

seda 

SMALL ENTERPRISE DEVELOPMENT AGENCY

an agency of the dsbd

ANNUAL REPORT
2017/18





TABLE OF CONTENTS

PART A: GENERAL INFORMATION	4
General Information	5
List of Abbreviations and Acronyms	6
Foreword by the Minister of Small Business Development	8
Overview by the Chairperson	10
Report of the Accounting Officer	12
Statement of Responsibility and Confirmation of Accuracy for the Annual Report ...	15
Strategic Overview	16
Vision	16
Mission	16
Core Values	16
Strategic Goal and Objectives	17
Products and Services	19
Legislative and Other Mandates	20
Organisational Structure	22
Seda Executive Management Team	23
PART B: PERFORMANCE INFORMATION	24
Auditor's Report of the Performance Information	25
Situational Analysis	26
Performance Delivery Environment	26
Organisational Delivery Environment	26
Alignment to Government Priorities	28
Performance Highlights	30
Performance Information by Programme	31
Programme 1: Organisational Capacity	31
Programme 2: Internal Processes	35

Programme 3: Finance	37
Programme 4: Customers and Stakeholders	38
Provincial Management Team	40
Success Stories	41
Zamulwazi Clothing Manufacturers Primary Cooperative	42
Kwa Nodada Classic Funeral (Pty) Ltd	44
Havilah Beauty	46
BravoFive Security	48
SAMO Engineering	50
Torges Engineering	52
Jessey's Catering T/A Mr Platter	54
Ubuhlebozalo Trading	56
Nachem Cleaning Chemicals Manufacturers	58
Gladtidings Interiors CC	60
Zindoga Trading and Projects	62
Cybronix (Pty) Ltd	64
EMEM Parts & Services CC	66
Curve Auto Glass CC T/A PG Glass Mafikeng	68
Doring Bay Abalone (Pty) Ltd	70

PART C: GOVERNANCE **72**

Introduction	73
Portfolio Committees	73
Executive Authority	73
The Accounting Authority/ The Board	73
Board Members	74
Risk Management	84
Internal Control.....	85
Internal Audit and Audit Committees	85
Compliance With Laws and Regulations	86
Fraud and Corruption	87
Minimising Conflict of Interest	87
Code of Conduct	87

Health, Safety and Environmental Issues	87
Company Secretary	88
Social Responsibility	88
Audit and Risk Committee Report	89

PART D: HUMAN RESOURCE MANAGEMENT 91

Human Resource Management	92
Introduction	92
Human Resource Report 2017/18.....	94

PART E: FINANCIAL INFORMATION 100

Annual Financial Statements	101
Report of the Auditor-General	102
Annexure - Auditor-General's responsibility for the Audit	106
Statement of financial performance	108
Statement of financial position	109
Statement of changes in net assets	110
Cash flow statement	111
Statement of comparison of budget and actual information	112
Notes to the annual financial statements	114

ANNEXURE A: SEDA PROVINCIAL OFFICES 157

Eastern Cape	158
Free State	159
Gauteng	160
Kwazulu-Natal	161
Limpopo	162
Mpumalanga	163
Northern Cape	164
North West	165
Western Cape	166
Seda Provincial Office Contact Details	167



PART A
**GENERAL
INFORMATION**

GENERAL INFORMATION

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EXTERNAL AUDITORS Auditor-General of South Africa

BANKERS ABSA

BOARD SECRETARY Ms Charmaine Campbell



LIST OF ABBREVIATIONS AND ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BBBEE	Broad Based Black Economic Empowerment
BCEA	Basic Conditions of Employment Act
BER	Bureau of Economic Research
BESD	Basic Entrepreneurial Skills Development
BSI	British Standards Institution
CBD	Central Business District
CCMA	Council for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIS	Cooperative Incentive Scheme
COIDA	Compensation for Occupational Injuries and Diseases Act
CPPP	Community Public Private Partnership
DSBD	Department of Small Business Development
the dti	Department of Trade and Industry
EDD	Enterprise Development Division
EDP	Entrepreneurial Development Practitioner
EE	Emerging Entrepreneur
ERM	Enterprise Risk Management
EXCO	Executive Committee
GDP	Growth Domestic Products
GRAP	Generally Recognised Accounting Practice
HACCP	Hazard Analysis Critical Control Points
HR	Human Resources
IBASA	Institute of Business Advisors Southern Africa
ICT	Information and Communication Technology
IDC	Industrial Development Corporation



IMEDP	Informal and Micro Enterprise Development Programme
IOD	Injury on Duty
ISO	International Organisation for Standardisation
MOA	Memorandum of Agreement
MOV	Means of Verification
MTSF	Medium-Term Strategic Framework
NACH	National Anti Corruption Hotline
NAMAC	National Manufacturing Advisory Centre
NDP	National Development Plan
OHSA	Occupational Health and Safety Act
OHSAS	Occupational Health and Safety Assessment Series
PDI	Previously Disadvantaged Individual
PERA	Premiers Entrepreneurship Recognition Awards
PFMA	Public Finance Management Act
PSC	Public Service Commission
QMS	Quality Management System
SABS	South African Bureau of Standards
SAQI	South African Quality Institute
SCOPA	Standing Committee on Public Accounts
Seda	Small Enterprise Development Agency
Sefa	Small Enterprise Finance Agency
SHEQ	Safety, Health, Environment and Quality
SMME	Small, Medium and Micro Enterprise
Stp	Seda Technology Programme
TTF	Technology Transfer Fund
TVET	Technical Vocational Education and Training
TWIB	Technology for Women in Business
UIF	Unemployment Insurance Fund
Wi-Fi	Wireless Fidelity



FOREWORD BY THE MINISTER OF SMALL BUSINESS DEVELOPMENT

MS LINDIWE ZULU, MP

MINISTER OF SMALL BUSINESS DEVELOPMENT

It is my pleasure to write the foreword of the Seda Annual Report for the 2017/18 financial year at a time when the buzz phrase is 'entrepreneurial ecosystem'. This is heartening because everybody acknowledges that they cannot foster entrepreneurship on their own and that more will be accomplished if we work together. In his State of the Nation 2018 address, President Cyril Ramaphosa committed that government will work with social partners to build a small business support ecosystem that assists, nourishes and promotes entrepreneurs; while also prioritising procurement from small enterprises and business incubation support.

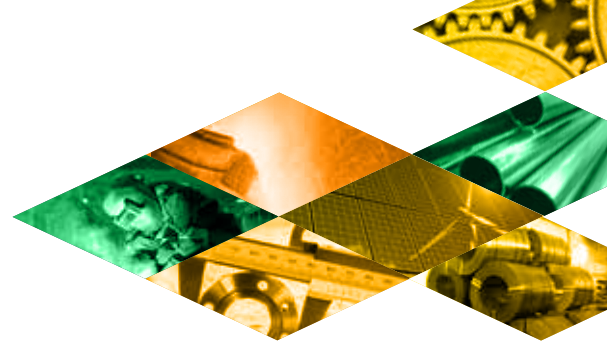
We came back from a very successful Global Entrepreneurship Congress 2018 in Istanbul, Turkey where South Africa was judged to have the best entrepreneurial support ecosystem among the countries that are part of the Global Entrepreneurship Network. Investments such as the hub at 22 on Sloane and various initiatives around entrepreneurship need to be harnessed further.

Headway has also been made in providing funding to small enterprises at the early or ideation stages. This will be through

a fund of R2.1 billion over the medium term that is developed between the Departments of Small Business Development, Science and Technology and the National Treasury. We look forward to launching this fund in the 2019/20 financial year. In April 2018 we launched the Employment Promotion through SMME Support Programme for South Africa, which is a partnership fund between the Department of Small Business Development and the European Union Delegation to South Africa. This €52 million fund will support SMMEs through business development services, assist them with access to markets, improve their access to finance and help ease the administrative and regulatory burden on small businesses.

Small enterprises will reshape the South African economy in a number of ways, which include:

- Being agile and able to adapt to the global economic uncertainties.
- Exploit nascent sectors such as renewable energy, robotics and the fourth industrial revolution.
- Foster inclusion of previously disadvantaged demographics into mainstream economic activities.



