of Expertise	Board Directorships	Other committees or task teams	Number of meetings attended
Derick Jeffrey Block	Board Member	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • LLB (University of Western Cape) • Bluris (University of Western Cape) • Higher Diploma – Tax Law (Rand Afrikaans University) • Certificate – Procurement Management (Sasol) • Certificate – Public Finance Management Act (Southern African Institute of Government Auditors) • Certificate – Corporate Governance and Board Effectiveness (Institute of Directors South Africa) 	Legal	<ul style="list-style-type: none"> • SA Weather Service 	<ul style="list-style-type: none"> • Human Resources and Remuneration Committee • Social and Ethics Committee • Audit and Risk Committee 	<ul style="list-style-type: none"> • Board – 11 • HRRC – 7 • ARC – 6 • SEC – 2
Nomsa Faith Kana	Board Deputy Chairperson	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • BSc in Computer Science, Chemistry, Physics • Professional Project Management Certificate 	Information and communications technology, nuclear science		<ul style="list-style-type: none"> • Human Resources and Remuneration Committee • Social and Ethics Committee • Strategy and Organisational Performance Committee 	<ul style="list-style-type: none"> • Board – 15 • HRRC – 3 • SEC – 3 • ARC – 3 • SOPC – 9
Mthokozisi Daluxolo Xulu	Board Member	1 June 2019 and 31 March 2022	<ul style="list-style-type: none"> • LLB (Unisa) • LLM (specialising in commercial law/corporate governance – current) 	Legal	<ul style="list-style-type: none"> • JSX Investments 	<ul style="list-style-type: none"> • Strategy and Organisational Performance Committee • Audit and Risk Committee 	<ul style="list-style-type: none"> • Board – 14 • ARC – 5 • SOPC – 9

Name	Designation	Date appointed and tenure	Qualification	Area of Expertise	Board Directorships	Other committees or task teams	Number of meetings attended
Mduduzi Mike Sibeko	Board Member	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> National Diploma in Internal Auditing (Pretoria Technikon); B-Tech Degree in Internal Auditing (Unisa); Postgraduate Diploma, Integrated Reporting (University of Pretoria) MBA (University of Northampton, UK) Management Development Programme (BBBEE) (University of the Witwatersrand) Certified internal auditor Member of Chartered Institute of Procurement and Supply (MCIPS) 	Varied	<ul style="list-style-type: none"> Xpero Trading t/a Paradigm Shift Holdings Maziya-Mgabadeli Holdings t/a M-MH Tshepo-Themba Foundation Paradigm Shift Waste Solutions Paradigm Shift Agri Paradigm Shift Energy 	<ul style="list-style-type: none"> Human Resources and Remuneration Committee Social and Ethics Committee Strategy and Organisational Performance Committee 	<ul style="list-style-type: none"> Board – 15 SOPC – 8
Stella Bvuma	Board Member	1 October 2020 to 31 March 2022	<ul style="list-style-type: none"> National Diploma IT, Technikon Witwatersrand (University of Johannesburg) BTech IT, Technikon Witwatersrand (University of Johannesburg) MTech IT (University of Johannesburg) PhD IT Management (University of Johannesburg) 	Information and communications technology Adaption Digitisation		<ul style="list-style-type: none"> Social and Ethics Committee Strategy and Organisational Performance Committee 	<ul style="list-style-type: none"> Board – 7 SOPC - 3 SEC - 1

Name	Designation	Date appointed and tenure	Qualification	Area of Expertise	Board Directorships	Other committees or task teams	Number of meetings attended
Charl Gabriel de Kock	Board Member	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • South African Institute of Professional Accountants • Masters degree in IT Auditing • Honours degree in Accounting 	Auditing Accounting	<ul style="list-style-type: none"> • Department of Home Affairs Audit Committee • Government Printing Works Audit Committee • National Regulator for Compulsory Specifications • IT Steering Committee • Parliamentary Committee • Department of Health Committee • Unemployment Insurance Fund Committee • Compensation Fund Committee 	<ul style="list-style-type: none"> • Strategy and Organisational Performance Committee • Audit and Risk Committee 	<ul style="list-style-type: none"> • Board – 9 • SOPC – 6 • ARC – 4
Mzoxolo Maki	DSBD Representative	1 June 2019 to 31 March 2022	<ul style="list-style-type: none"> • MAdmin Public Administration and Policy (University of Pretoria) • MAdmin Hons Public Administration (University of Western Cape) • BAdmin Political Studies and Public Administration (University of Western Cape) 	SMME ecosystem		<ul style="list-style-type: none"> • Strategy and Organisational Performance Committee 	<ul style="list-style-type: none"> • Board – 12 • SOPC – 2

Name	Designation	Date appointed and tenure	Qualification	Area of Expertise	Board Directorships	Other committees or task teams	Number of meetings attended
Margaret Phiri	Independent Audit and Risk Committee Chairperson	1 July 2020 to 30 June 2022	<ul style="list-style-type: none"> • BCom Accounting (Unisa) • CTA BCompt Honours • CA (SA) 	Audit Risk management	<ul style="list-style-type: none"> • Department of Public Works and Infrastructure Audit Committee • Department of Public Enterprises Audit Committee • Railway Safety Regulator Audit and Risk Committee Chairperson • Save the Children South Africa Board Member 	<ul style="list-style-type: none"> • Audit and Risk Committee 	<ul style="list-style-type: none"> • Board – 5 • ARC – 5
Ntokozo Majola	Acting CEO	1 May 2020 to 30 April 2021	<ul style="list-style-type: none"> • BA Admin • BCom Honours in Economics • MA in Development Economics 	Enterprise Development		<ul style="list-style-type: none"> • Human Resources and Remuneration Committee • Social and Ethics Committee • Strategy and Organisational Performance Committee 	<ul style="list-style-type: none"> • Board – 12 • SOPC – 9
Nkosikhona Mbatha	Acting CEO	1 May 2021 to 30 October 2021	<ul style="list-style-type: none"> • BCom Accounting • Postgraduate Diploma in Finance Banking and Investment Management 	Financial Services SMME Development Strategy Implementation	<ul style="list-style-type: none"> • Fund Director 	<ul style="list-style-type: none"> • Human Resources and Remuneration Committee • Social and Ethics Committee • Strategy and Organisational Performance Committee 	

COMMITTEES

The Board has several committees to assist in the discharge of its duties, but it retains responsibility 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.

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. Its report is included in the annual financial statements and reviews the effectiveness of the organisation's internal control systems and its risk management framework. The organisation's top 10 strategic risks are identified and its responses to these are reviewed regularly by the committee.

Committee	Number of meetings held	Number of members	Names of members
Audit and Risk Committee	6	7	<ul style="list-style-type: none"> • Ms M Phiri (Chairperson) • Ms BT Nkambule • Mr J Matsho • Adv D Block • Mr C de Kock • Ms S Nyakale • Adv M Xulu

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. This committee, which sits at least every quarter, formulates the human resources and remuneration strategies and policies.

Committee	Number of meetings held	Number of members	Names of members
Human Resources and Remuneration Committee	7	5	<ul style="list-style-type: none"> • Mr J Matsho (Chairperson) • Mr M Sibeko • Adv D Block • Ms N Kana • Dr M Ndlovu

SOCIAL AND ETHICS COMMITTEE

This committee is chaired by a non-executive Board member and comprises non-executive Board members appointed by the Board. This committee, which sits at least twice a year, formulates the social and ethical strategy and policies.

Committee	Number of meetings held	Number of members	Names of members
Social and Ethics Committee	3	6	<ul style="list-style-type: none"> • Dr S Bvuma (Chairperson) • Mr J Matsho • Adv D Block • Ms N Kana • Mr M Sibeko • Ms N Majola (Acting CEO, 1 May 2020 — 30 April 2021)

STRATEGY AND ORGANISATIONAL PERFORMANCE COMMITTEE

The committee plays an important role in monitoring and evaluating compliance with strategic objectives and evaluates achievement of targets set out in the strategy by monitoring project reports. The committee is chaired by an independent non-executive Board member and comprises non-executive Board members appointed by the Board.

Committee	Number of meetings held	Number of members	Names of members
Strategy and Organisational Performance Committee	9	9	<ul style="list-style-type: none"> • Ms BT Nkambule (Chairperson) • Mr C de Kock • Ms N Kana • Ms S Nyakale • Mr M Sibeko • Adv M Xulu • Dr S Bvuma • Mr M Maki • Ms N Majola (Acting CEO, 1 May 2020 — 30 April 2021)

REMUNERATION OF BOARD MEMBERS

Non-executive director remuneration is based on meeting attendance, and other ad hoc non-meeting duties performed on behalf of Seda, at the rate approved by the shareholder, according to National Treasury guidelines. The rate increase annually.

No	Name	Director fees and preparation time	Subsistence allowance	Travelling	Salary	Allowances	Acting allowance	Reimbursements	TOTAL R
1	Adv Block, DJ	137,089	-	-	-	-	-	242	137,331
2	Dr Bvuma, MS	69,368	278	654				720	71,020
3	De Kock, CG	105,351	-	-	-	-	-	-	105,351
4	Kana, NF	280,399	3,614	23,971	-	-	-	480	308,464
5	Matsho, J	240,689	2,363	29,203	-	-	-	7,217	279,472
6	Dr Ndlovu, MJ	336,817	5,699	91,298	-	-	-	8,820	442,634
7	Nkambule, BT	232,386	1,229	16,771	-	-	-	16,528	266,914
8	Nyakale, D ^	-	-	-	-	-	-	-	-
9	Maki, M ^	-	-	-	-	-	-	-	-
10	Majola, N	-	-	591	1,716,232	31,700	786,443	-	2,534,966
11	Sibeko, MM	189,110	-	7,430	-	-	-	2,347	198,887
12	Tshikwatamba, NM	-	-	-	1,843,004	26,000	-	-	1,869,004
13	Adv Xulu, MD	158,678	-	-	-	-	-	3,840	162,518
14	Phiri, MM	116,063	-	-	-	-	-	-	116,063
15	Lesejane, MJ	8,639	-	-	-	-	-	-	8,639

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 and emerging risk assessments were conducted at both strategic and operational levels, aligned to the organisation's outcomes. Risk management reports are tabled at all governance structures in the organisation. Three strategic risks were not fully mitigated during 2020/21 and are being carried into 2021/22. The Board approved the business continuity management policy during 2020/21.

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, in discharging its risk management responsibilities, is supported

by the Audit and Risk Committee. 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 2020/21, Seda implemented 77% of strategic risk treatment action plans compared to 83% during 2019/20, a 6% drop. It implemented 70% of operational risk treatment action plans during 2020/21 compared to 64% during 2019/20, an improvement in embedding a risk management culture in the organisation. A risk appetite framework (including a risk-bearing capacity) was developed and formed part of the risk reporting and monitoring philosophy. Risk appetite sets parameters that guide Seda on the amount of risk (upside and downside) it should accept against outcomes set by the Board.

INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining Seda's internal controls and for reviewing their effectiveness. The close professional working relationship between external and internal auditors ensures that efficient audit reviews of these controls takes place for effective management of systems. Internal control is generally a mechanism for ensuring that effective controls are maintained.

INTERNAL AUDIT AND AUDIT COMMITTEES

Internal audit is an independent objective assurance and consulting activity designed to improve the organisation's processes. The primary objective of the internal audit unit is to assist the Audit and Risk Committee in the effective discharge of its responsibilities, and provide strategic support to management and the Board of Seda and contribute to the improvement of risk management, internal control and governance processes, and provide value adding recommendations to improve the effectiveness and efficiency of the operations of Seda.

Within this context, internal audit provides the following key services:

Assurance services i.e. an objective examination of evidence to provide an independent assessment on risk management, control or governance processes for Seda. Consulting services are performed as requested by management and/or the Board. The nature and scope of the consulting engagement are subject to agreement of scope and are intended to add value and improve Seda's operations.

To this end, Internal Audit provides management with independent analyses, appraisals, recommendations, counsel and information concerning activities reviewed, with an intention to improve accountability and performance. During the 2020/21 financial year, Internal Audit executed its risk-based internal audit plan as approved by the Audit and Risk Committee.

The areas of audit focused on the following:

- Draft annual financial statements review;
- Planning and budget management review;
- Stakeholder management and outreach review;
- Corporate governance review;
- Audit of performance information (Q1 and Q2);
- Supply chain management review;
- Follow up on internal audits project and AG management letter;
- Compliance management review;
- Human resource management — recruitment and terminations;
- Information technology — security management;
- Information technology — system development life cycle;
- Enterprise development fund (EDF) — interventions review; and Financial discipline review.

Over and above the work contained in the Internal Audit Plan, Internal Audit was requested by management and the Board to conduct a number of ad-hoc requests, including:

- SCM deviations;
- MOVs verification per Board's request;
- CPPP complaint

The table below discloses relevant information on the Audit and Risk Committee members

Name	Qualifications	Internal/ external	Date appointed	Number of Meetings attended
Ms Margaret Phiri	<ul style="list-style-type: none"> • BCom Accounting (Unisa) • CTA BCompt. Honours • CA (SA) 	External	1 July 2020	5
Adv Derick Block	<ul style="list-style-type: none"> • LLB (University of Western Cape) • B Juris (University of Western Cape) • Higher Diploma – Tax Law (Rand Afrikaans University) • Certificate – Procurement Management (Sasol) • Certificate – Public Finance Management Act (SAIGA) • Certificate – Corporate Governance and Board 	External	1 June 2019	6
Mr Charl de Kock	<ul style="list-style-type: none"> • SAIPA — SA Institute of Professional Accountants • Masters degree in IT Auditing • Honours degree in Accounting 	External	1 June 2019	4
Mr Jim Matsho	<ul style="list-style-type: none"> • Honours degree in Accounting • BCom Hons Business management (University of the North) • BCom Hons Economics (Vista) • MCom Marketing (University of Pretoria) • MBL (Unisa School of Business Leadership) • MCom Economics (University of Zululand) • MCom Leadership (University of KwaZulu-Natal) • M Management (Southern Business School) • Diploma Corporate Law (University of Johannesburg) 	External	1 June 2019	6
Ms Beatrice Nkambule	<ul style="list-style-type: none"> • BSc (University of Fort Hare) • Higher Diploma Education • BEd (University of the Witwatersrand) • MBA (MANCOSA) 	External	1 June 2019	6
Ms Danile Nyakale	<ul style="list-style-type: none"> • BCom Acc (University of Western Cape) • BCom Hons — CTA (UNISA) • Global Executive Development Programme (GIBS) 	External	1 June 2019	5
Adv Mthokozisi Xulu	<ul style="list-style-type: none"> • LLB (Unisa) • LLM (specialising in commercial law/corporate governance – current) 	External	1 June 2019	5

COMPLIANCE WITH LAWS AND REGULATIONS

Seda recognised the importance of complying with all applicable legal and regulatory requirements relevant to the organisation. During the 2021/22 financial year a total of eleven applicable Acts to Seda were identified and approved by the Board. The compliance and ethics awareness sessions were conducted throughout the organisation virtually in line with the government issued COVID-19 regulations. Furthermore, compliance articles with legislative updates were circulated throughout the organisation. 89% of employees declared their interest, all were noted and reported to the Board during the 2020/21 financial year. Seda is committed to ensure 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.

Seda Social and Ethics Committee provides oversight on ethics management which is facilitated by the compliance unit. This unit oversees compliance with legislations, policies, processes, standards and guidelines within the organisation, including outside remunerative work, conflict of interest, doing business with organs of state and integrity-related matters.

FRAUD AND CORRUPTION

During the 2020/21 financial year Seda conducted the fraud risk assessments throughout the organisation. Twenty-seven fraud risks action plans were identified and from these 74 % were fully implemented. Majority of the completed action plans relates to the risk and compliance awareness on fraud, ethics and gifts as well as monitoring of consequence management. Seda ensured that all fraudulent and corrupt activities within the organisation are discouraged by conducting anti-fraud and corruption awareness workshops and capacity building programs. Seda board approved the anti-fraud and corruption policy and the fraud statement. The objective is to deter and combat unethical conduct and minimising fraudulent activities within the organisation. Seda continues to have a zero tolerance towards fraud, corruption and any acts of dishonesty.

WHISTLEBLOWING AND INVESTIGATIONS

All employees and management were trained on anti-fraud and corruption during the year to entrench a culture and a responsibility to report wrongdoing or misconduct. Seda has established partnership with the office of the Public Service Commission (PSC) in the fight against fraud and corruption. Employees are encouraged to be vigilant and to report any incidents of fraud and corruption to the National Anti-Corruption Hotline which is administered by the PSC.

During the year, 26 cases of alleged fraud and other irregularities were recorded and investigated, culminating in 18 reports with findings and recommendations for corrective and remedial actions issued to management for implementation. The number of fraud and corruption allegations and procurement irregularities (not client interventions) has risen compared to previous financial years. Management committed to take action against implicated officials and started to improve internal controls as recommended after the fraud risk assessments.

MINIMISING CONFLICT OF INTEREST

All Seda employees are required to declare external interests annually. To prevent fraud and corruption, Seda also has a gift and hospitality policy regulating gifts, donations and sponsorships. Board members are required to declare their financial interests annually and at each meeting.

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 code of ethics.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

According to Section 8(1) of the Occupational Health and Safety Act (Act 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 and is pivotal role in promoting human security. A safe working environment is not only sound economic policy, but it is a basic human right. Implementation and maintenance of optimal health and safety standards and practices in the workplace is an integral part of Seda's business culture and strategy.

An Occupational Health and Safety Policy and Covid-19 Workplace Guideline are implemented to ensure compliance and the safety of all employees. In national office and in all provinces health and safety representatives and Covid-19 compliance officers have been trained in providing advice and responding to safety issues and Covid-19 protocols. The Covid-19 steering committee

continuously provide advice on Covid-19 protocols and necessary adjustments to ensure compliance.

Seda is therefore committed to promote a workplace that is free from hazardous substances or conditions that may cause injury, damage or diseases to employees and visitors. Where this is not possible, the employer shall inform employees and visitors of these dangers. Personal protective equipment such as masks and hand sanitisers is provided to curb the spread of Covid-19.

COMPANY SECRETARY

The Legal and Corporate Governance unit provides Board secretarial services and provides Board members with guidance and advice on good governance, ethics, and the nature and extent of their duties and responsibilities and how they should be discharged. Each Board member has unrestricted access to the advice and services of the unit and to organisational information.



AUDIT AND RISK COMMITTEE REPORT

The 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, which are reviewed at least annually to ensure their continued relevance and compliance with relevant legislation, regulation and governance codes.

The Committee is pleased to present the report for the financial year ended 31 March 2021 as required by the 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 AND RISK 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 as 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 others on the effectiveness of the 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 the 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, which were then raised with the Seda management and subsequently reported to the Committee. Significant control weakness were identified by both the internal and external auditors within the ICT environment. These control weaknesses have resulted in the entity experiencing a cyber-attack during April 2021. Management has given the Committee the assurance that processes are 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;
- Planning and budget management review;
- Stakeholder management and outreach review;
- Corporate governance review;
- Audit of performance information (Q1 and Q2);
- Supply chain management review;
- Follow up on internal audits project and AG management letter;
- Compliance management review;
- Human resource management — recruitment and terminations;
- Information technology — security management;
- Information technology — system development life cycle;
- Enterprise development fund (EDF) — interventions review; and
- Financial discipline review.

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

THE EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION

The 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 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 about the independence, effectiveness of internal audit function and that the unit is adequately capacitated.

ENTERPRISE RISK MANAGEMENT

The Committee considers reports on the effectiveness of risk management activities. A strategic and operational risk assessment for the year under review was conducted. The Audit Committee has reviewed the risk registers on a quarterly basis and has made recommendations for the improvement of the registers. Moreover, a culture of risk management needs to be embedded in the daily activities of Seda to ensure effective enterprise wide risk management. The Committee will monitor progress with regard to this. The Committee ensure that the assurance functions of management, internal and external audit are sufficiently integrated.

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT:

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 and
- Review all material information presented together with management accounts.

The public entity has been reporting monthly and quarterly to the National Treasury as it is required by the PFMA.

EVALUATION OF FINANCIAL STATEMENTS

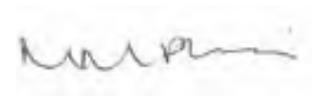
The Committee has reviewed the annual financial statements prepared by the public entity.

The Annual Financial Statements were reviewed with the following focus:

- Significant financial reporting judgments 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; and
- Reasons for significant year-on-year fluctuations

AUDITOR'S REPORT

The Committee has reviewed the entity's implementation plan for audit issues raised in the prior year and it is satisfied that these matters have been adequately resolved. 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 MM Phiri
Chairperson of the Audit and Risk Committee
15 September 2021

BBBEE COMPLIANCE PERFORMANCE INFORMATION

Has the public entity applied any code of good practice (BBBEE certificate levels 1 to 8) for the following:

Criteria	Response Yes/no	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
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 BBBEE?	Yes	Approved Socioeconomic Development Policy (including selection criteria)





VICTORIA
DRIVING SCHOOL



BACKGROUND

Barui Driehoek Cooperative was registered in 2012 by five members keen to venture into livestock after having run farming operations since 2008. The Driehoek farm in Lykso was acquired through the Department of Rural Development and Land Reform's proactive land acquisition strategy. The farm is 1855.2926ha, 2ha of which of land is planted with vegetables, while the remainder is natural grazing. The long-term carrying capacity of the farm is 9ha/ livestock units, which translates to 206 mature animals.

CHALLENGES

- Need to protect commercial value and improve competitive edge, having identified a meat export business opportunity during participation in China International Import Expo
- Unbranded packaging material for international market

SEDA INTERVENTION/SOLUTION

An assessment using the export readiness assessment tool identified the need for branded packaging and protection of intellectual property.

Assistance was provided with a logo, barcoding, packaging material design and printing. It was also helped to register its intellectual property rights.

OUTCOME/RESULTS

Annual sales have increased by 7% and 10 jobs have been sustained.



SUCCESS STORIES

Rally Business Consulting (Pty) Ltd



PROVINCE
Mpumalanga

DISTRICT/BRANCH
Ehlanzeni

BUSINESS TYPE
Forestry services
(silviculture and
occupational health and
safety training)



I am really happy with all the support I have received from Seda and the positive contribution it has made to my business

BACKGROUND

Rally Business Consulting is a private company registered in 2009 and based in White River, Mpumalanga. Owner, Rally Moropa, is an occupational health and safety specialist who has had a long and successful career as a medical practitioner. She has played key roles in personnel development, community development and management in various sectors, including government, community, corporate and non-profit organisations.

The company was awarded a tender by SAFCOL (South African Forestry Company) for R116 593 484 for three years starting on May 2018. The contract was for silviculture services at two of SAFCOL's plantations (Bergvliet and Brooklands in Sabie, Mpumalanga). Silviculture services include burning firebreaks, chemical weeding, mechanical weeding, pruning, potting, planting and blanking, plant maintenance, fire prevention and occupational health and safety.

On winning the tender, Rally Moropa approached Seda for business development services and financial support. A formal diagnostic assessment was conducted to identify gaps and areas for improvement.

CHALLENGES

- Lack of machinery and equipment for the business to execute the SAFCOL contract
- Funding of R5 000 000 needed to acquire assets to service the contract
- No business plan to guide the day-to-day operations of the business
- No formal systems and processes in place to adequately manage and address the finance, payroll and human resources functions of the business



SEDA INTERVENTION/SOLUTION

A business plan was developed to assist the owner to competently manage daily operations. Access to finance was facilitated and two mentorship projects commissioned to provide the owner and finance and human resources staff with formal systems, policies and procedures for effective and efficient management of the business.

Covid-19 support was provided during lockdown, including facilitation of a workshop to educate employees on screening in a Covid-19 environment.

OUTCOME/RESULTS

The business plan was developed and submitted to sefa, which resulted in the loan being approved. However, Rally did not sign the contract as she was uncomfortable with the terms and conditions of the facility. She approached her bank, which extended her an overdraft and the business savings to service the contract. The business has increased turnover by 75.35% and has a fully functioning financial system in place.

Job numbers increased from 100 to 178, which it has retained in spite of Covid-19 through Unemployment Insurance Fund funding of R685 000. The business has an efficient payroll system and human resources policies and procedures to ensure compliance with labour regulations.



SUCCESS STORIES

Khoma-Ndlati General Trading t/a Gimbo Bricks and Sand

PROVINCE
Limpopo

DISTRICT/BRANCH
Mopani

BUSINESS TYPE
Manufacturing bricks
and sand supply



We are so grateful to have received such a helping hand from Seda. This journey must continue to help other struggling entrepreneurs

BACKGROUND

In 2007, Thomas and Mikateko Ivy Nkwini established Gimbo Bricks and Sand and formally registered it as a subsidiary of Khoma-Ndlati General Trading. Gimbo is a brick manufacturing and sand supply company in Makosha village, Giyani Local Municipality in Limpopo. Its main activity is manufacturing building and paving bricks. The company is also involved in sand supply.

CHALLENGES

- Lack of access to finance
- No marketing or promotional material nor plan and strategy to compete in its highly competitive business sector
- Lack of financial management and recordkeeping
- Assistance needed with product testing and certification

SEDA INTERVENTION/SOLUTION

Following a business assessment, several recommendations were implemented:

- Seda appointed a service provider to develop a detailed business plan used to apply for finance to procure equipment and machinery

- It was recommended that the client be assisted with the design, print and installation of marketing materials.
- An accounting system was developed and implemented to create and maintain proper financial records.
- It was recommended that Gimbo submit its bricks to SABS for testing and certification.