“Headway has also been made in providing funding to small enterprises at the early or ideation stages.”

To ensure that small enterprises achieve on these, we need to continuously assess the state of our small enterprise sector in South Africa, especially the challenges the sector faces as well as the opportunities it can take advantage of. The Department of Small Business Development will prioritise policy and research to ensure that there is a consensus view of the sector.

The Seda report records a number of gains that the organisation has made, these include: increasing number of clients supported, increasing number of colocations points, continuing to raise funds from partners and implementation of programmes that have been migrated from the DSBD. It also highlights some of the challenges that the organisation has to navigate such as increased demand for its services as more South Africans see entrepreneurship as a solution to the challenges they face, partners to committing for the long term in areas where they work with Seda, an uncoordinated small business advisory sector, etc. These are areas that will continue to be part of Seda’s considerations as it seeks to make a material impact on the clients it services.

In conclusion, I would like to acknowledge the efforts of Seda leadership and staff in making sure that small enterprises and cooperatives have a resource and partner they can call on, irrespective of the stage of business development. The ultimate measure of your efforts are the testimonies and willingness of small enterprises and cooperatives to rely on you for support and this Annual Report attests to that.

Ms Lindiwe Zulu, MP

Minister of Small Business Development



OVERVIEW BY THE CHAIRPERSON

DR IVOR ZWANE
CHAIRPERSON

I have the honour and privilege to present the 2017/18 Seda Annual Report in a year in which we have noted numerous successes in the agency. Thanks to the invaluable support of the DSBD, the importance of Seda has been elevated to the level where it is on top of mind for most organisations that operate in the small business development ecosystem in South Africa and beyond.

The organisation has during the period under review, embedded a strategy that is based on three focal areas. These are operational excellence, stakeholder partnering and increased service delivery. This has been done within the context of government prioritising small enterprise development, as well as the global affirmation that small enterprises are the apex of sustained economic development.

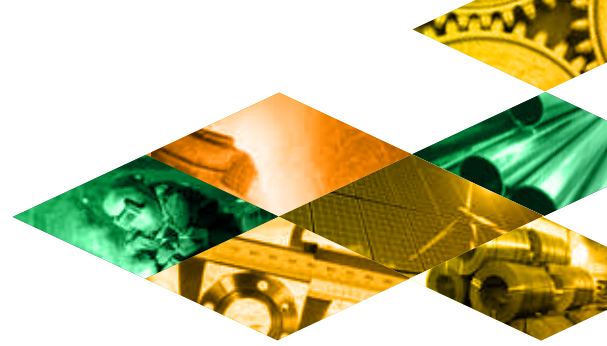
From a government point of view, the Budget Speech for the 2017/18 financial year by Minister Lindiwe Zulu highlighted the success of the Department and its agencies and also set forth the following targets:

- Ensure growth in the contribution of SMME's to GDP from 42% to 45%,
- Increase the number of SMME's and start-ups from 2,15 to 2,56 million, and
- Increase the total number of jobs created by SMME's from 7,33 million to 9,09 million

Seda is pleased to report that it has heeded to this call through its vast network of branches, incubators and other access points. This network attracted over 70,000 potential and existing entrepreneurs. Our hope is that a significant number of them will enter into a long term, developmental relationship with Seda that should make a meaningful contribution to the targets mentioned above.

To ensure operational excellence, the organisation has adopted the balanced scorecard performance management approach to ensure that the internally focused areas of business processes and organisational learning also receive priority. The organisation is working on implementing a quality management system to standardise processes

“A total of 115 stakeholders have been identified as critical partners in Seda’s implementation of its strategy.”



and ensure continuous process improvement. The quality management system and a favourable B-BBEE rating should over time position Seda as the enterprise and supplier development partner of choice in South Africa.

A total of 115 stakeholders have been identified as critical partners in Seda’s implementation of its strategy. These stakeholders will enhance Seda’s strategy implementation in areas such as programme complementarity, increased access points, research and development, staff development, professionalisation of the small business advisory space, etc. We plan to engage and enter into partnerships with these stakeholders over a three year period. These partnerships will result in increased and improved support to small enterprises and cooperatives.

The organisation is looking at a number of areas to increase its service delivery points. These include increasing the number of incubators that we support, increasing the number of colocation points and also enhancing our digital presence through a Seda online portal. The conversations on developing a well-coordinated, small enterprise development ecosystem in South Africa are encouraging in that support to small enterprises will be better coordinated and we can hopefully get a holistic view of how the small enterprise sector is performing and growing.

Successful implementation of initiatives covering three focal areas I have expanded upon and the government prioritisation of small enterprise development, will only

reap rewards if Seda staff and management remain as committed to the cause as they have always been. I would also like to applaud the hard work and dedication of all the Seda managers and staff who have shown a renewed energy and ambition to make Seda successful. It has been a remarkably positive experience to work with such dedicated teams of staff members, and the leadership qualities of all the managers are evident in the vigour and passion displayed by every staff member. Our clients agree with this as over 95% of our clients rated the services of our Business Advisors as good or excellent.

I would like to take this opportunity to also thank my colleagues who served on the Board and its various subcommittees this year - they served Seda with dedication and distinction, often through challenging times. Their inputs and critique always added significant value and allowed us to steer Seda towards reaching its full potential. Lastly I convey our gratitude to the Minister of Small Business Development, Minister Lindiwe Zulu, the Deputy Minister, the Director-General and staff from the Department of Small Business Development for their constant attention on Seda’s programme.

Dr Ivor Zwane
Chairperson



REPORT OF THE ACCOUNTING OFFICER

MS MANDISA TSHIKWATAMBA
CHIEF EXECUTIVE OFFICER

Seda's plan for the 2017/18 financial year took a number of factors into consideration. These include the institutionalisation of the balanced scorecard, the Portfolio Strategic Framework 2015/16 – 2019/20, feedback on past performance from the Department of Small Business Development (the DSBD) and the Portfolio Committee on Small Business Development, as well as feedback from other delivery partners and clients.

From an alignment to national mandates and outcomes point of view, the Portfolio Strategic Framework 2015/16 – 2019/20 provided key guidance. The Portfolio Strategic Framework 2015/16 – 2019/20 has five Strategic Outcome Oriented Goals which are linked to the National Development Plan and the MTSF 2014-2019 Sub-Outcomes, which are:

- Policy and planning coherence in the sector, that promotes an enabling ecosystem for SMMEs and co-operatives.
- Equitable access to responsive and targeted products and services that enables the growth and development of SMMEs and co-operatives.

- An enhanced contribution to socio-economic development outcomes by the sector.
- Sound governance and the optimal utilisation of available resources.
- A professional and capacitated Small Business Development Sector.

The DSBD, in line with the Portfolio Strategic Framework 2015/16 – 2019/20, has migrated a programme to Seda for implementation starting from 2017 going forward, namely the Informal Micro Enterprises Development Programme (IMEDP).

Seda's strategic themes for the 2017/18 – 2019/20 period are; increased service delivery, increased stakeholder partnering and improved operational excellence.

A comprehensive analysis of stakeholders was conducted and 115 organisations were identified as being important in Seda delivering on its mandate. Engagements are underway with these stakeholders and in some instances agreements to collaborate have been entered into. It is worth noting



“There has also been an improvement of the Incubation and the technology transfer programmes to ensure growth and sustainability of the SMME clients.”

that the number of supported incubators has increased to 64 and the number of Seda supported existing primary and secondary cooperatives was 872 during the period under review.

In spite of the resource constraints, Seda has continued to work with relevant stakeholders to ensure implementation of its mandate and to provide quality service delivery to its clients. Seda strives to economically and adequately spend its resources within allocated budget and acceptable financial management discipline.

In ensuring sustainability of its clients, the organisation has continued to focus on programmes that are likely to improve the clients' business performance and position, through enhancing access to markets by facilitating supplier development programme linkages, mentorship, coaching and export readiness development and support interventions.