OUTCOME/RESULTS

A grant of R432 057 was approved through Seda's technology transfer assistance to buy new dual brickmaking machinery. The business was assisted with the financial management system. The business grew its market and landed a permanent contract to supply Cashbuild Malamulele and Giyani branches with SABS-approved bricks. Revenue increased by 57%, and the number of employees rose from 40 to 57.



SUCCESS STORIES

Silver Solutions 3190 t/a Richtersveld Boekwinkel Kooperasies

PROVINCE

Northern Cape



DISTRICT/BRANCH

Seda Namakwa



BUSINESS TYPE

Bookshop



My business is more established now and the client base has increased. I have developed a lot as a black woman business owner



PART D
HUMAN RESOURCE MANAGEMENT

INTRODUCTION

It is widely acknowledged that employees are most productive when the working environment reflects a caring, supportive and collaborative management culture. Seda's human resources strategic priorities are translated into action. A consolidated HR strategic report is presented to HRRC and Board quarterly detailing achievements in performance against set targets. The report includes Covid-19 management interventions and statistics.

Long-service awards 2020/21

UNINTERRUPTED SERVICE	NUMBER OF EMPLOYEES
5 years	88
10 years	33
15 years	29
TOTAL	150

Seda is a service organisation and is dependent on its human capital to deliver on its mandate. Continuous workforce optimisation helps the organisation to align its goals and needs with those of its workforce. Workforce planning assists the organisation to attract incumbents with the right values, skills and experience to provide high-quality services.

The success of Seda's strategy depends on its ability to retain, motivate, develop and continue to attract employees with the skills, competencies and experience needed for the organisation to achieve its goals and deliver on its mandate. Seda continues to focus on effective 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. Its performance management and development process encourages communication, good staff management practice dialogue between management and staff. It also assists employees to achieve both their individual and organisational goals.

A comprehensive performance management system plays a strategic role in attracting and retaining key employees. The Board of Seda and executive management, respectively, assess organisational and divisional performances against set targets, while formal corporate-wide employee performance assessments are undertaken biannually in line with the approved Performance Management and Development Policy.

The organisation recognises, reinforces and rewards good performance. More than just an annual performance review, performance management is the continuous process of setting objectives, assessing progress and providing ongoing coaching and feedback to ensure that employees are meeting their objectives and career goals. Any dispute arising from the interpretation or application of the policy or the outcome of a decision of moderation committees is referred to the acting CEO for appeal and final decision.

EMPLOYEE WELLNESS PROGRAMMES

Seda promotes a workplace that does not expose employees and visitors to hazardous substances or conditions that may cause injury, damage or spread diseases such as Covid-19. Where this is not practical or possible, Seda informs employees and visitors of hazards and advises them on how to minimise risks and provides them with personal protective equipment such as gloves, sanitisers and masks.

Improving the health and wellbeing of employees is key to improving their work/life balance and creating a more motivated, engaged and higher-performing workforce for greater organisational success. The human resources department receives an annual wellness budget to cover physical, mental and emotional aspects of wellbeing, which supports each person's wellness journey meaningfully and equitably. A dedicated health provider offers free counselling to employees and their families through the employee assistance programme. The service is available through a toll-free number.

The employee assistance programme includes psychological, legal and economic/financial counselling. Assistance is provided for complex and everyday issues. During the review year, virtual sessions were delivered on Covid-19 management, mental health, resilience, stress management and financial distress.

POLICY DEVELOPMENT

Policies provide control, consistency, fairness and standardisation through the organisation. They also ensure compliance with employment legislation and inform employees of their responsibilities and the organisation's expectations.

In the period under review, the following were developed:

- Grievance Policy;
- Succession Planning Policy;
- Occupational Health and Safety Policy;
- Probation Policy;
- Retirement Policy;
- Performance Management Development Policy;
- Bursary Policy;
- Long-service Award Policy;

- Sexual Harassment Policy;
- Job Evaluation Policy;
- Leave Policy; and
- Covid-19 Workplace Guideline.

HUMAN RESOURCE OPERATIONS

Seda employees are kept aware of what is expected of them to ensure that their contributions are aligned with the strategic goals of the organisation.

During 2020/21, the internal audit unit conducted a human resources audit in line with the internal audit plan approved by the Audit and Risk Committee on 19 May 2020. The audit assessed the adequacy and effectiveness of controls to mitigate risks and focused on management measures in place across the Seda network and national office from 1 April 2020 to 31 December 2020. The following were reviewed:

- Compliance with laws, regulations, policies and procedures;
- Organisational structure and funding of positions;
- Appointments (recruitment and selection process);
- Terminations;
- Relocations;
- Staff retention; and
- Maintenance of employee files.

Results indicated adequate controls. In addition, a Covid-19 compliance audit by the Risk and Compliance unit in quarter four was completed with no audit findings. The implementation of employment equity plans is also managed to ensure that the set numerical targets are achieved.

ORGANISATIONAL CLIMATE

The South African government is committed to ensuring that all state-owned enterprises fulfil their mandates and are financially sustainable. Seda, as the lead facilitator in collaboration with other stakeholders, is aiming to improve service access through an integrated ecosystem. Significant changes in Seda's operating environment inform how Seda should re-engineer its operations to support the ecosystem.

HUMAN RESOURCES PLANS/GOALS

The organisation will accelerate implementation of the change management framework adopted to assist employees to adapt to change so that business objectives are realised. The Seda change management framework seeks to improve organisational effectiveness and efficiency. A change management document was circulated to all employees as a reference and a change management audio visual is accessible to all employees in Phalafala.

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: EDD	432 708	233 824	54.04%	596	392
Programme 2: Stp	171 441	16 913	9.87%	28	604
Programme 3: Administration	168 696	84 596	50.14%	133	636

PERSONNEL COST BY SALARY BAND

Personnel expenditure per employment level

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST (R'000)	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top management	1 825	0.54%	1	1 825
Senior management	29 463	8.79%	24	1 228
Professionally qualified	259 605	77.42%	462	0 562
Skilled	44 40	13.25%	270	0 165
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
TOTAL	335 333	100%	757	3 779

PERFORMANCE REWARDS

No performance rewards were paid in 2020/21.

TRAINING COSTS

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)
Programme 1: EDD	233 824	0 125	0.05%	24	0 52
Programme 2: Stp	16 913	-	-	-	-
Programme 3: Administration	84 596	1 544	1.82%	94	0 16

Note: Training cost includes bursaries.

EMPLOYMENT AND VACANCIES

Vacancies per programme

PROGRAMME/ ACTIVITY/OBJECTIVE	2019/20 NUMBER OF EMPLOYEES	2019/20 APPROVED POSTS	2020/21 NUMBER OF EMPLOYEES	2020/21 VACANCIES	% OF VACANCIES
Programme 1: EDD	524	548	504	44	8%
Programme 2: Stp	30	28	23	5	18%
Programme 3: Administration	123	137	119	18	13%

Vacancies per employment level

PROGRAMME/ ACTIVITY/OBJECTIVE	2019/20 NUMBER OF EMPLOYEES	2019/20 APPROVED POSTS	2020/21 NUMBER OF EMPLOYEES	2020/21 VACANCIES	% OF VACANCIES
Top management	6	6	1	5	83%
Senior management	27	27	24	3	11%
Professionally qualified	455	483	437	46	10%
Skilled	189	197	184	13	6%
Semi-skilled	-	-	-	-	-
Unskilled	-	-	-	-	-
TOTAL	667	713	646	67	9%

In 2020/21, a moratorium was imposed on filling senior management positions to ensure that the Seda/sefa merger was not compromised.

EMPLOYMENT CHANGES

Employee changes per employment level (permanent employees only)

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF PERIOD
Top management	4	-	3	1
Senior management	24	-	-	24
Professionally qualified	462	41	31	437
Skilled	188	16	51	184
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
TOTAL	678	57	85	646

Employee changes per employment level (all employees)

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF PERIOD
Top management	4	-	3	1
Senior management	24	-	-	24
Professionally qualified	471	41	31	462
Skilled	214	16	51	270
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
TOTAL	713	57	85	757

Reasons for staff leaving

REASON	NUMBER	% OF NUMBER OF STAFF LEAVING
Resignation	62	9%
Dismissal	1	-
Retirement	4	1%
Ill health	2	-
Expiry of contract	14	2%
Other	2	-
Total	85	9%

- Crucial vacant positions were filled on a 12-month fixed term contract to ensure that the merger was not compromised.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Disciplinary actions

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	4
Written warning	5
Final written warning	-
Dismissal	1

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Equity status (males)

MALE								
LEVELS	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	-	-	1	-	-	-	-
Senior management	-	1	-	-	-	-	-	-
Professionally qualified	2	3	-	-	-	-	-	-
Skilled	7	1	-	2	-	-	-	3
Semi-skilled	6	16	-	1	-	-	-	2
Unskilled	1	1	-	-	-	-	-	-
TOTAL	16	22	-	4	-	-	-	5

Equity status (females)

FEMALE								
LEVELS	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	-	-	-	-	-	-	-
Senior management	-	-	-	-	-	-	-	-
Professionally qualified	1	1	-	-	-	-	-	-
Skilled	8	3	-	2	-	-	-	4
Semi-skilled	6	-	1	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
TOTAL	15	4	1	2	-	-	-	4

Equity status (staff with disabilities)

STAFF WITH DISABILITIES				
LEVELS	MALE		FEMALE	
	Current	Target	Current	Target
Top management	-	-	-	-
Senior management	-	-	-	-
Professionally qualified	-	2	-	-
Skilled	-	2	-	3
Semi-skilled	-	4	-	-
Unskilled	-	-	-	-
TOTAL	-	8	-	3

Sixteen females were recruited against a target of 10. Attracting males to vacant administrator positions proved challenging. Some vacant positions were advertised more than once to attract the targeted races and genders. Some targeted positions did not become vacant, hence there was no movement.

It should be noted that the main variances are in the appointment of white counterparts for both genders. Some vacant positions were advertised more than once with the aim of attracting the targeted races and/genders. In addition, some of the targeted positions did not become vacant, hence there was no movement in those occupational categories. The implementation of the employment equity plans is also managed to ensure that the set numerical targets are achieved.







PART E

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SMALL ENTERPRISE DEVELOPMENT AGENCY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Small Enterprise Development Agency set out on pages 114 to 165, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and the 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 2021, and its financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practices (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 auditor-general's responsibilities 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 MATTERS

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Subsequent events - cyber attack

8. I draw attention to note 24 in the financial statements, which deals with subsequent events related to a cyber-attack which occurred at the public entity. Management has described the nature of the event in further detail and plans in place to

remediate. The event had resulted in significant additional audit effort due to insufficient IT records maintained to understand the impact of the cyber-attack on the financial reporting systems.

Subsequent events – merger of public entity

9. I draw attention to note 24 in the financial statements, which deals with subsequent events related to parliament approval of the incorporation Small Enterprise Finance Agency and Cooperative Bank Development Agency into the Small Enterprise Development Agency with effect from 1 April 2022.

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 the PFMA, and for such internal controls 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.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. My objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatements, 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

INTRODUCTION AND SCOPE

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of

future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria

developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report for the year ended 31 March 2021

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 1 – Enterprise development	33 – 37

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 1 – Enterprise development.

OTHER MATTERS

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 33 to 46 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 1 – Enterprise development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. The material findings on compliance with specific matters in key legislation are as follows:

ANNUAL FINANCIAL STATEMENTS, PERFORMANCE AND ANNUAL REPORT

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected resulting in the financial statements receiving an unqualified audit opinion.

REVENUE MANAGEMENT

25. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(l) of the PFMA.

OTHER INFORMATION

26. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on them.

28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. 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

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, and the findings on compliance with legislation included in this report:

31. Management did not adequately review the financial statements submitted for auditing, as evidenced by the material disclosure misstatement identified in the financial statements, which was corrected due to the audit process.

32. Management did not have adequate controls in place to ensure compliance with all applicable laws and regulations.

OTHER REPORTS

33. I draw attention to the following engagements conducted by various parties that have or could potentially have an impact on the public entity's financial statements, reported performance information and compliance with applicable legislation and other related matters. These reports noted do not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

34. A forensic investigation has been conducted by an external service provider at the request of the public entity. The investigation related to the cyber breach that was identified on 23 and 29 April 2021, affecting both the accounting and payroll systems of the public entity. The hacker was in the two system as early as 12th March 2021. The service provider

was mandated to perform a forensic investigation into the events that led to the cyber breach and to assist the public entity with a remediation plan. The draft investigation report was issued on 13 July 2021. The final report was issued on 17 August 2021.