There has also been an improvement in results seen under the Incubation and the technology transfer programmes. Success stories under this programme attest to growth and

sustainability of the SMME clients supported through the incubation programme, technology transfer and standards and quality interventions. Budget limitations stimulate the organisation to develop creative and innovative ways to diversify funding streams and as a result, Seda's role as a catalyst for enterprise development support from other role players in addition to services it can render directly is given strategic prominence. Seda has as such elevated Stakeholder Relations and Management to be a strategic objective with focus on the established and maintenance of SMME value add partnerships.

1. HIGHLIGHTS ON ORGANISATIONAL PERFORMANCE FOR THE YEAR ENDING 31 MARCH 2018

Seda noted remarkable successes during the 2017/18 financial year. The organisation achieved or exceeded targets on 84% of its planned performance measures, against a target of 75%. Some of the most notable achievements during the year under review are:

- 54,063 clients reached through provincial promotional and marketing actions.

- 12,132 clients supported by Seda branch network.
- 3,829 clients supported through various technology interventions.
- 1,563 new jobs created by supported incubators.
- 872 cooperatives supported through various interventions.
- Online portal developed and implemented.
- R24,46 million worth of support leveraged from partners.
- 80.91% of Seda budget allocated to core delivery.

The outcomes of the Seda branch interventions in terms of satisfaction levels, increase in turnover and increase in number of people have also been sustained over the past three years. This performance supports Seda's client journey model which advocates for long-term, multiple interventions as opposed to once off interventions.

2. ENTERPRISE RISK MANAGEMENT AND INTERNAL AUDIT

Organisational risk management has improved as a result of a rigorous risk management evaluation process that gets conducted on a monthly basis, and reported to EXCO, the Audit and Risk Committee as well as the Board on a regular basis. The evaluation is done on the management of risks as per the Auditor-General findings for the 2016/2017 financial year as well as organisational risks identified by management during the organisational strategic planning processes.

3. LOOKING AHEAD

Seda's strategy will be anchored on three strategic themes, namely increased service delivery, improved operational efficiency and increased stakeholder partnering and in alignment with the Portfolio Strategic Framework 2015/16 – 2019/20.

Considerable efforts are continuously made by the organisation to ensure that it works closely with stakeholders in the SMME development sector to ensure a consolidated and integrated approach in implemented in providing business development support services to SMMEs, including those in underserved areas. Together with other stakeholders in the cooperatives development space, the organisation will join its efforts to highlight the role and importance of cooperatives in socio-economic development through improved support programmes.

The organisation will continue to improve its processes and capabilities to match up to the huge expectations on the organisation, and the dynamic nature of entrepreneurship and small enterprise development. Seda is increasingly being recognised as the leading agency for small enterprise development, and this can be seen in the number of organisations it has partnerships with.



Ms Mandisa Tshikwatamba
CEO



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 is free from any omissions.

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

The annual financial statements (Part 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 judgements made in this information. The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2018.

Yours faithfully



Dr Ivor Zwane
Chairperson
31 July 2018



Ms Mandisa Tshikwatamba
CEO
31 July 2018

STRATEGIC OVERVIEW

Seda was established in December 2004 through the National Small Business Amendment Act – Act 29 of 2004 - as an agency under the dti. The establishment was done by merging three entities: Ntsika Enterprise Promotion Agency, National Manufacturing Advisory Centre (NAMAC) 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 (SAQI) and the technology-related activities of the Technology for Women in Business (TWIB) 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 the DSBD.

VISION

To be the centre of excellence for small enterprise development in South Africa.

The vision is translated into high level competency, motivation, accountability as well as customer drive of Seda. In order to become the Centre of Excellence, we must strive towards improving in all these critical areas.

MISSION

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

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

CORE VALUES

- **Nurture**
- **Innovation**
- **Customer Centricity**
- **Responsible Conduct**

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 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.

STRATEGIC GOAL AND OBJECTIVES

Impact is the long-term/ultimate outcome or consequence of Seda's activities and the effect these have on people and the environment. Seda's legislative mandate and mission give direction regarding what is expected from Seda in the long term. The impact of Seda is measured through periodic evaluations within a range of three to five years and these evaluations are conducted by the shareholder.

The organisation has focussed its efforts on ensuring that it delivered on the following strategic themes:

- Improving operational excellence
- Increasing stakeholder partnering
- Increasing service delivery

While working towards the above strategic themes, Seda will strive to contribute towards the following strategic objectives:

- **Improve Strategic Alignment**

Through strategic alignment the organisation seeks to ensure that our service offerings, client profile and targeted sectors meet the expectations of our shareholder. This also includes issues of compliance and governance.

- **Improve Knowledge and Skills**

Seda intends to continuously invest in improving employees' knowledge and skills in order to improve service rendered to both internal and external customers.

- **Improve System Integration**

The organisation accepts that there should be continuous efforts to integrate systems due to the expected benefit of reducing duplication and improving process efficiencies.

- **Improve Service Access**

The organisation intends to increase service access points and the number of clients that receive Seda services.

- **Improve Stakeholder Engagement**

Through this objective the organisation seeks to improve coordination and collaboration with stakeholders in delivering clients support.

- **Improve Operational Efficiency**

The focus of this objective is to ensure that the quality and the speed of services rendered to internal and external clients meet and exceed their expectations.

- **Improve Service Delivery Model**

Seda intends to continuously review its delivery model to determine its relevance in accordance with the client profile and their geographical spread.

- **Improve Organisational Performance**

Organisational performance is determined by how well Seda is fulfilling its mandate of supporting SMME's and cooperatives in order to grow and be sustainable. All strategic objectives under organisational capacity and internal process perspective have a direct contribution in improving organisational performance.

- **Increase Funding**

The organisation seeks to identify and engage potential partners who can contribute financially in order to supplement its funding needs and to support SMME's and cooperatives effectively.

- **Improve Cost Efficiencies**

The intention of this objective is to ensure that Seda identifies and allocates its financial resources in areas where it can obtain great return for its investment.

- **Improve Stakeholder Satisfaction**

This objective focuses on understanding if our internal and external stakeholders are satisfied with the quality and efficiency of service offered by the organisation in order to meet our mandate.

- **Improve Customer Satisfaction**

Seda intends to continuously assess whether our customers are satisfied with the quality of our programmes, the efficiency in delivering them and their relevance in making a lasting impact in their business.





PRODUCTS AND SERVICES

Seda provides business related information, advice, consultancy, training and mentoring services in all areas of enterprise development. These services aim at providing solutions related to various business functions from production to human resources, finance, marketing and export development. Rural enterprise development and cooperatives are supported through the Cooperatives and Community Public Private Partnerships Programme (CPPP). Through Stp, Seda also provides technology transfer, business and technology incubation services, as well as incentives for management systems implementation (such as ISO9001 and OHSAS 18001), product testing and certification.

Seda aims to establish a long-term relationship with clients. Prior to embarking on any intervention, a Seda Business Advisor assesses the needs of the client and based on the assessment results the client, together with the Seda Business Advisor, drafts a development plan with specific development interventions. These services are delivered to the client either by Seda's own staff or through business development service providers.


Seda's target market covers small, medium and micro enterprises (SMME), including cooperatives, as well as potential entrepreneurs with a business idea. The definition of a small enterprise is provided for in the National Small Business Act of 1996 and it is based on the number of employees, turnover and fixed assets. Seda defines its clients according to the number of employees.

Historically, Seda has primarily focused on the micro and very small segments of the SMME sector, due to the sheer volumes and the number of people who want to start a business. The outputs in terms 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 continues providing services to the entire small enterprise sector, with the aim of reducing the mortality rate of nascent enterprises and creating an entrepreneurial culture at micro and survivalist level and creating jobs and globally competitive small enterprises at the small and medium enterprise level.

The service delivery network of Seda consists of delivery points located throughout the country. These points currently take the form of Seda branches, Seda enterprise development centres and Seda supported incubation centres. Seda also utilises information kiosks and mobile units to access remote areas. In addition, Seda co-locates primarily with local municipalities and various other partners in areas where it does not have a branch. As at end March 2018, Seda had an established network of 53 branches, 7 mobile units, 17 electronic information kiosks, 15 satellite offices, 64 incubation centres and 64 access points where Seda co-locates.

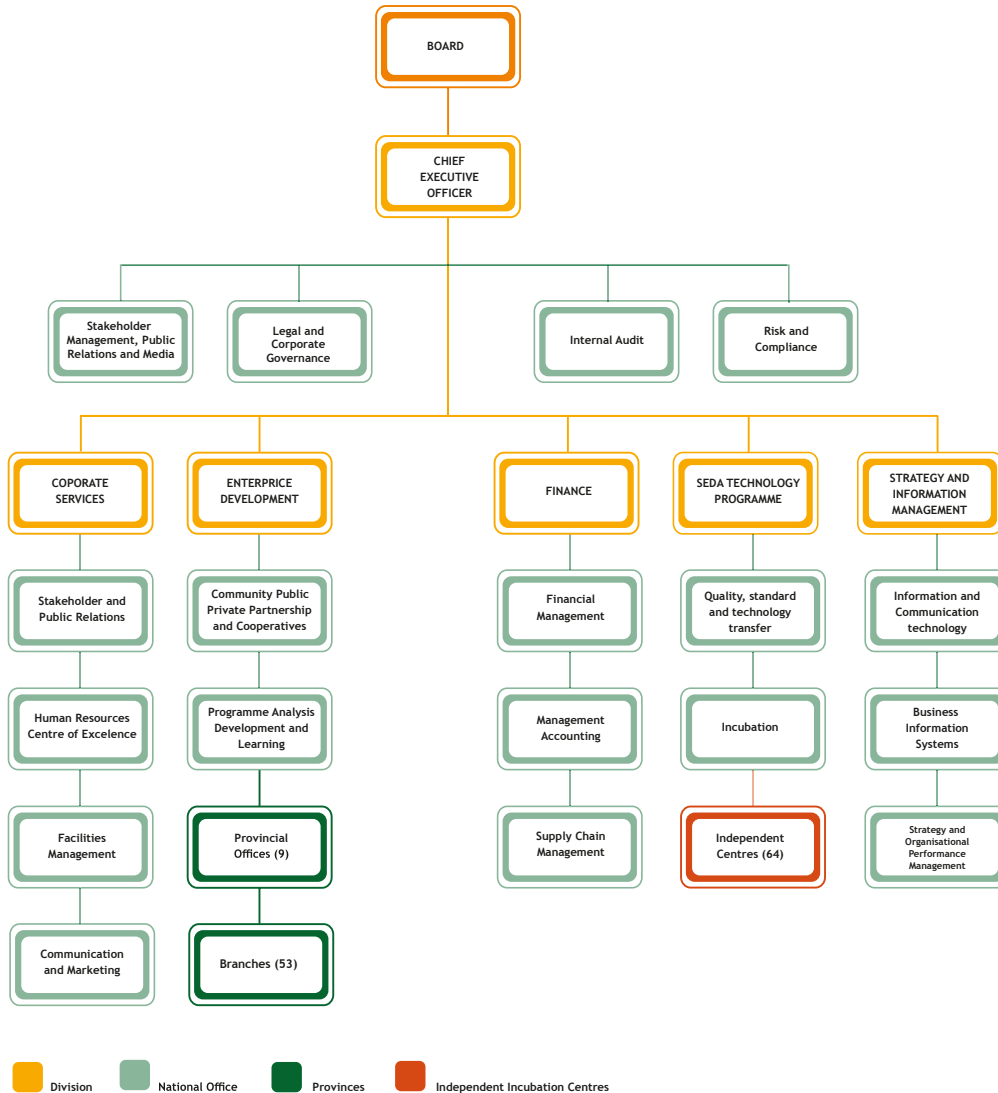
LEGISLATIVE AND OTHER MANDATES

NAME OF ACT	PURPOSE
<p>1. National Small Enterprise Act, No. 102 of 1996 as amended</p>	<p>To provide for the establishment of the Advisory Body and the Enterprise Promotion Agency; and</p> <p>To provide guidelines for organs of state to promote small business in the Republic; and to provide for matters incidental thereto.</p>
<p>2. Occupational Health and Safety Act, No. 85 of 1993</p>	<p>To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery;</p> <p>The 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;</p> <p>To establish an advisory council for occupational health and safety; and to provide for matters connected therewith.</p>
<p>3. Public Finance Management Act, No. 1 of 1999 as amended</p>	<p>To regulate financial management in the national and provincial governments;</p> <p>To ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; and</p> <p>To provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.</p>
<p>4. Cooperatives Act, No. 14 of 2005</p>	<p>To provide for the formation and registration of co-operatives; the establishment of a co-operatives' advisory board; the winding-up of co-operatives; the repeal of Act 91 of 1981; and connected matters.</p>
<p>5. Basic Conditions of Employment Act, No. 75 of 1997 as amended</p>	<p>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; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.</p>
<p>6. Income Tax Act, No. 58 of 1962 as amended</p>	<p>To 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 in respect of certain tax liabilities of employees, and to provide for the making of provisional tax payments and for the payment into the National Revenue Fund of portions of the normal tax and interest and other charges in respect of such taxes, and to provide for related matters.</p>



NAME OF ACT	PURPOSE
<p>7. Labour Relations Act, No. 66 of 1995 as amended</p>	<p>To facilitate the granting of organisational rights to trade unions that are sufficiently representative;</p> <p>To strengthen the status of picketing rules and agreements; to amend the operation, functions and composition of the essential services committee and to provide for minimum service determinations;</p> <p>To provide for the Labour Court to order that a suitable person be appointed to administer a trade union or employers' organisation;</p> <p>To enable judges of the Labour Court to serve as a judge on the Labour Appeal Court;</p> <p>To further regulate enquiries by arbitrators; to provide greater protection for workers placed in temporary employment services;</p> <p>To regulate the employment of fixed term contracts and part-time employees earning below the earnings threshold determined by the Minister;</p> <p>To further specify the liability for employer's obligations; to substitute certain definitions; and to provide for matters connected therewith.</p>
<p>8. Employment Equity Act, No. 55 of 1998 as amended</p>	<p>To provide for employment equity; and to provide for matters incidental thereto.</p>
<p>9. Promotion of Access to Information Act 2, of 2000</p>	<p>The purpose of this Act is to give effect to the constitutional right of access to any information held by the state, as well as information held by another person that is required for the exercise or protection of any right.</p>
<p>10. Promotion of Administrative Justice Act 3, of 2000</p>	<p>The purpose of this Act is to give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996 and to provide for matters incidental thereto.</p>

ORGANISATIONAL STRUCTURE



SEDA EXECUTIVE MANAGEMENT TEAM



MS NTOKOZO MAJOLA

Executive Manager: Enterprise Development
B Admin
B Com Hons Economics
MA Development Economics

MR NORMAN MZIZI

Chief Financial Officer
B Compt Hons
M Com, CA(SA)

MS PRUDENCE GWALA-MAHAYE


Executive Manager: Corporate Services
BA,
BPhil: Policy Studies & Knowledge Management
PGD: Health Management

MR LUSAPHO NJENGE

Chief Strategy and Information Officer
B Com Financial Management
PGD: Monitoring and Evaluation Methods
MPhil - Future Studies
M Com - Information Systems

MS NOSIPHO KHONKWANE

Executive Manager: Seda Technology Programme
ND - Industrial Engineering
BTech - Industrial Engineering
MBL



PART B
PERFORMANCE
INFORMATION

AUDITORS REPORT OF THE PERFORMANCE INFORMATION

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under

the Predetermined Objectives heading in the report on other legal and regulatory requirements section of the AGSA's report.

Refer to page **102** to **105** of the Annual Report for the AGSA's report, published in Part E: Financial Information.



SITUATIONAL ANALYSIS

PERFORMANCE DELIVERY ENVIRONMENT

Small, Medium and Micro enterprises (SMMEs) play a pivotal role in an economy as they can be key drivers of economic growth and job creation. The Bureau of Economic Research (BER) highlighted that the global economy is still fragile and income generation through export has been affected, and this is impacting domestic demand conditions. The observed challenges have led to higher levels of inflation, the moderately tighter national budget, increased unemployment and the sharp fall in consumer confidence.