Auditor-General

Pretoria

15 September 2021



**AUDITOR-GENERAL
SOUTH AFRICA**

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the public entity's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. 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 by the accounting authority
 - conclude on the appropriateness of the accounting authority's 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 Small Enterprise Development Agency 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

3. 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 authority 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.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2021

		2021	2020
	Notes	R	R
Revenue: Exchange		21,438,461	35,680,319
Interest received	2	11,273,387	22,009,428
Sundry income and proceeds from insurance claims	2	1,718,730	1,737,692
Earnings from programmes and projects	2	8,446,344	11,933,199
Revenue: Non-exchange		846,286,453	916,714,441
Government grants from DSDB	2	598,844,000	665,076,000
Seda		148,588,000	152,281,000
Seda Technology Programme (STP)		82,055,375	65,406,000
DSBD specific projects	2	12,758,627	-
Provincial governments	2	1,701,378	-
Other income - services in kind	2	2,339,073	33,951,441
Other earnings from programmes and projects	2		
TOTAL REVENUE	2	867,724,914	952,394,760
Expenses			
Depreciation, impairment and amortisation	3	(12,485,534)	(14,320,157)
Finance costs	3	(11,464)	(3,593)
Goods and services		(400,818,419)	(534,116,115)
- Administrative and other costs	3	(137,002,916)	(145,948,646)
- Programme and project costs	3	(263,815,503)	(388,167,469)
Loss on sale and write off of assets	3	(4,888)	(288,189)
Personnel cost	3	(335,332,950)	(367,398,274)
TOTAL EXPENSES		(748,653,255)	(916,126,328)
SURPLUS FOR THE YEAR		119,071,659	36,268,432

STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

		2021	2020
	NOTES	R	R
ASSETS			
Current Assets			
		371,710,543	238,452,675
Cash and cash equivalents	4	343,540,959	204,012,587
Accounts receivable	5	27,842,413	34,141,617
Inventories	6	327,171	298,471
Non-current Assets			
		50,930,774	39,459,584
Plant and equipment	7	48,885,626	36,263,646
Intangible assets	8	2,045,148	3,195,938
TOTAL ASSETS		422,641,317	277,912,259
LIABILITIES			
Current Liabilities			
		171,850,692	145,519,950
Accounts payable	9	136,777,581	110,911,313
Current portion of operating lease obligations	11	1,424,127	959,653
Provisions	10	33,648,984	33,648,984
Non-current Liabilities			
		2,917,139	3,590,482
Long-term portion of operating lease obligations	11	2,917,139	3,590,482
TOTAL LIABILITIES		174,767,831	149,110,432
NET ASSETS		247,873,486	128,801,827
Accumulated surplus		247,873,486	128,801,827
TOTAL NET ASSETS		247,873,486	128,801,827

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2021

	Accumulated Surplus
	R
Balance at 01 April 2019	123,999,530
minus: Transfer to Department of Small Business Development	(31,466,135)
Surplus for the year	36,268,432
Balance at 31 March 2020	128,801,827
Surplus for the year	119,071,659
BALANCE AT 31 MARCH 2021	247,873,486

CASH FLOW STATEMENT

for the year ended 31 March 2021

		2021	2020
	Notes	R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
External earnings from programmes and projects	15c	16,446,926	(8,911,958)
Interest received	2	11,273,387	22,009,428
Government grants	2	844,585,075	916,714,441
Sundry income and proceeds from insurance claims	2	1,718,730	1,737,692
		874,024,118	931,549,603
Payments			
Finance costs	3	(11,464)	(3,593)
Personnel cost	3	(335,332,950)	(367,398,274)
Suppliers	15d	(375,189,720)	(575,105,203)
		(710,534,134)	(942,507,070)
NET CASH FLOWS (USED IN) /FROM OPERATING ACTIVITIES	15b	163,489,984	(10,957,467)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of assets		230,812	445,023
Purchase of assets	15a	(24,192,424)	(15,052,011)
NET CASH USED IN INVESTING ACTIVITIES		(23,961,612)	(14,606,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfer to Department of Small Business Development		-	(31,466,135)
NET CASH USED IN FINANCING ACTIVITIES		-	(31,466,135)
Net (decrease) / increase in cash and cash equivalents		139,528,372	(57,030,590)
Cash and cash equivalents at the beginning of the year		204,012,587	261,043,177
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	343,540,959	204,012,587

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2021

	Original Budget 2020/21	Adjustments	Final Budget 2020/21	Actual 2020/21	%	Variance
	R	R	R	R		R
Revenue						
Earnings from programmes and projects ¹	125,152,204	(7,782,963)	117,369,241	105,559,419		(11,769,822)
Government grants ²	781,906,000	(34,474,000)	747,432,000	747,432,000		0
Seda	631,465,000	(32,621,000)	598,844,000	598,844,000		0
Seda Technology Programme	150,441,000	(1,853,000)	148,588,000	148,588,000		0
Interest received ³	15,868,074	0	15,868,074	11,273,387		(4,594,687)
Sundry income ⁴	2,324,362	0	2,324,362	3,420,108		1,095,746
TOTAL REVENUE	925,250,640	(42,256,963)	882,993,677	867,724,914	-1,73%	(15,268,763)

	Original Budget 2020/21	Adjustments	Final Budget 2020/21	Actual 2020/21	%	Variance
	R	R	R	R		R
Expenses						
Administrative and other costs ⁵	(161,497,484)	3,771,301	(157,726,183)	(137,002,916)		20,723,267
Depreciation, impairment and amortisation ⁶	(20,833,916)	3,193,700	(17,640,216)	(12,485,534)		5,154,682
Finance costs	0	0	0	(11,464)		(11,464)
Loss in sale of assets	0	0	0	(4,888)		(4,888)
Personnel cost ⁷	(407,805,000)	53,226,250	(354,578,750)	(335,332,950)		19,245,800
Programme and project costs ⁸	(315,174,240)	(108,570,532)	(423,744,772)	(263,815,503)		159,929,269
TOTAL EXPENSES	(905,310,640)	(48,379,281)	(953,689,921)	(748,653,255)	21,50%	205,036,666
SURPLUS	19,940,000		(70,696,244)	119,071,659		189,767,903
CAPEX ⁹	(19,940,000)	(16,743,397)	(36,683,397)	(24,192,424)		12,490,973
TOTAL	(925,250,640)	(65,122,678)	(990,373,318)	(772,845,679)	21,96%	217,527,639
TOTAL (INCLUDING CAPEX) ¹⁰	0	(107,379,641)	(107,379,641)	94,879,235		

Explanations of budget adjustments

- 1 Earnings from programmes and projects — adjustment due to less funding received from stakeholders.
- 2 Government grants — National Treasury cut Seda's budget allocation for 2020/21 in October 2021.
- 5 Administrative and other costs — adjustment due to re-allocation of budget to programmes.
- 6 Depreciation, impairment and amortisation — adjustments due to write-off of some assets.
- 7 Personnel cost — adjustment due to moratorium of vacant positions and removal of provision for performance bonuses for 2020/21.
- 8 Programme and project costs — adjustment due to surplus approval of 2019/20 therefore additional allocations for certain programmes and projects.
- 9 Capex — adjustment due to surplus approval of 2019/20 additional budget was allocated.
- 10 An approval was obtained from National Treasury to utilise surplus of 2019/20, hence a deficit.

Explanations of budget and actual amounts comparison variances:

- 1 Earnings from programmes and projects — income is recognised once expenditure is incurred from project advance payments.
- 3 Interest received — the banks offered a lower interest rate during the year, the Reserve Bank continued to lower the Repo rate.
- 4 Sundry income — due to income less than budgeted for.
- 5 Administration cost — underspending due to Covid and national lockdown impact.
- 6 Depreciation, impairment and amortisation — due to disposal of assets.
- 7 Personnel cost — due to moratorium on vacancies and no salary increases paid for 2020/21.
- 8 Programmes and project costs — underspending due to Covid and national lockdown impact on delivery. Amounts spent on programmes and projects are outlined under note 3.
- 9 Capex — underspending due to Covid lockdown therefore orders were cancelled due to delivery not possible by 31 March 2021.

Refer to note 1.17.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 rands.

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, judgment must be used when developing an accounting policy. In applying judgment, 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 2020/21 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
GRAP 104	Financial Instruments	To be determined
Directive 4	The application of Standards of GRAP by public entities that apply IFRS	1 April 2021
	Guideline on Accounting for landfill sites	To be determined

GRAP 104 — Financial Instruments

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

Scope

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

- (a) the recognition and measurement of financial instruments issued by the entity that meets the definition of a residual interest;
- (b) employers' rights and obligations under employee benefit plans, to which the Standard of GRAP on Employee Benefits applies;

- (c) rights to payments to reimburse the entity for expenditure it is required to make to settle a liability that it recognises as a provision in accordance with the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets (GRAP 19), or for which, in an earlier period, it recognised a provision in accordance with that Standard; and
- (d) the initial recognition and initial measurement of financial instruments acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control), a transfer of functions between entities not under common control (see the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control) or a merger (see the Standard of GRAP on Mergers).

This Standard does not apply to the following instruments, except where indicated otherwise:

- (a) Interests in controlled entities, associates or joint ventures that are accounted for in accordance with the Standards of GRAP on Consolidated Financial Statements (GRAP 35) and Investments in Associates and Joint Ventures (GRAP 36). However, in some cases, GRAP 35 or GRAP 36 require or permit an entity to account for an interest in a controlled entity, associate or joint venture in accordance with some or all of the requirements of this Standard. Entities shall also apply this Standard to derivatives on an interest in a controlled entity, associate or joint venture (see Appendix A paragraphs AG1.2 to AG1.3.), unless the derivative meets the definition of a residual interest.
- (b) Any forward contracts between an acquirer and a seller to buy or sell an acquiree that will result in a transfer of functions between entities not under common control at a future acquisition date. The term of the forward contract should not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction.
- (c) Rights and obligations under leases to which the Standard of GRAP on Leases applies. However:
 - (i) lease receivables recognised by a lessor are subject to the impairment, derecognition, presentation and disclosure provisions of this Standard (see paragraphs 5.17 to 5.35, 6.1 to 6.15, 7.1 to 8.60 and Appendix A paragraphs AG5.60 to AG5.115, AG7.1 to AG8.51);

- (ii) finance lease payables recognised by a lessee are subject to the derecognition, presentation and disclosure provisions of this Standard (see paragraphs 6.16 to 6.19, and 7.1 to 8.60 and Appendix A paragraphs AG6.15 to AG6.21 and AG7.1 to AG8.51); and
- (iii) derivatives that are embedded in leases are subject to the embedded derivatives provisions of this Standard (see paragraphs 4.9 to 4.15 and Appendix A paragraphs AG4.56 to AG4.67). Where an embedded derivative is separated from a lease, the presentation and disclosure requirements of this Standard also apply to the derivative (see paragraphs 7.1 to 8.60 and Appendix A paragraphs AG7.1 to AG8.51).
- (d) Rights and obligations arising under insurance contracts within the scope of the International Financial Reporting Standard(s) on insurance. This Standard shall, however, apply to:
 - (i) an issuer's rights and obligations arising under an insurance contract that meets the definition of a financial guarantee contract;
 - (ii) derivatives that are embedded in insurance contracts if this Standard requires the entity to account for them separately;
 - (iii) the presentation and disclosure of financial instruments that are within the scope of IFRS Standard 4 on insurance since they contain a discretionary participation feature (see paragraphs 7.1 to 8.60 and Appendix A paragraphs AG7.1 to AG8.51); and
 - (iv) the disclosure of investment components that are separated from contracts within the scope of IFRSs if IFRSs require such separation.
- (e) Loan commitments other than those loan commitments described in paragraph 1.7. However, an issuer of loan commitments shall apply the impairment requirements of this Standard to loan commitments that are not otherwise within the scope of this Standard. Also, all loan commitments are subject to the derecognition requirements of this Standard.
- (f) Contractual rights and obligations arising from non-exchange revenue transactions to which the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers) (GRAP 23) applies. However, receivables and payables recognised by an entity as a result of contractual

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

non-exchange revenue transactions are subject to the subsequent measurement, derecognition, presentation and disclosure requirements of this Standard.

- (g) Statutory receivables as defined in the Standards of GRAP on Statutory Receivables (GRAP 108).
- (h) Rights and obligations under service concession arrangements to which the Standard of GRAP on Service Concession Arrangements: Grantor applies. However, financial liabilities recognised by a grantor under the financial liability model are subject to the provisions of this Standard.

An entity is permitted in terms of this Standard to apply hedge accounting as described in IFRS Standards on financial instruments. Where an entity chooses to apply hedge accounting, it must comply in full with the requirements for hedge accounting prescribed in IFRS Standards.

Seda will determine when this standard is applicable to the organisation.

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 derecognised 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

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.

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 Department of Small Business Development (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.

Derecognition

The derecognition 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)

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.

Bonus provision

The provision for bonuses is based on management's judgment and represents the obligation to pay bonuses 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 debt is the amount of bad debt that will arise from accounts receivable that have been issued but not yet collected. All debt 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 Public Finance Management Act (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 note 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, 1968 (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 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 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.

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 2020/21. Seda presents only 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 it 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Notes	2021	2020
		R	R
2 REVENUE			
Revenue: Exchange		21,438,461	35,680,319
Interest received		11,273,387	22,009,428
Sundry income (including asset related)		1,718,730	1,737,692
Earnings from programmes and projects		8,446,344	11,933,199
- Local government		1,717,262	2,722,479
- Other specific projects		6,729,082	9,210,720
Revenue: Non-exchange		846,286,453	916,714,441
Government grants from DSBD		747,432,000	817,357,000
- Seda		598,844,000	665,076,000
- Seda Technology Programme (Stp)		148,588,000	152,281,000
DSBD Specific projects		82,055,375	65,406,000
Provincial Governments		12,758,627	-
Other income — services in kind		1,701,378	-
Other earnings from programmes and projects		2,339,073	33,951,441
		867,724,914	952,394,760

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 municipalities to Seda branches in the provinces.

	2021	2020
Notes	R	R
3 EXPENSES FOR THE YEAR		
Surplus for the year is arrived at after taking into account the following:		
Personnel cost	335,332,950	367,398,274
Long-service awards	1,859,000	354,000
Provision for leave	2,529,015	626,250
Provision for performance bonus	-	33,147,554
- Salaries	324,356,262	328,114,544
- Skills Development Levy (SDL)	3,049,361	3,355,512
- Temporary workers	2,205,909	461,728
- Workmen's compensation	1,333,403	1,338,686
Administrative and other costs	137,002,916	145,948,646
Administrative costs	72,539,152	87,964,824
Admin related (excluding boards members' emoluments, operating lease expense, finance cost and provision for bad debt)	33,054,485	53,600,813
Cleaning	5,902,114	5,493,749
Consumables	2,588,497	1,946,244
Maintenance and repairs	1,451,993	1,667,885
Maintenance and repairs — hardware	203,575	242,770
Maintenance and repairs — office equipment	172,571	200,077
Maintenance and repairs — office buildings	511,390	347,293
Maintenance and repairs — vehicles	564,457	877,745
Municipal services	7,846,017	8,260,756
Other (includes catering, general expenditure, insurance, stationery, etc.)	11,562,500	15,892,309
Provision for inventory write-off	9,057	145,619
Travel and accommodation	3,694,307	20,194,251

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Notes	2021 R	2020 R
3 EXPENSES FOR THE YEAR (CONTINUED)		
Administrative costs (continued)		
Communication costs	17,565,748	16,140,447
Advertising and marketing	2,461,832	2,393,055
Printing and publication	1,527,949	1,808,334
Other (includes courier cost, library maintenance etc.)	1,923,857	1,687,765
Telephone and cell phone	11,652,110	10,251,293
Computer services	16,152,857	13,458,800
Internet charges	9,288,039	6,310,366
Specialised computer services	151,151	17,066
Software licences	6,713,667	7,131,368
Recruitment and relocation costs	3,087,672	1,865,277
Professional services (excluding auditors' remuneration)	1,010,148	998,540
Consultants	262,315	589,039
Legal services	651,308	359,472
Other (includes membership fees to professional bodies etc.)	96,525	50,029
Staff training and development	1,668,242	1,900,947
Auditors' remuneration	2,943,235	3,374,049
External auditors	2,490,432	2,161,638
Regularity audit	2,490,432	2,161,638
Internal auditors	452,803	1,212,411
Board members' emoluments	2,097,293	1,729,505
For services as members (excl CEO remuneration)	1,972,591	1,646,564
Board sub-committees	124,702	82,941

		2021	2020
	Notes	R	R
3 EXPENSES FOR THE YEAR (CONTINUED)			
Operating lease expenses			
Buildings and equipment		55,300,851	52,748,569
Provision for bad debts	5	4,122,385	131,699
Depreciation and amortisation			
Computer impairment		6,050,017	7,314,233
Computer software		1,152,936	1,290,840
Equipment		1,317,023	1,159,553
Motor vehicles		2,946,805	3,112,372
Office furniture		490,327	914,313
Leasehold improvements		528,426	528,846
Finance costs			
Interest paid		11,464	3,593
Loss on sale and write-off of plant and equipment			
Loss on sale and write off of plant and equipment		4,888	288,189
Programme and projects costs			
Enterprise Development Fund (EDF)		66,726,542	42,606,742
Other programmes and projects (includes DSBD specific projects, programme development, ICT projects, specific target market projects etc.)		37,972,172	90,843,620
Seminars and workshops for clients		6,075,402	8,269,742
Stp — incubators		133,241,545	222,921,775
Stp — quality and Standards projects		9,543,595	5,546,855
Stp — technology Transfer Fund (TTF)		10,256,247	17,978,735

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Notes	2021 R	2020 R
4 CASH AND CASH EQUIVALENTS		
Call account	331,647,267	131,284,971
Current accounts	11,552,469	72,363,704
Petty cash	341,223	363,912
	343,540,959	204,012,587
Refer to note 16.4 for details on interest rates.		
Of the cash balance R59 289 506 (R41 205 242) relates to grants received in advance which is to be utilised for specific projects as reflected in note 9.		
5 ACCOUNTS RECEIVABLE		
Exchange transactions		
Deposits	3,458,858	3,461,805
Payment in advance	23,054,478	26,100,098
Relocation cost receivables	-	150,123
Staff receivables	35,000	-
Sundry receivables	5,832,024	4,845,154
	32,380,360	34,557,180
Provision for bad debt — sundry receivables	(4,537,947)	(415,563)
	27,842,413	34,141,617
Provision for bad debts:		
Movement for the year:		
Opening Balance at 1 April	415,563	293,161
Less: Bad debt written-off or recovered	-	(9,297)
	415,563	283,864
Net charge to the Statement of Financial Performance	4,122,385	131,699
	4,537,948	415,563

3

	2021	2020
Notes	R	R
5 ACCOUNTS RECEIVABLE (CONTINUED)		
The ageing analysis of the past due sundry receivables is as follows:		
< 3 months	637,435	4,159,310
3 – 6 months	32,404	85,894
6 months – 1 year	4,122,385	93,311
1+ years	1,039,800	506,639
Total sundry receivables past due	5,832,024	4,845,154
Notes:		
1. No non-exchange transactions for accounts receivable.		
2. Seda do not have credit sales.		
3. Any interest receivable on the amount due to Seda must be in line with para 80(1)(a) and (b) of PFMA Act, 1999. The rates are published annually by the Minister of Finance, via the Government Gazette.		
6 INVENTORIES		
Consumable stores at cost	336,228	427,007
Provision for inventory write-downs	(9,057)	(128,536)
Current replacement cost	327,171	298,471
Provision for stationery and computer consumables written-off:		
Movement for the year:		
Opening Balance at 1 April	145,619	-
Less: Stationery and computer consumables write-downs / written-off	(145,619)	-
	-	-
Net charge to the Statement of Financial Performance	9,057	145,619
CLOSING BALANCE AT 31 MARCH	9,057	145,619

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Computer Equipment	Equipment	Motor Vehicles
	R	R	R
7 PLANT AND EQUIPMENT — 2020/21			
Major Assets (above R2 000 per item)			
At 1 April 2020			
Cost	68,587,820	16,834,519	37,502,846
Accumulated depreciation and impairment	(50,676,804)	(11,698,629)	(28,315,489)
Opening carrying amount	17,911,016	5,135,890	9,187,357
Year ended 31 March 2021			
Opening carrying amount	17,911,016	5,135,890	9,187,357
Additions at cost	6,779,990	1,691,892	13,711,259
Disposals and write-off at cost	(871,968)	(239,204)	(1,093,798)
Disposal and write-off depreciation	818,803	213,094	950,140
Work in progress	100,851	0	0
Depreciation for the year	(6,027,919)	(1,304,250)	(2,946,805)
Cost reallocated	(287,144)	(15,078)	0
Impairment	0	0	0
Depreciation reallocated	284,626	15,076	0
Closing carrying amount	18,708,255	5,497,420	19,808,153
At 31 March 2021			
Cost	74,309,549	18,272,129	50,120,307
Accumulated depreciation and impairment	(55,601,294)	(12,774,709)	(30,312,154)
Carrying amount	18,708,255	5,497,420	19,808,153
Useful lives	4 years	6 years	5 years
Minor Assets (below R2 000 per item and excluding major assets)			
At 1 April 2020			
Cost	232,255	529,489	0
Accumulated depreciation and impairment	(228,721)	(528,461)	0
Opening carrying amount	3,534	1,028	0

Office Furniture	Leasehold Improvements	Total
R	R	R
23,296,358	9,373,737	155,595,280
(20,729,386)	(7,916,422)	(119,336,730)
2,566,972	1,457,315	36,258,550
2,566,972	1,457,315	36,258,550
892,567	976,502	24,052,210
(224,561)	(16,759)	(2,446,290)
211,829	16,757	2,210,623
0	0	100,851
(490,327)	(528,426)	(11,297,727)
0	0	(302,222)
0	0	0
0	0	299,702
2,956,480	1,905,389	48,875,697
23,964,364	10,333,480	176,999,829
(21,007,884)	(8,428,091)	(128,124,132)
2,956,480	1,905,389	48,875,697
6 years	6 years or lease period	
313,786	29,144	1,104,674
(313,276)	(29,120)	(1,099,578)
510	24	5,096

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Computer Equipment R	Equipment R	Motor Vehicles R
7 PLANT AND EQUIPMENT — 2020/21 (CONTINUED)			
Year ended 31 March 2021			
Opening carrying amount	3,534	1,028	0
Additions at cost	22,700	17,034	0
Disposals and write-off at cost	(5,719)	(8,789)	0
Disposal and write-off depreciation	5,713	8,768	0
Work in progress	0	0	0
Depreciation for the year	(22,098)	(12,773)	0
Cost reallocated	0	0	0
Impairment	0	0	0
Depreciation reallocated	1	(1)	0
Closing carrying amount	4,131	5,267	0
At 31 March 2021			
Cost	249,236	537,734	0
Accumulated depreciation and impairment	(245,105)	(532,467)	0
Carrying amount	4,131	5,267	0
TOTAL CARRYING VALUE	18,712,386	5,502,687	19,808,153

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

Office Furniture	Leasehold Improvements	Total
R	R	R
510	24	5,096
0	3	39,737
(3,175)	(3)	(17,686)
3,173	0	17,654
0	0	0
0	0	(34,871)
0	0	0
0	0	0
(1)	0	(1)
507	24	9,929
310,611	29,144	1,126,725
(310,104)	(29,120)	(1,116,796)
507	24	9,929
2,956,987	1,905,413	48,885,626

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Computer Equipment	Equipment	Motor Vehicles
	R	R	R
7 PLANT AND EQUIPMENT — 2019/20			
Major Assets (above R2 000 per item)			
At 1 April 2019			
Cost	58,794,559	15,095,155	36,220,814
Accumulated depreciation and impairment	(43,838,924)	(10,825,942)	(25,336,289)
Opening carrying amount	14,955,635	4,269,213	10,884,525
Year ended 31 March 2020			
Opening carrying amount	14,955,635	4,269,213	10,884,525
Additions at cost	10,217,231	2,162,749	1,813,625
Disposals and write-off at cost	(618,987)	(428,694)	(531,593)
Disposal and write-off depreciation	447,011	271,032	133,170
Work in progress	198,591	0	0
Depreciation / amortisation for the year	(7,305,411)	(1,151,831)	(3,112,372)
Cost reallocated	(3,574)	5,309	0
Impairment	0	0	0
Depreciation reallocated	20,520	8,112	2
Closing carrying amount	17,911,016	5,135,890	9,187,357
At 31 March 2020			
Cost	68,587,820	16,834,519	37,502,846
Accumulated depreciation and impairment	(50,676,804)	(11,698,629)	(28,315,489)
Carrying amount	17,911,016	5,135,890	9,187,357
Useful lives	4 years	6 years	5 years
Minor Assets (below R2 000 per item and excluding major assets)			
At 1 April 2019			
Cost	224,179	527,821	0
Accumulated depreciation and impairment	(220,648)	(526,782)	0
Opening carrying amount	3,531	1,039	0

Office Furniture	Leasehold Improvements	Total
R	R	R
23,383,317	10,115,918	143,609,763
(19,977,939)	(8,662,896)	(108,641,990)
3,405,378	1,453,022	34,967,773
3,405,378	1,453,022	34,967,773
91,347	531,227	14,816,179
(154,332)	(1,273,408)	(3,007,014)
149,296	1,273,324	2,273,833
0	0	198,591
(910,837)	(526,848)	(13,007,299)
(23,974)	0	(22,239)
0	0	0
10,094	(2)	38,726
2,566,972	1,457,315	36,258,550
23,296,358	9,373,737	155,595,280
(20,729,386)	(7,916,422)	(119,336,730)
2,566,972	1,457,315	36,258,550
6 years	6 years or lease period	
320,069	27,147	1,099,216
(318,271)	(27,122)	(1,092,823)
1,798	25	6,393