The SMME sector is particularly vulnerable given the large concentration of SMMEs in the internal trade sector. There has been an observed shift of SMMEs from the formal to the informal sector over the past year and increased pressure on profitability, reflecting the more challenging economic conditions. The heightened rate of informal business in the SMME sector due to higher unemployment, needs to be addressed through focusing on reducing barriers to market entry, the regulatory burdens, easing labour relations and stepping up labour skills initiatives.

The government goal of enhancing economic growth and creating 11 million jobs by 2030 as expressed in the NDP still remains. The small enterprise sector is expected to play a key role in reducing unemployment and contribute to creating 90% of the 11 million jobs. Despite the challenging economic environment, there are conditions that make small enterprise and cooperative development possible. These include:

- Some elements of policy and legislation are conducive to small enterprise and cooperative development.

- Institutions and resources in the private and public sector that offer support to small enterprises and cooperatives.
- Business development support needs by small enterprises and cooperatives.
- Market opportunities for the products and services produced by the small enterprises.
- Opportunities for small enterprise and cooperative development due to the revised BBBEE codes.
- Funding instruments and incentives from departments and development finance institutions.

There may also be increased opportunities for small manufacturers to replace imported goods and the inward tourism sector is also likely to remain lively.

ORGANISATIONAL DELIVERY ENVIRONMENT

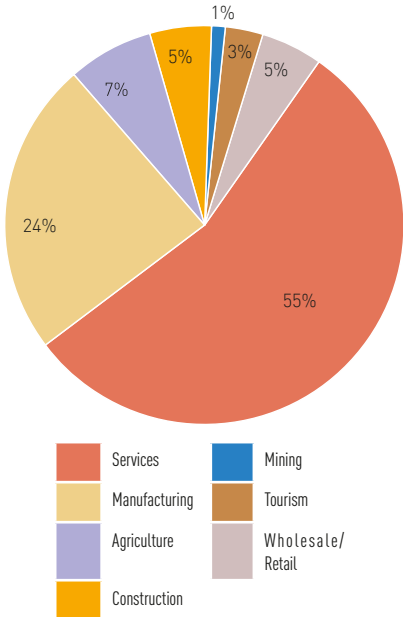
Seda has in the past years demonstrated its ability to improve the competitive and capabilities of supported small enterprises. This has been achieved taking into account the need for greater economic inclusivity of previously disadvantaged South Africans. Under the current government administration from 2014/15 - 2017/18 financial years, nearly 48 722 clients have been assisted by Seda. Moreover, 57 768 clients have received business development training from Seda.

The organisation implements its programmes fully aware of the need to redress the demographic profile of South Africa's economy. Youth and women owned businesses and those owned by people with disabilities receive support through

Seda's product offerings and specialised programmes. The profile of the clients supported in the past four years highlights that 48 722 businesses are black owned, 23 594 are women owned businesses, 18 789 are youth owned businesses and 1 358 are owned by people with disabilities.

Seda has continued tracking its performance outcomes like employment creation and increase in turnover. Seda performance reflects that 4 310 assisted client's saw an improvement in their profit and 4 848 clients saw an improvement in their turnover. In relation to employment creation, 3 111 assisted clients saw an increase in their number of employees. This achievement happened in spite of the organisations' internal limitation and those posed by the external environment. While the performance has been good, it has not made a material impact on the small enterprise sector, due to the sheer size of the sector. BER Report (2017) highlights that there are 2.25 million active SMMEs in South Africa. The organisation can do more with improved resources allocation and the expanded client reach, mainly in rural areas and in townships.

Seda seeks to improve its interventions in the 2018/19 financial year, to focus on the identified national priorities. These includes rural and township development, economic growth, job creation and strengthening of skills. The organisation has also streamlined its processes and promotional activities to encourage entrepreneurs in the sectors prioritised by the NDP and the Industrial Development Action Plan, namely: agriculture (including agro-processing), manufacturing and services (with a focus on information communication technology (ICT) and tourism). The diagram below illustrates the sectoral profile of Seda's clients.



Seda is committed to increase its proportion of small enterprises that employ between 21 and 200 people. An equitable spread of clients across the entire small enterprise sector will ensure that the organisation addresses economic inclusivity by assisting micro and very small enterprises and also addresses employment creation and competitiveness by assisting small and medium sized enterprises. Initiatives have been developed to ensure that these very small enterprises are able to migrate further up the SMME chain and also attracting clients in the small to medium categories.

ALIGNMENT TO GOVERNMENT PRIORITIES

The Department of Small Business Development's mandate is to create a conducive environment for the development and growth of small businesses and cooperatives through the provision of enhanced financial and non-financial support services, competitiveness, market access, promotion of entrepreneurship, advancing localisation and leveraging on public and private sector procurement.

The strategic outcome oriented goals of the department are:

- Goal 1: An efficient and effective administration
- Goal 2: An enabling environment for competitive small businesses and cooperatives
- Goal 3: Sustainable small businesses and cooperatives in township and rural areas

The overall national outcomes that the DSBD and Seda take the cue from are the creation of decent employment through inclusive economic growth and vibrant, equitable sustainable rural communities contributing towards food security for all. In order to ensure the achievement of this outcome and enable economic growth and job creation by the small business sector, the department will focus on the following interventions:

- Introduction of measures to reduce red tape around authorisation for investment in metros (supported by the Department of Trade and Industry).
- Through Development Finance Institutions, enhance township economies (supported by Department of Economic Development).





- Enhanced support for township economies through improved transport and commuter costs (supported by the Departments of Cooperative Governance and Traditional Affairs, Transport and Human Settlements as well as the Presidential Infrastructure Coordinating Commission).
- Coaching and incubation programmes in support of SMMEs and Cooperatives (supported by the Departments of Economic Development, Agriculture, Forestry and Fisheries and Trade and Industry).
- Programmes to ensure increased access to employment and entrepreneurship for black women and youth aimed at advancing support for emerging and smaller enterprises.
- Develop appropriate sanctions with regard to non-compliance in relation to the 30-day payment period.

Although Seda is aligned to the mandate and priorities of the DSBD, the current budget allocation of the organisation

limits the ability to make a material contribution to mandate implementation. Seda is well positioned, by virtue of its extensive network and over a decade experience in delivering interventions and solutions to small enterprises and cooperatives, to take on additional responsibilities particularly in areas where there is agreement in terms of priorities such as incubation, technology transfer, mentorship and coaching, etc.

Seda will utilise its knowledge of the sector and constant engagement with small enterprises and cooperatives to contribute to the discourse on small enterprise development. Stakeholder partnering affirms Seda's view that the organisation cannot implement its mandate successfully on its own. Key partnerships that Seda will work towards are on supplier and enterprise development, resource and programme complementarities and sharing of good practices.

Table 1: Strategic Outcome Oriented Goal Alignment – DSBD and Seda

DSBD STRATEGIC OUTCOME ORIENTED GOAL	SEDA STRATEGIC OUTCOME ORIENTED GOAL
Goal 1: An efficient and effective administration	Goal 3: Maximise support offered to Seda clients through stakeholder contribution.
Goal 2: An enabling environment for competitive small businesses and cooperatives	Goal 1: Improve the sustainability of small enterprises and cooperatives.
Goal 3: Sustainable small businesses and cooperatives in township and rural areas.	Goal 1: Improve the sustainability of small enterprises and cooperatives. Goal 2: Increase Seda delivery network to reach unserved areas.

PERFORMANCE HIGHLIGHTS

The performance information reported here for the year under review supports the strategic indicators in the Seda 2017/18 Annual Performance Plan. Overall Seda achieved most of its set targets and received an unqualified audit on finance and performance information. Key performance highlights are:

ORGANISATIONAL CAPACITY

- 100% achievement for delivery on shareholders compact
- 32.9% of Seda employees were trained as per the work force skills plan
- 50% of the targeted business processes were documented
- 3,829 clients were supported through technology support
- 872 cooperatives were supported
- 12,132 SMME's were supported

INTERNAL PROCESSES

- 36% of the project for quality management system was implemented
- Service turnaround times were reduced by 39%

FINANCE

- R26,46 million was leveraged from partners
- 80.91% of Seda budget was allocated to core delivery

CUSTOMERS AND STAKEHOLDERS

- Most customers rated Seda support, 4.5 on a 1-5 scale
- Most stakeholders rated Seda, 5 on a 1-5 scale

PERFORMANCE INFORMATION BY PROGRAMME

Seda's performance information 2017/18 is aligned with the performance indicators and targets in its Annual Performance Plan 2017/18. Seda achieved and exceeded performance targets on seventeen out of twenty strategic indicators. The Seda Technology Programme achieved and exceeded its performance on four out of five strategic indicators.