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Computer Equipment	Equipment	Motor Vehicles
	R	R	R
7 PLANT AND EQUIPMENT — 2019/20 (CONTINUED)			
Year ended 31 March 2020			
Opening carrying amount	3,531	1,039	0
Additions at cost	8,826	7,725	0
Disposals and write-off at cost	(749)	(6,057)	0
Disposal and write-off depreciation	748	6,041	0
Work in progress	0	0	0
Depreciation / amortisation for the year	(8,822)	(7,722)	0
Cost reallocated	(1)	0	0
Impairment	0	0	0
Depreciation reallocated	1	2	0
Closing carrying amount	3,534	1,028	0
At 31 March 2020			
Cost	232,255	529,489	0
Accumulated depreciation and impairment	(228,721)	(528,461)	0
Carrying amount	3,534	1,028	0
TOTAL CARRYING VALUE	17,914,550	5,136,918	9,187,357

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

Office Furniture	Leasehold Improvements	Total
R	R	R
1,798	25	6,393
2,199	2,000	20,750
(8,482)	(3)	(15,291)
8,471	0	15,260
0	0	0
(3,476)	(1,998)	(22,018)
0	0	(1)
0	0	0
0	0	3
510	24	5,096
313,786	29,144	1,104,674
(313,276)	(29,120)	(1,099,578)
510	24	5,096
2,567,482	1,457,339	36,263,646

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Notes	2021 R	2020 R
8 INTANGIBLE ASSETS			
Major Assets (above R2 000 per item)			
At 1 April			
Cost		5,523,976	5,523,975
Accumulated depreciation / amortisation		(2,328,040)	(1,037,201)
Opening carrying amount		3,195,936	4,486,774
Year ended 31 March			
Opening carrying amount		3,195,936	4,486,774
Additions at cost		2,148	1
Disposals and write-off at cost		(4,844)	-
Disposal and write-off depreciation		4,843	-
Work in progress		-	-
Depreciation / amortisation for the year		(1,152,936)	(1,290,840)
Cost reallocated		-	-
Impairment		-	-
Depreciation reallocated		(1)	1
Closing carrying amount		2,045,146	3,195,936
At 31 March			
Cost		5,521,280	5,523,976
Accumulated depreciation / amortisation		(3,476,134)	(2,328,040)
Carrying amount		2,045,146	3,195,936
Useful lives		4 years	4 years

14 REMUNERATION OF BOARD OF DIRECTORS

14.1 Board members: 1 April 2020 to 31 March 2021

No	Name	Director fees and preparation time	Subsistence allowance	Travelling	Salary	Allowances	Acting allowance	Reimbursements	TOTAL R
1	Adv Block, DJ	137,089	-	-	-	-	-	242	137,331
2	Dr Bvuma, MS	69,368	278	654	-	-	-	720	71,020
3	De Kock, CG	105,351	-	-	-	-	-	-	105,351
4	Kana, NF	280,399	3,614	23,971	-	-	-	480	308,464
5	Matsho, J	240,689	2,363	29,203	-	-	-	7,217	279,472
6	Dr Ndlovu, MJ	336,817	5,699	91,298	-	-	-	8,820	442,634
7	Nkambule, BT	232,386	1,229	16,771	-	-	-	16,528	266,914
8	Nyakale, D ^	-	-	-	-	-	-	-	-
9	Maki, M ^	-	-	-	-	-	-	-	-
10	Majola, N	-	-	591	1,716,232	31,700	786,443	-	2,534,966
11	Sibeko, MM	189,110	-	7,430	-	-	-	2,347	198,887
12	Tshikwatamba, NM	-	-	-	1,843,004	26,000	-	-	1,869,004
13	Adv Xulu, MD	158,678	-	-	-	-	-	3,840	162,518
		1,749,887	13,183	169,918	3,559,236	57,700	786,443	40,194	6,376,561

Board sub-committees Members: 1 April 2020 to 31 March 2021

No	Name	Consultant fees	Subsistence allowance	Travelling	Salary	Allowances	Acting allowance	Reimbursements	TOTAL R
14	Phiri, MM	116,063	-	-	-	-	-	-	116,063
15	Lesejane, MJ	8,639	-	-	-	-	-	-	8,639
		124,702	-	-	-	-	-	-	124,702
	TOTAL	1,874,589	13,183	169,918	3,559,236	57,700	786,443	40,194	6,501,263

Notes:

2 Dr Bvuma — new Board member from November 2020.

10 Ms N Majola — Acting CEO from May 2020.

13 Ms Tshikwatamba — CEO - suspended from 1 May 2020 and then contract terminated.

15 Ms Phiri - Board sub — committee member from August 2020.

16 Mr Lesenjane — Board sub-committee member for the month of April 2020.

^ These members did not receive remuneration due to being employed elsewhere in the public sector.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

14.2 Board members: 1 April 2019 to 31 March 2020

No	Name	Director fees and preparation time	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Reimbursements	TOTAL R
1	Adv Block, DJ *	38,607	896	34,008	-	-	-	9,197	82,708
2	De Kock, CG *	46,788	-	3,106	-	-	-	1,740	51,634
3	Kana, NF *	120,078	1,664	13,734	-	-	-	2,206	137,682
4	Matsho, J *	121,649	1,664	35,925	-	-	-	10,341	169,579
5	Dr Ndlovu, MJ *	130,992	1,664	47,442	-	-	-	1,871	181,969
6	Nkambule, BT *	153,378	2,432	48,186	-	-	-	39,843	243,839
7	Nyakale, D *	-	-	-	-	-	-	-	-
8	Maki, M ^	-	-	-	-	-	-	-	-
9	Sibeko, MM *	120,405	896	14,061	-	-	-	18,899	154,261
10	Sogoni, M *	133,320	1,536	39,960	-	-	-	5,716	180,532
11	Tshikwatamba, NM #	-	2,432	20,226	2,692,259	60,000	272,398	-	3,047,315
12	Adv Xulu, MD *	78,522	512	8,765	-	-	-	13,061	100,860
13	Hirachund, A #	34,029	-	3,270	-	-	-	3,354	40,653
14	Lugayeni, PF #	48,384	384	18,846	-	-	-	3,248	70,862
15	Makhuvha, TR #^	-	-	-	-	-	-	-	-
16	Mohoto, M #^	-	-	-	-	-	-	-	-
17	Monnagotla, Z #	31,410	-	1,962	-	-	-	3,266	36,638
18	Thabaneng, DMN #	47,247	384	6,528	-	-	-	5,729	59,888
19	Venter, M #	24,550	-	-	-	-	-	-	24,550
20	Zwane, MI #	85,284	896	11,340	-	-	-	13,389	110,909
		1,214,643	15,360	307,359	2,692,259	60,000	272,398	131,860	4,693,879

Board sub-committees Members: 1 April 2019 to 31 March 2020

No	Name	Consultant Fees	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Reimbursements	TOTAL R
21	Lesejane, MJ #	70,173	-	7,020	-	-	-	5,748	82,941
		70,173	-	7,020	-	-	-	5,748	82,941
	TOTAL	1,284,816	15,360	314,379	2,692,259	60,000	272,398	137,608	4,776,820

1-10 * New Board members from 1 June 2019.

11-19 # Old Board members from 1 April to 31 May 2019.

20 # Old Chairperson of the Board term ended 30 June 2019.

^ These members did not receive remuneration due to being employed elsewhere in the public sector.

	Notes	2021 R	2020 R
15 NOTES TO THE CASH FLOW STATEMENT			
a) Plant, Equipment and Intangible assets			
Seda acquired assets, as per asset note 7 and 8.		24,192,424	15,052,011
b) Reconciliation of Surplus for the Year to Net Cash Flows from Operating Activities			
Surplus for the Year		119,071,659	36,268,432
Non-cash Movements:		12,490,422	14,608,346
Depreciation, impairment and amortisation		12,485,534	14,320,157
Loss on sale of assets		4,888	288,189
Changes in Working Capital		31,927,903	(61,834,245)
Increase / (Decrease) in accounts payable		25,866,268	(41,669,995)
Increase / (Decrease) in accounts receivable		6,299,204	(20,845,157)
(Increase) / Decrease in inventories		(28,700)	120,132
(Decrease) / Increase in provisions		-	951,904
Smoothing effect of operating lease		(208,869)	(391,129)
Net Cash Flows from Operating Activities		163,489,984	(10,957,467)
c) Receipts of Earnings from programme and projects			
Accounts receivable — current period	5	(27,842,413)	(34,141,617)
Accounts receivable — prior period	5	34,141,617	13,296,460
Gross earnings from programme and projects	2	10,147,722	11,933,199
		16,446,926	(8,911,958)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Notes	2021 R	2020 R
15 NOTES TO THE CASH FLOW STATEMENT (CONTINUED)		
d) Reconciliation of Suppliers' Payments		
Goods and services	400,818,419	534,116,115
Changes in Working Capital	(25,628,699)	40,989,088
(Decrease) / Increase in accounts payable	(25,866,268)	41,669,995
Increase in inventories	28,700	(120,132)
Increase / (Decrease) in provisions	-	(951,904)
Smoothing effect of operating lease	208,869	391,129
Supplier payments	375,189,720	575,105,203

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Effective Interest Rate as at 31 March	Less than 6 months	More than 6 months	Total
	%	R	R	R

16 FINANCIAL INSTRUMENTS (CONTINUED)

2021

Assets

Current cash balances	2.00%	11,552,469	-	11,552,469
Short-term call deposits	3.18%	331,647,267	-	331,647,267
		343,199,736	-	343,199,736

Seda has also invested in short-term investment accounts during 2020/21 financial year. The average interest rate on these accounts were 3.18%. All these investments have been matured before 31 March 2021.

2020

Assets

Current cash balances	3.75%	72,363,704		72,363,704
Short-term call deposits	4.75%	131,284,971		131,284,971
		203,648,675		203,648,675

16 FINANCIAL INSTRUMENTS (CONTINUED)

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 considers 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. Trade receivables are presented net of an allowance for doubtful receivables. Seda does not have any significant exposure to any other individual customer or counterparty.

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:

		2021	2020
	Notes	R	R
Accounts receivable	5	27,842,413	34,141,617
Cash and cash equivalents	4	343,540,959	204,012,587
		371,383,372	238,154,204
Ageing of Accounts Receivables (Net of provision for doubtful debts)			
Current (0 — 30 days)		7,680,115	25,268,621
31 — 60 days		1,500	523,422
61 — 90 days		24,369	15,747
91 — 120 days		28,035	1,276,942
121+ days		20,108,394	7,056,885
Total		27,842,413	34,141,617

There were no impairment losses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

16 FINANCIAL INSTRUMENTS (CONTINUED)

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 is satisfied that the agency will be able to settle its financial liabilities and lease liability in the normal course of business. The liquidity ratio current assets vs current liabilities is 2.16:1.

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 2021						
Trade and other payables	9	136,777,581	56,927,848	59,289,506	20,560,227	-
		136,777,581	56,927,848	59,289,506	20,560,227	-
	Note	Carrying amounts	< 30 days	1 - 6 months	6 - 12 months	1+ years
31 March 2020						
Trade and other payables	9	110,911,313	51,514,450	41,205,242	18,191,621	-
		110,911,313	51,514,450	41,205,242	18,191,621	-

17 RELATED PARTIES

Relationships	Name of Related Party
Controlling entity	Department of Small Business Development
	Department of Communication and Information Systems
National department (under common control with controlling entity and Entities within the national sphere of government)	Department of Higher Education
	Department of Labour
	Department of Tourism
	Department of Trade and Industry
Public entity under common control	Small Enterprise Financial Agency (sefa)

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

RELATED PARTIES BALANCES

Department of Small Business Development	(23,482,545)	(10,074,941)
Department of Communication and Information Systems	120,954	784,157
Department of Higher Education (BESD project)	505,037	(1,784,270)
Department of Labour	(1,222,029)	(1,338,686)
Department of Tourism	(3,000,000)	-
Department of Trade, Industry and Competition (dtic)	-	(2,265,900)
Small Enterprise Financial Agency (sefa)	15,764,493	17,500,000
Department of Small Business Development	4,122,385	4,122,385

	2021	2020
	R	R
Department of Small Business Development	(23,482,545)	(10,074,941)
Department of Communication and Information Systems	120,954	784,157
Department of Higher Education (BESD project)	505,037	(1,784,270)
Department of Labour	(1,222,029)	(1,338,686)
Department of Tourism	(3,000,000)	-
Department of Trade, Industry and Competition (dtic)	-	(2,265,900)
Small Enterprise Financial Agency (sefa)	15,764,493	17,500,000
Department of Small Business Development	4,122,385	4,122,385

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

RELATED PARTIES TRANSACTIONS

Government grant (DSBD)
Department of Small Business Development (specific projects)
Department of Trade, Industry and Competition (dtic)
Department of Communication and Information Systems
Department of Higher Education (BESD project)
Department of Labour
Small Enterprise Financial Agency (sefa)

2021	2020
R	R
(747,432,000)	(759,555,000)
(77,605,039)	(134,584,856)
2,265,900	31,466,135
-	445,633
(2,339,073)	(8,765,184)
1,333,403	1,338,686
1,735,507	-

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. This amount is for the Basic Entrepreneurial Skills Development (BESD) project received through the National Skills Fund.
- Department of Labour. This amount relates to workmen's compensation.

18 REMUNERATION OF KEY MANAGEMENT

Payments made to Seda's Executive Managers for the year ended 31 March 2021:

No	Name	Salary	Contributions to provident fund and medical aid	Performance bonus	Travel allowance	Cell phone allowance	Reimbursements	Other	TOTAL
1	Dlamini, TO	911,570	172,377	-	-	21,300	-	400,209	1,505,456
2	Jaftha, T	1,000,253	163,918	-	-	21,300	4,407	255,187	1,445,065
3	Khonkwane, N	713,521	29,672	-	-	10,700	1,293	-	755,186
4	Maabane, E	906,449	175,963	-	-	21,300	96	250,756	1,354,564
5	Mpangalasane, B	542,707	72,414	-	51,000	8,900	-	-	675,021
6	Serapelo, T	898,242	187,038	-	-	21,300	406	540,663	1,647,649
7	Slabbert, K	1,109,125	270,437	-	-	21,300	2,936	268,603	1,672,401
8	Taute, L	982,161	208,010	-	-	21,300	-	211,944	1,423,415
		7,064,028	1,279,829	-	51,000	147,400	9,138	1,927,362	10,478,757

1 T Dlamini — Acting CSIO from 1 July 2020.

2 T Jaftha — Acting Exec: Stp from 1 September 2020.

3 N Khonkwane — Exec: Stp resigned 31 August 2020.

4 E Maabane — Acting CFO from 1 April - 30 September 2020.

5 B Mpangalasane — CSIO — contract retract 30 Jun 2020.

6 T Serapelo — Acting Exec: Corporate Services from 1 April 2020.

7 K Slabbert — Acting Exec: Enterprise Development from 1 May 2020.

8 L Taute — Acting CFO from 1 October 2020 until 31 March 2021.

Payments made to Seda's Executive Managers for the year ended 31 March 2020:

No	Name	Salary	Contributions to provident fund and medical aid	Performance bonus	Travel allowance	Cell phone allowance	Reimbursements	Other (acting allowance)	TOTAL
1	Dlamini, TO *	888,882	172,841	126,831	-	14,400	3,754	98,302	1,305,010
2	Gwala-Mahaye, P *	1,691,890	92,693	157,134	-	21,600	3,434	-	1,966,751
3	Khonkwane, N *	1,749,298	65,383	204,630	-	21,600	14,862	-	2,055,773
4	Majola, PN *	1,449,333	260,966	204,630	-	21,600	6,111	-	1,942,640
5	Mpangalasane, BJ	933,032	158,550	-	114,750	16,200	-	-	1,222,532
6	Mzizi, N *	1,179,429	282,016	236,295	348,375	21,600	10,040	-	2,077,755
		7,891,864	1,032,449	929,520	463,125	117,000	38,201	98,302	10,570,461

* Including performance bonus in respect of 2018/19.

1 T Dlamini — Acting Chief Strategy and Information Office (CSIO) from 1 April to 30 June 2019.

5 B Mpangalasane — Chief Strategy Information Officer (CSIO) — appointed 1 July 2019.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	2021	2020
	R	R
19 MEDICAL AID AND RETIREMENT BENEFITS		
The total amounts paid towards medical aid of 513 (528) employees for the period and retirement benefits of 643 (667) employees for the period are as follows:		
Medical Aid	25,819,867	24,470,639
Short-term portion	25,819,867	24,470,639
Long-term portion	-	-
Provident Fund	27,637,895	29,418,829
Short-term portion	27,637,895	29,418,829
Long-term portion	-	-
TOTAL	53,457,762	53,889,468

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.

	Revenues from non-exchange allocations	Revenues from exchange transactions	Total Revenue	Total expenditure	Net surplus / (deficit) (note 1)	Non-current assets
	R	R	R		R	R
21 SEGMENT REPORTING						
2021						
National Office (including Stp)	410,017,458	19,087,826	429,105,284	(378,385,908)	50,749,376	11,730,457
Provinces	436,268,985	2,350,635	438,619,630	(370,297,347)	68,322,283	39,200,317
Eastern Cape province	52,219,836	22,019	52,241,855	(47,495,986)	4,745,869	6,724,785
Free State province	43,633,776	41,340	43,675,116	(36,506,265)	7,168,851	5,345,804
Gauteng province	39,494,949	1,731,503	41,226,452	(30,441,988)	10,784,464	3,224,016
KwaZulu-Natal province	63,799,566	28,046	63,827,612	(50,880,473)	12,947,139	3,270,734
Limpopo province	48,630,444	29,051	48,659,495	(38,588,316)	10,071,179	3,976,692
Mpumalanga province	41,774,154	208,392	41,982,546	(34,812,307)	7,170,239	3,219,234
Northern Cape province	39,115,475	23,994	39,139,469	(29,250,582)	9,888,887	2,448,953
North West province	42,549,204	148,818	42,698,022	(37,917,969)	4,780,053	4,520,548
Western Cape province	65,051,591	117,472	65,169,063	(64,403,461)	765,602	6,469,551
TOTAL	846,286,453	21,438,461	867,724,914	(748,653,255)	119,071,659	50,930,774

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Revenues from non-exchange allocations	Revenues from exchange transactions	Total Revenue	Total expenditure	Net surplus / (deficit) / (note 1)	Non-current assets
	R	R	R		R	R

21 SEGMENT REPORTING (CONTINUED)

2020

National Office (including STP)

Provinces

National Office (including STP)	480,742,487	30,615,235	511,357,722	(509,834,653)	1,523,069	14,584,289
Provinces	435,971,954	5,065,084	441,037,038	(406,291,675)	34,745,363	24,875,295
Eastern Cape province	52,614,220	163,599	52,777,819	(50,805,328)	1,972,491	2,687,109
Free State province	41,988,238	270,751	42,258,989	(40,847,533)	1,411,456	2,924,811
Gauteng province	40,877,610	4,239,032	45,116,642	(38,220,574)	6,896,068	2,353,247
KwaZulu-Natal province	67,230,725	54,664	67,285,389	(54,519,353)	12,766,036	2,844,654
Limpopo province	46,286,244	40,186	46,326,430	(45,534,672)	791,758	2,970,006
Mpumalanga province	37,217,987	26,451	37,244,438	(35,842,358)	1,402,080	2,216,109
Northern Cape province	42,237,793	61,791	42,299,584	(35,335,339)	6,964,245	1,665,237
North West province	46,392,965	24,188	46,417,153	(40,520,149)	5,897,004	2,866,617
Western Cape province	61,126,172	184,422	61,310,594	(64,666,369)	(3,355,775)	4,347,505
TOTAL	916,714,441	35,680,319	952,394,760	(916,126,328)	36,268,432	39,459,584

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

	2021	2020
	R	R
22 FRUITLESS AND WASTEFUL EXPENDITURE		
Opening balance	629,525	935,270
Add: Fruitless and wasteful expenditure – current year	11,464	22,582
Add: Fruitless and wasteful expenditure – prior years	-	-
Less: Fruitless and wasteful expenditure (noted and cleared in accordance with policies and procedures)	(640,077)	(328,327)
Closing balance	912	629,525

a) Interest paid mainly for telecommunication accounts, rental accounts and municipalities accounts due to Covid lockdown statements were received late, amounting to R11 464.

b) All fruitless and wasteful expenditure was condoned in 2020/21 for previous years.

Internal controls were reviewed or implemented to prevent occurrence and corrective actions were taken in line with Seda's policies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

		2021	2020
		R	R
23	IRREGULAR EXPENDITURE		
	Opening balance	-	41,027,555
	Add: Irregular expenditure current year	266,639	-
	Add: Irregular expenditure prior year	-	-
	Less: Amounts noted and cleared in accordance with policies and procedures	(182,358)	(41,027,555)
	Closing balance	84,281	-
	Details of irregular expenditure — current year:		
		Disciplinary steps taken / criminal proceedings and remedial actions	
	a) Operating lease paid after expiry of lease contract	Note 1	182,358
	b) Quotation awarded not to supplier who obtained the highest points as per the Preferential Procurement Points System.		84,281
			266,639
	Notes:		
	1. Due to negotiations not completed within the prescribed timeline – Seda paid for a operating lease for one of its offices in the provinces where the lease contract has already expired. Corrective actions were taken to prevent this from happening in future.		
23.1	Irregular expenditure under assessment		
	Irregular expenditure under assessment current year	Note 1	5,220,849
			5,220,849
	Notes:		
	1. A draft report regarding three investigations is received, but management is assessing and reviewing the report.		





PART F

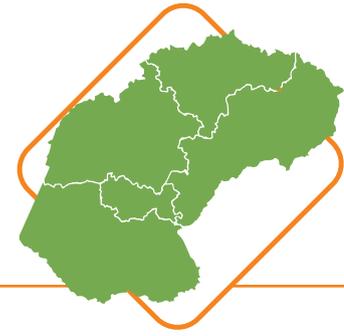
ANNEXURE A:
SEDA PROVINCIAL OFFICES



EASTERN CAPE PROVINCE

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM) / BRANCH MANAGER (BM)
Provincial Office	4 Shewitz Road, Berea	Buffalo City Metropolitan Municipality	043 706 6700	Mr Siphiso Soga (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, Gqeberha	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)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
Lovedale TVET College Centre for Entrepreneurship Rapid Incubator	Alice and King Williams Town	Azola Mgquba	Azola.mgquba@lovedale.org.za	078 080 2859
Chemin East London	East London	Colin Mkhonza	colin@chemin.co.za	082 788 8711
Chemin Mthatha	Mthatha	Colin Mkhonza	colin@chemin.co.za	082 788 8711
National Construction Incubator Port Elizabeth	Port Elizabeth	Nonela Mxokozeli	tmatla@natci.org.za	079 113 5617
Walter Sisulu University – CfERI	Mthatha	Thobekani Lose	tlose@wsu.ac.za	072 450 7702
Ikhala CfERI	Queenstown	Mtunase Kali	Mtunase.Kali@ikhala.edu.za	047 873 8875
Propella Township Incubator	Nelson Mandela Bay Metropole, Gqeberha	Nafeesa Dinie	nafeesa@propellaincubator.co.za	063 852 5046
The Furniture Technology Centre Trust t/a Furntech	Mthatha	Harriet Moloi	harrietm@furntech.org.za	071 103 1739



FREE STATE PROVINCE

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM) / BRANCH MANAGER (BM)
Provincial Office	195 Nelson Mandela Road, Telkom Building, 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 Mall, 133 Charles Street, Bloemfontein	Mangaung Metropolitan Municipality	051 411 8300	Mr Andrew Setho (BM)
Thabo Mofutsanyana – Dihlabeng	Golden Acre Centre, 1016 Trading Johan Broodryk Bethlehem 9701	Thabo Mofutsanyana District Municipality	081 389 6517	Ms Lesego Zengele (BM)
Xhariep	4 Khoisan Building 53 Voortekker Street, Trompsburg 9913	Xhariep District Municipality	051 713 9500	Mr Lehlohonolo Thekiso (BM)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
SAMTI (Small Business Agricultural and Mining Tool Incubator)	Bloemfontein	Cantridge Sibanyoni	Cantridges@samti.co.za	072 415 6564
Botshabelo Digital Hub	Botshabelo	Ayanda Ndinise	ayanda@softstartbti.co.za	082 747 5380
Goldfields TVET College CfERI	Welkom	Jimmy Tsiu Masoetsa	jimmy@goldfieldstvet.edu.za	071 853 8405
Motheo TVET College CfERI	Bloemfontein	Anica Labuschagne	labuschagnea@motheotvet.co.za	084 442 4241
Maluti TVET CfERI	Qwaqwa	Thandeka Kenalemang Mahlatjie	mahlatji.ktc@malutitivet.co.za	063 452 8997



GAUTENG PROVINCE

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	011 408 6520	Mr Colin Leshou (PM)
Tshwane Branch	11th Floor, Fedsure Forum, Lilian Ngoyi Street, Pretoria	City of Tswane 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 and Voortrekker Rd, Kempton park.	City of Johannesburg Metropolitan Municipality	011 973 9645	Mr Simon Shiya (BM)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
Chemin Modderfontein	Johannesburg	Colin Mkhonza	colin@chemin.co.za	082 788 8711
Chemin Thembisa	Johannesburg	Colin Mkhonza	colin@chemin.co.za	082 788 8711
SMU	Pretoria	Taurai Hungwe	taurai.hungwe@smu.ac.za	064 902 7964
Ekurhuleni West Tvet College CfERI	Germiston	Mokgethi Nkosi	mokgethin@ewc.edu.za	073 233 6537
Aidc Incubation Centre based at Ford	Pretoria	Faheem Hussain	Fhussain@aidc.co.za	082 796 7859
Property Point Venture Catalyst NPC	Johannesburg	Desigan Chetty	desigan@propertypoint.org.za	082 887 4881