The performance against strategic indicators are tabulated below.

The following keys apply:

TARGET IS ACHIEVED OR EXCEEDED

TARGET IS NOT ACHIEVED BY LESS THAN 5%

TARGET IS NOT ACHIEVED BY MORE THAN 5%

PROGRAMME 1: ORGANISATIONAL CAPACITY								
STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve strategic alignment	Delivery on shareholders compact	Percentage achievement of shareholders compact deliverables	100%	100%	None	None	Reports against Minister's Deliverables	Senior Manager: Legal and Corporate Governance
Improve knowledge and skills	Implementing knowledge management plan	Number of employees accessing knowledge management platforms	200	336	A higher number of requests received from divisions to establish communities of practice.	None, the intention is to eventually get all staff collaborating on these platforms	Knowledge Management Platform utilisation reports	Chief Strategy and Information Officer

STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve knowledge and skills (continued)	Implementing the work force skills plan	Percentage implementation of workforce skills plan	30%	32.9%	Divisions prioritised training of staff in areas identified in personal development plans.	None	Training reports	Executive Manager: Corporate Services
	To submit the workplace skills plan and integrated training report to PSETA	Number of workplace skills plan and integrated training report submitted to PSETA	1	1	None	None	Submission documents	Executive Manager: Corporate Services
	Increase the budget spend on training and development	Percentage compensation budget spent on training and development	1% of the compensation budget	1.3%	Slight over performance due to prioritisation of training as per personal development plans	None	Training reports	Executive Manager: Corporate Services
Improve system integration	Documenting business processes	Percentage of business processes documented in targeted units	50%	50%	None	None	Business Process Reports	Chief Strategy and Information Officer
	Conduct business process maturity assessment	Percentage of business processes documented in targeted units	15%	100%	Six business processes were identified for business optimisation, and the plan was to optimise one. Additional business processes were optimised.	Additional resources will be brought in to speed up the business process optimisation initiatives within the organisation	Business Process Optimisation Reports	Chief Strategy and Information Officer



STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve system integration (continued)	Integrating business systems	Percentage of integrated systems	10%	29%	7 business systems were identified for integration, two of these systems have been integrated by the end of the financial year.	None	Systems integration reports	Chief Strategy and Information Officer
Improve service access	Establish quality colocation points	Number of colocation points	39	64	Over performance is a result of willingness by local government, particularly in provinces such as Mpumalanga and Eastern Cape to partner with Seda	Capacitation of local government to provide some services to small enterprises, to alleviate pressure on Seda branches	Colocation agreements and reports	Executive Manager: Enterprise Development Division
	Building Seda electronic presence	Number of Clients accessing Seda services online	500	275	Delays in the implementation of the portal.	The portal will be marketed as part of Seda's access points going forward, and not marketed as a separate initiative.	e-Services portal reports	Executive Manager: Enterprise Development Division

STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve service access (continued)	Increase number of SMME's accessing Seda services	Number of SMME's supported	10,830	12,132	The over performance is a result of additional clients accessing the branch network in the second half of the year.	Although the branch network is able to cope with the additional clients, partners such as SALGA will be capacitated to assist some of the clients	Branch client reports	Executive Manager: Enterprise Development Division
	Increase number of cooperatives accessing Seda services	Number of cooperatives supported	540	872	Expansion of cooperatives support to also include Business Advisors over and above the Regional Facilitators has resulted in the over performance	None. Going forward, targets will be adjusted to incorporate the change in support modality	Branch and CPPP client reports	Executive Manager: Enterprise Development Division
	Increase number of informal businesses accessing Seda services	Number of informal businesses supported	1,800	1,633	This indicator refers to the Basic Entrepreneurial Skills Development programme, and excludes other informal businesses supported by branch network. A number of clients dropped out of the programme towards the end of the year.	None, the programme has come to an end as it was a partnership agreement with a specified time frame	BESD programme reports	Executive Manager: Enterprise Development Division
	Increase number of clients supported through technology support	Number of clients supported through technology support	2,892	3,829	A higher than anticipated number of clients were supported in the incubation programme. A further 632 clients were exposed to innovation forums.	None	Programme reports	Executive Manager: Seda Technology Programme



PROGRAMME 2: INTERNAL PROCESS								
STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve stakeholder engagement	Review stakeholder matrix	Number of sessions to review stakeholder matrix	1	1	None	None	Stakeholder matrix review report	Senior Manager: Stakeholder Management, PR and Media
	Implement stakeholder engagement plan	Percentage progress on stakeholder implementation	30%	21%	Out of the 115 stakeholders identified to be engaged over a three year horizon, partnerships were only concluded with 25 of them. Discussions with some of the identified stakeholders took longer than anticipated.	Engagements with remaining stakeholders are ongoing.	Partnership contracts	Senior Manager: Stakeholder Management, PR and Media
Improve operational efficiency	Implement quality management system	Percentage implementation of quality management system in targeted business units	25%	36%	Commitment from internal stakeholders resulted in 8 of the 22 deliverables being achieved.	None, plan is to sustain the momentum	QMS reports	Manager: Office of the CEO
	Reduce service turnaround times	Percentage reduction in turnaround times	10%	39%	Divisions continuously worked on improving the processes. The identified processes are ones most used by business.	None	Turnaround times reports	Manager: Office of the CEO
Improve service delivery model	Review service delivery model	Number of sessions to review service delivery model	1	1	None	None	Review report	Executive Manager: Enterprise Development Division

STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve organisational performance	Achieve targets set for strategic indicators	Percentage achievement of targets set for strategic indicators	75%	84%	None	None	Performance reports	Chief Strategy and Information Officer
	Review quarter performance and use it to inform future planning	Number of sessions to review organisations performance	4	4	None	None	Performance review reports	Chief Strategy and Information Officer





PROGRAMME 3: FINANCE								
STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Increase funding	Improve partnering with stakeholders	Value of support leveraged from partners	R20 million	R26,46 million	A lot of partners provided in-kind support such as colocation where there were 25 more colocation points than planned.	None	Partnership reports	Senior Manager: Stakeholder Management, PR and Media
Improve cost efficiencies	Allocating most of financial resources to core service delivery	Percentage of Seda budget allocated to core delivery	75%	80.91%	Mid-term budget review and savings on some national office contracts resulted in a larger proportion of funds being utilised in the delivery network	None	Finance Reports	Chief Financial Officer
	Implement activity based costing	Percentage implementation of activity based costing	30%	30%	Budget cost driver monitoring has been implemented as a sub component of activity based costing.	None	Minutes of budget cost drivers monitoring meetings	Chief Financial Officer



PROGRAMME 4: CUSTOMERS AND STAKEHOLDERS

STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve customer satisfaction	Review the method to measure customer satisfaction	Number of sessions to review the methods to measure customer satisfaction	1	1	None	None	Review session minutes/ resolutions	Executive Manager: Enterprise Development Division Executive Manager: Seda Technology Programme
	Measure customer satisfaction	Customer satisfaction index	4 on a scale of 1-5	4.5	None.	None	Branch Reports/ Programme Reports	Executive Manager: Enterprise Development Division Executive Manager: Seda Technology Programme
Improve Stakeholder satisfaction	Review the method to measure stakeholder satisfaction	Number of sessions to review the methods to measure stakeholder satisfaction	1	1	None	None	Review session minutes/ resolutions	Senior Manager: Stakeholder Management, PR and Media
	Measure stakeholder satisfaction	Stakeholder satisfaction index	3 on a scale of 1-5	5	None, the sample was limited due to the number of signed partnership agreements	None	Survey reports	Senior Manager: Stakeholder Management, PR and Media
	Increase the number of females in senior management positions	Percentage of females in senior management positions	40%	66.6%	The baseline for percentages of females in senior management positions was already higher than annual target.	None	HR Reports	Executive Manager: Corporate Services