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
TuksNovation NPC	Pretoria	Phindile Tshabangu	phindile@tuksnovation.co.za	084 301 4572
Rail Manufacturing Centre for Entrepreneurship Rapid Incubator (RMCERI)	Pretoria	Giovani Monzambe (Acting)	giovani@rmceri.org	073 293 6590
Galaxcoc	Alexandra	Mxolisi Mngomezulu	m.mngomezulu@galxcoc.com	082 967 9751
National Construction incubator atterdgeville	Atteridgeville	Thabiso Matla	smahlaba@natci.org.za	068 561 0127
Innovation Based Enterprises South Africa (iBESA)	Irene, Centurion	Prof Thembela Hillie	thembela.hillie@ibesagroup.co.za	082 339 3534
Global Jewellery Academy	Johannesburg	Thami Bolani	thami.bolani@gmail.com	084 223 1463
Wakanda NPC	Johannesburg	Miles Khubeka	miles@miles2ahead.co.za	083 276 3063
South African Manufacturing Technology Demonstration Centre (SMTDC)	Soshanguve, Pretoria	Phumudzo Madzunya	Madzunyap@smtdc.co.za	083 256 0790
The Furniture Technology Centre Trust t/a Furntech	Johannesburg	Khodani Radzilani	khodanir@furntech.org.za	072 924 9726
Africa Beyond 4IR NPC	Pretoria	Kelebogile Molopyane	kelem@ab4ir.org	083 279 3771
Bakery and Food Technology Incubator	Tshwane	Ansie Potgieter	ansie@bicsa.co.za	082 783 6061
Gibela Business Incubator BNPC	Springs/Kwa-Thema	Justine Mogashoas	Justine@gibelainc.co.za	072 538 4673
Lepharo Incubation Programme NPC	Springs	Zenzo Nkomo	zenzo@lepharo.co.za	083 724 5180
Softstart Business and Technology Incubator NPC	Midrand	Ayanda Ndinise	ayanda@softstartbti.co.za	082 747 5380
Ekurhuleni Jewellery Project	Germiston	Samuel Manyisa	samuel@ejewellery.org.za	072 074 8267
Ekurhuleni Jewellery Project	Germiston	Samuel Manyisa	samuel@ejewellery.org.za	072 074 8267



KWAZULU-NATAL PROVINCE

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	eThekweni 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, Pietermaritzburg, 3201	uMgungundlovu District Municipality	033 264 3100	Mr. Michael Zondo (BM)
Durban	EtheKwini Metro, Durban, Block B Ground Floor, Essex Terrace, Westville	eThekweni Metropolitan Municipality	031 277 9500	S'bongile Sabela (BM)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
Durban University of Technology CfERI	Berea	Gnanam Pillay	GnanamP@dut.ac.za	083 892 4801
Innovation and Technology Incubator (Invotech)	Berea	William Roy Goldstone	williamg@dut.ac.za	031 373 5757
Downstream Aluminium Centre for Technology NPC	Richards Bay	Zanele Khoza	zanele@dact.co.za	066 213 1716
Esayidi CfERI	Port Shepstone	Famida Moosa	faymoosa2@gmail.com	082 727 9790
Esayidi CfERI	Umzimkhulu	Famida Moosa	faymoosa2@gmail.com	082 727 9790
National Construction incubator Durban	Durban	Sam mahlaba	smahlaba@natci.org.za	068 561 0127
National Construction Incubator KwaMashu	KwaMashu	Sam Mahlaba	smahlaba@natci.org.za	068 561 0127
National Construction Incubator Umhlathunzi	Umhlathuzi	Sam Mahlaba	smahlaba@natci.org.za	068 561 0127
National Construction Incubator Dundee	Dundee	Sam Mahlaba	smahlaba@natci.org.za	068 561 0127
The Furniture Technology Centre Trust t/a Furntech	Umzimkhulu	Lulama Peter	lulamap@furntech.org.za	078 131 3070
The Furniture Technology Centre Trust t/a Furntech	KwaMashu	Delyshia Govender	delyshia@furntech.org.za	083 880 6004



LIMPOPO PROVINCE

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM) / BRANCH MANAGER (BM)
Provincial Office	1st and 2nd Floor, 68 Hans van Rensburg, Polowane	Capricorn District Municipality	015 290 8720 / 015 287 2940	Mr Martin Rafferty (Acting PM)
Capricorn	1st and 2nd Floor, 68 Hans van Rensburg, Polowane	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 Sabelo Ntshagase (BM)
Waterberg	Nedbank Building, 40 Retief Street, Mokopane, 0600	Waterberg District Municipality	015 492 9600	Mr Steve Botha (BM)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
Vhembe TVET CfERI	Tohoyandou	Rudzani Makheda	makheda.r@vhembecollege.edu.za	082 890 2014
Black Umbrellas	Lephalale	Molemoeng Wendy Ditshetelo	WendyD@blackumbrellas.org	060 774 5575
UL Limpopo Information and Technology (LIT) Hub	Polokwane	Tashveer Bodhi (interim)	tashveerbodhi@ul.ac.za	072 959 7475
Limpopo Jewellery Business Incubator	Polokwane	Mokgadi Tessa Ngobeni	tessa@ljb.org.za	084 400 8280
Sekhukhune TVET College - CfERI	Groblersdal	Kwanele Goodenough Mkhwanazi	kwanelemkhwanazi@gmail.com	076 533 2399



MPUMALANGA PROVINCE

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM) / BRANCH MANAGER (BM)
Provincial Office	Suite 101-102, Brander 16 Trust Building, Mbombela	Ehlanzeni District Municipality	013 755 8730	Mr Mashiba Kgole (PM)
Ehlanzeni (EHZ)	Suite 103, Brander 16 Trust Building, Mbombela	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
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 and OR Tambo Street, Witbank	Nkangala District Municipality	013 655 6970	Mr Philiswa Mnguni (BM)
Nkomazi (NKO)	Erf 156, Office 1 and 6, Lorenzo Street, Malelane	Ehlanzeni District Municipality	013 790 1183	Mr Manase Netshisaulu (BM)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
Timbali Technology Incubator	Mbombela	Louise de Klerk	louise@timbali.co.za	072 385 6504
MASDT	Mbombela	Inocent Tapuwa Makuwaz	inocentm@masdt.co.za	079 511 6315
University of Mpumalanga CfERI	Mbombela	Dr Kanayo Ogujiuba	Kanayo.Ogujiuba@ump.ac.za	073 431 5802
MSI	Middelburg	Makgatho Hector Matlou	ceo@mpstainless.co.za	065 741 5853
Gert Sibande CfERI	Evander	Zinitha Maseko	maseko.zt@gscollege.edu.za	073 809 4243
Ehlanzeni TVET College CfERI	Barbaton	Donald Pako	DCPako@ehlanzenitvetcollege.com	081 810 7007
The Furniture Technology Centre Trust t/a Furntech	White River	Khodani Radzilani	khodanir@furntech.org.za	072 924 9726



NORTHERN CAPE PROVINCE

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM) / BRANCH MANAGER (BM)
Provincial Office	Telkom Building No 41, Schmidtsdrift Road Kimberely	Frances Baard District Municipality	053 839 5700	Ms Kedisalelse Williams (PM)
Frances Baard	sefa/Khula Building, 72 Long Street, Kimberley	Frances Baard District Municipality	053 836 7720	Ms Masego Job (BM)
John Taolo Gaetsewe	32 Steward Street, Kuruman 8460	John Taolo Gaetsewe District Municipality	053 714 3160	Mr Ncedile Tola (BM)
ZF Mgcawu	Corner Scott and Hill Street, Old Sanlam Building, 3rd Floor, Upington, 8800	ZF Mgcawu District Municipality	054 337 8280/11	Mr Willem Bester (BM)
Pixley ka Seme	Corner Main and Station Street, De Aar, 7000	Pixley sa Seme District Municipality	053 632 7560/90	Mr Piet Papier (BM)
Namakwa	4 Hospital Street, Springbok, 8240	Namakwa District Municipality	027 712 8500	Mr Hiram Raymond (BM)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
VUT CfERI	Upington	Anthony Mac Minn	anthony@2ndc.co.za	082 611 9468
Northern Cape Rural TVET College CfERI	De Aar and Kathu	Sabelo Roland Malindisa	sabelom@ncrtvet.co.za/ sabelomalindisa@gmail.com	072 520 8422
Kimberley Diamond and Jewellery Incubator	Kimberley	Isaac Mamunong	isaac@kdji.org	081 393 5150



NORTH WEST PROVINCE

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 Neville Maimane (PM)
Seda Bojanala West	186, Beyers Naude Street, Rustenburg	Bojanala Platinum District Municipality	014 591 8460	Mr Xolile Rubushe (BM)
Bojanala East Branch	Silver Office Park, 15 Murray Avenue, 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	Mr Paul Manoto (BM)
Ngaka Modiri Molema Branch	4059 Joules Street, Mafikeng 2745	Ngaka Modiri Molema District Municipality	018 391 9900	Ms Morongwa Moseki (BM)
Dr Kenneth Kaunda Branch	51 Leask Str, West End Building, Klerksdorp, 2520	Dr Kenneth Kaunda District Municipality	018 487 1920	Mr Afrika J Mpeqeka (BM)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
Orbit TVET College	Rustenburg	Peter Matlou	pmatlou@orbitcollege.co.za	072 293 1921
Leema Township Incubator NPC	Mogwase	Emson Moyo	emson@leema-industries.com	067 126 9852
Mafikeng Digital Innovation Hub	Mahikeng	Joseph Semanga Ndaba	Jndaba@mafihub.co.za	081 579 7317



WESTERN CAPE PROVINCE

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM) / BRANCH MANAGER (BM)
Provincial Office	Corner of Strand and 2nd 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 2nd Burg Street, Cape Town.	City of Cape Town District Municipality	021 487 3640	Ms Zaida Jackson (BM)
City of Cape Town	23 Vrede Street, 2nd Floor, Louwville Building, 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	Donkin Street 119, Beaufort West	Central Karoo District Municipality	023 414 3368	Mr Quinton Coetzee (BM)
Atlantis	Novell Building, Neil Hare Avenue, Atlantis	City of Cape Town District Municipality	021 577 1086	Ms Zaida Jackson (BM)

BRANCH/PROVINCIAL OFFICE	BRANCH ADDRESS	DISTRICT MUNICIPALITY	BRANCH CONTACT DETAILS	PROVINCIAL (PM) / BRANCH MANAGER (BM)
Swellendam	STEEP Office, Business Hub Wolfaardt Trust Building C/o Station Road and Cooper Street Swellendam	Overberg District Municipality	021 861 4800	Mr Kiewit Mhlongo (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 Street and Stockenstrom Worcester	Cape Winelands District Municipality	023 342 2381	Mr Kiewit Mhlongo (BM)
Hermanus	Hermanus Gateway Centre 1st Floor 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	Seda Mosselbay Unit 8, Voorbaai Business Park, Watson Avenue, Mosselbay	Garden Route District Municipality	044 695 0418	Mr Quinton Coetzee (BM)
Khayelitsha	2nd fl, Harare Library, 42 Ncumo Rd, Harare Square, Khayelitsha	City of Cape Town District Municipality	021 361 8233	Ms Zaida Jackson (BM)



WESTERN CAPE PROVINCE (CONTINUED)

INCUBATOR	CITY/TOWN	CENTRE MANAGER/ CONTACT PERSON	E-MAIL	CONTACT NUMBER
The Furniture Technology Centre Trust t/a Furntech	Nyanga	Iegshaan Ariefdien	iegshaana@furntech.org.za	082 823 7786
Savant Technology Incubator NPC	Cape Town	Francois Malan	francois@savant.co.za	083 554 9929
Sarebi	Atlantis	Helmut Hertzog	helmut@sarebi.co.za	071 728 8046
BioCiTi Labs NPC	Cape Town	Karen Eksteen	karen@biociti.africa	083 233 7094
West Coast College CfERI	Vredenburg	Xolani Mhlongo	xmhlongo@westcoastcollege.co.za	084 787 5218
Falsebay TVET College CfERI	Westlake	Steve Reid	Steve.Reid@falsebay.org.za	083 378 4482
Savant Technology Incubator	Cape Town	Nivida Wicomb	nivida@savant.co.za	082 717 2561
The Daily Grind Innovation Hub	Cape Town	Dominique Adonis	dominique.adonis@dailygrindhub.co.za	074 196 5708





SCAN this QR code to
get quick access to the
digital version of the
Annual Report 2020/21



RP230/2021
ISBN: 978-0-621-49637-6

seda 

SMALL ENTERPRISE DEVELOPMENT AGENCY

an agency of the dsbd