STRATEGIC OBJECTIVE	STRATEGIC INITIATIVE	PERFORMANCE MEASURE OR INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT	REASONS FOR VARIANCE	MEASURES TAKEN TO RECTIFY	SOURCES OF VERIFICATION	RESPONSIBLE EXECUTIVE/ SENIOR MANAGER
Improve Stakeholder satisfaction (continued)	Improve the number of people employed with disabilities	Percentage of persons employed with disabilities	2%	1.6%	Employees are still reluctant to declare their disabilities.	As part of the implementation of the employment equity framework, Seda will encourage staff to declare under the broader definition of disabilities.	HR Reports	Executive Manager: Corporate Services
	Reduce the vacancy rate	Percentage of vacancy rate in funded positions	5%	4.4%	The target was exceeded due to continuous follow-ups to fill the vacant positions as per the approved structure.	None	HR Reports	Executive Manager: Corporate Services
	Measure employee satisfaction	Employee satisfaction index	4 on a 1-5 scale	2.9	On average most employees indicated that they are not satisfied with Seda's working environment.	The key dissatisfaction drivers have been discussed by the relevant divisions, and measures put in place to address these.	Survey Report	Executive Manager: Corporate Services



PROVINCIAL MANAGEMENT TEAM



MR SIPHIWO SOGA
Provincial Manager: Eastern Cape



MS JACKIE NTSHINGILA
Provincial Manager: Free State



MR COLIN LESHOU
Provincial Manager: Gauteng



MR CEDRIC MNGUNI
Provincial Manager: KwaZulu-Natal



MR KOENIE SLABBERT
Provincial Manager: Limpopo



MR MASHIBA KGOLE
Provincial Manager: Mpumalanga



MS KEDISALETSE WILLIAMS
Provincial Manager: Northern Cape



MR NEVILLE MAIMANE
Provincial Manager: North West



MR ALEX QUNTA
Provincial Manager: Western Cape



SUCCESS STORIES



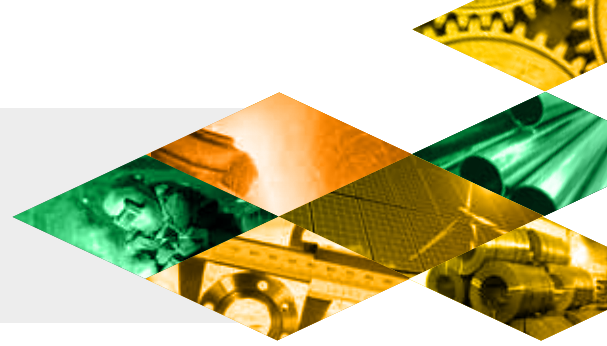
ZAMULWAZI CLOTHING MANUFACTURERS PRIMARY COOPERATIVE

LOCATION UMTHATHA, EASTERN CAPE

SEDA BRANCH OR TAMBO

BUSINESS DESIGN AND MANUFACTURING

“We are happy with what Seda has done for us, we will always appreciate your help”



BACKGROUND

The cooperative was established and registered in 2009 by five young African women, with Ms Ntombikayise Dubula as the chairperson. The cooperative manufactures a broad spectrum of clothing incorporating uniforms, traditional garments as well as protective clothing. The founders started this business with their own savings and they purchased a domestic sewing machine which they used for many years. They all had extensive experience and expertise in garment making. The cooperative is currently operating from No. 22 Owen Street in the CBD area of Mthatha in the Eastern Cape.

CHALLENGES

The quality of the designs produced by the cooperative quickly triggered a huge demand for their products. They could not meet the rapid demand with their domestic machines. They needed access to finance in order to purchase additional machinery. As the cooperative was growing, it recruited and employed more people in order to deal with the growing demand for its products. With this recruitment, it became difficult for the cooperative to manage the large number of employees because the cooperative had no policies and procedures pertaining to human resources management.

They soon started to experience high staff turnover and a drop in quality of products produced. The cooperative decided to outsource the human resource management service to a private service provider but this proved to be

too costly and drained the profit of the business. More sophisticated and international clients started to visit the cooperative to order, however, due to the capacity of the machinery that the cooperative was using, it could not cope with the standard for international orders.

SEDA'S INTERVENTION

The cooperative approached Seda for advice and a diagnostic assessment revealed that the business was sensitive to sales increase. The business needed to increase its sales and reduce the human resources management expenses. Seda also assisted the client with an application to the Cooperative Incentive Scheme (CIS) for the grant funding which was approved and the cooperative bought industrial machines with a capacity to produce in large quantities.

Another intervention included coaching the client on human resources management policies. This was done to ensure that the cooperative implements a framework that promotes equity, quality service and employee growth at the work place. An application was made to the Seda Technology Transfer Fund and it was successful.

THE OUTCOME

Sales improved and all orders were promptly serviced. The revenue generated from sales increased from R1,69 million to R2,19 million and employees have since increased from 22 to 39.



KWA NODADA FUNERALS

SERVICES THAT WE OFFER:

• DIGNIFIED FUNERALS • COFFINS/CASKETS • TOMBSTONES • DECORATIONS
• MOBILE FRIDGES • TRANSPORT • TENTS • GROUP SCHEME

CONTACT DETAILS:

071 729 7812

073 300 3139

MATATIELE * MOUNT FLETCHER * MACLEAR * PHAKADE & UMZIMKHULU



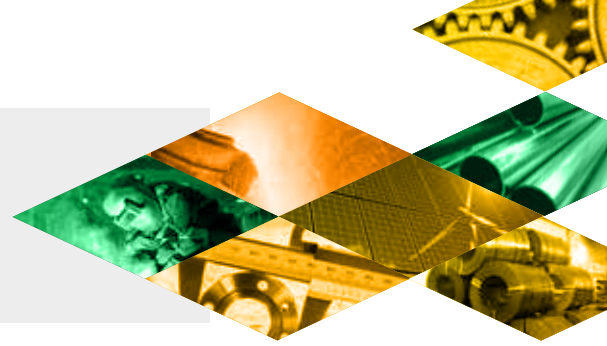
KWA NODADA CLASSIC FUNERAL (PTY) LTD

LOCATION MT AYLIF, EASTERN CAPE

SEDA BRANCH ALFRED NZO

BUSINESS SERVICE

“The support provided by Seda is appreciable and very helpful.”



BACKGROUND

The business is a brainchild of Mr Bulelani Nodada, a qualified optometrist. It started operating in 2012 with a branch in Matatiele.

The business is a funeral service provider with services that covers, funeral arrangements, funeral policies, repatriation of mortal remains, wreaths and flowers, tombstones and more.

Over the past four years, the business has opened four additional branches; these branches are located in Mount Fletcher, Maclear, Mount Frere and Mount Ayliff. Services offered also benefit the neighbouring Lesotho, especially the repatriation of remains and tombstones. At present, the business conducts on average 30 funerals per month.

CHALLENGES

- The business grew rapidly in its first three years and as the number of employees began to increase, it became difficult to manage them because there were no policies and procedures pertaining to human resources management. Quality of service dropped as employees felt they were unfairly treated and unhappy.
- The business also experienced high staff turnover which destabilised operations, this also resulted in substantial drop in revenues generated.
- There was no marketing plan in place to outline the business advertising and marketing efforts. As a result, the business could not define its marketing position and marketing goals.

- The market of Matatiele was very competitive with established funeral parlours. There was also an increase in new funeral parlours who were targeting lower-income clients.

SEDA'S INTERVENTION

- The assessment was conducted which revealed that the business needed to increase its sales, and improve its asset efficiency while reducing overhead expenses.
- An intervention to deal with the low staff morale and high staff turnover was proposed, which focused on compiling HR procedures and policies with the client.
- A marketing plan was developed to guide the marketing efforts and marketing resource allocation.
- The business was also assisted with professional marketing material to increase its brand recognition in the market.

THE OUTCOME

- Staff morale improved and high staff turnover was stabilised resulting in improved performance, better customer service and an increased sales revenue.
- The turnover of the business was R500 000 when Seda started the journey with the client in 2014 and it has now increased to R1,43 million.
- Employment has since increased from 12 to 22.



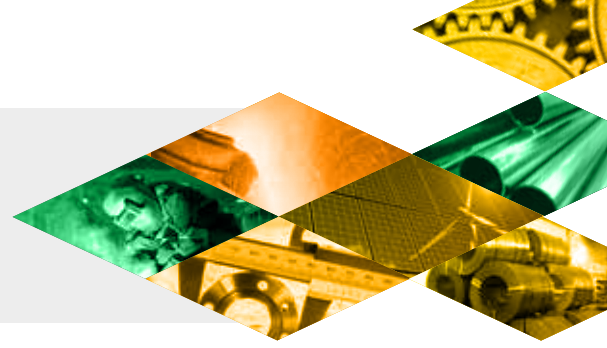
HAVILAH BEAUTY

LOCATION KROONSTAD, FREE STATE

SEDA BRANCH FEZILE DABI (METSIMAHOLO) BRANCH

BUSINESS SERVICE

“Seda has taken our business to greater heights”



BACKGROUND

The business was started by Mabel, who studied Cosmetology and had a stint in formal employment for major beauty related companies including Edcon in Pretoria, Pietermaritzburg and Empangeni. Mabel acquired further working experience in marketing and sales in various fields including personal care, tourism and finally as a district manager for major cosmetic and beauty products direct marketing firms, Avon and Justine, where she excelled in sales.

She ventured into business formally in 2010 when she founded Divine Lashes cc which later converted to Havilah Beauty (Pty) Ltd and Havilah Training Academy. The business has its head office in Vanderbijlpark with four kiosks across the country in different malls. The business is a manufacturer of beauty products as well as Afro wigs and artificial dreadlocks weaved from synthetic hair pieces. The business also has an academy which offers nails and makeup workshops.

CHALLENGES

Business assessment identified that there was a lack of proper marketing tools and updated industrial machinery which would assist with the capacity to meet the demand for products and services.

SEDA'S INTERVENTION

- The business was assisted with signage to brand the vehicle to improve visibility

- The business was further assisted with application of Seda Technology Transfer Fund to access machinery
- The business was also exposed to different exhibitions around the country such as Bloemshow and SA Hair Expo.

THE OUTCOME

- Through the hair expo exhibition that the client attended, they managed to attract a franchisee that bought a franchise.
- The business has increased the number of employees from 40 to 82.
- The business's turnover has improved from R2,2 million to R3,7 million.
- The business has further secured a Technology Transfer Fund of R600 000 to purchase machinery.





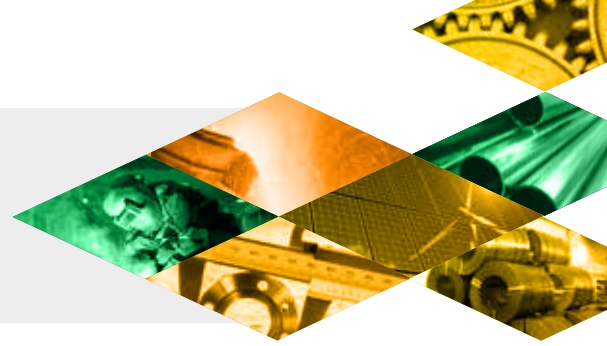
BRAVOFIVE SECURITY

LOCATION KRUGERSDORP, GAUTENG

SEDA BRANCH BEST PROGRAMME

BUSINESS SERVICE

“We are grateful to Seda for the support offered”



BACKGROUND

The business was started in 2011, the idea was generated when Basil was still an employee of a security company in Krugersdorp. He realised a need for security services and decided to resign to start his own business. The business operates in the Industrial Park sites in Krugersdorp and its core business is security services and armed response services. He started to operate from his home and later converted it into administration office block for his business.

CHALLENGES

- Basil had no business skills, he did not record the business finances and had a bank account that was used for both personal and business savings.
- His operational space was a challenge and he did not comply with relevant regulations.
- The business had growth potential however, it was not realised because he did not follow business management principles.
- Business marketing was insufficient and employee engagement was lacking.

SEDA'S INTERVENTION

In May 2016 Basil joined the BESD Programme where he was guided by the Enterprise Development Practitioner. His skills needs were determined and he attended all the scheduled coaching sessions of the BESD Programme which included a module on money-in/money-out that assisted him in developing a sound recording system tracking his income and expenditure.

He opened a business bank account and separated his personal bank account from that of a business. He also managed to produce financial planning documents by generating a cash flow plan, producing a financial statement that he often used to acquire funding from financial institutions.

THE OUTCOME

- He promoted his business through the distribution of pamphlets and posters, he also produced posters and placed them at his business venue.
- He registered at the various databases of the local departments and he managed to identify other business opportunities.
- The business has increased its customer base, sales target and the demand for its services led it to employ additional staff members to 7 employees.
- Each staff member has signed a proper employment contract and the business got registered with the department of labour for COIDA, UIF and OHSA.

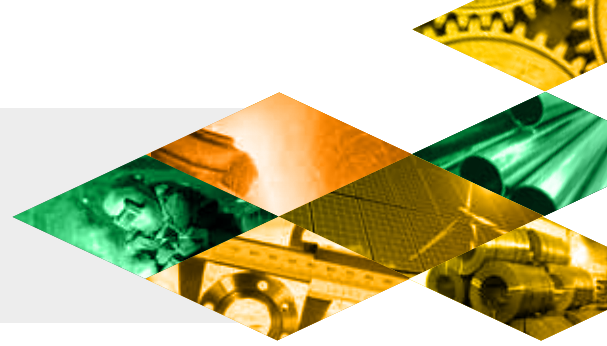




SAMO ENGINEERING

LOCATION MIDRAND, GAUTENG
SEDA UNIT QUALITY AND STANDARDS
BUSINESS ICT AND ELECTRICAL ENGINEERING

“The Seda system development consultant was very knowledgeable, patient and made the process easier”



BACKGROUND

Samo Engineering is a black female owned business in Midrand that has been operating for the past 6 years. The business specialises in ICT and electrical engineering services, their clients benefit through the installation of ICT infrastructure and fibre cables.

CHALLENGES

The business identified a need to improve their service quality which would increase the number of customer's serviced. The development and implementation of an integrated management system was going to afford the business ability to manage and comply with environmental and occupational health and safety requirements which are also the requirements of their key client Transnet.



SEDA'S INTERVENTION

Seda assisted the client with the development and implementation of an Integrated Management System comprising of ISO9001:2015, SANS OHSAS18001:2011 & ISO14001 in 2016. They were very happy with the consultant appointed by Seda to assist them and they felt that he was very knowledgeable and patient with them. He had made it easier for them to understand and implement the system. At the time of the impact assessment they had already gone through the first stage audit for certification of the ISO9001:2015, with no findings and were awaiting second stage audit by BSI.

THE OUTCOME

- Financially, the business increased its turnover by 40% from R 8.4 million in 2016, to R 14 million in 2017.
- They had also managed to sustain all their jobs within the same financial year. Their client base now includes Vodacom, MCT and Transnet.





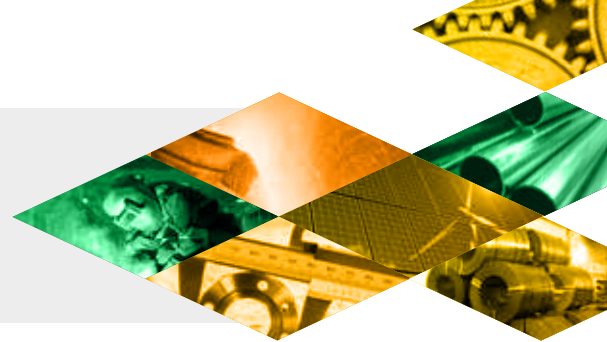
TORQUES ENGINEERING

LOCATION ROODEPOORT, GAUTENG

SEDA INCUBATION CENTRE LEPHARO

BUSINESS ENGINEERING

“Seda has taken our business to greater heights”



BACKGROUND

Torques Engineering was founded in 2014 by Nosipho Mhlongo. The business is a 100% black female owned multi-disciplinary engineering company focusing on engineering projects, maintenance and other services to oil and gas industry and related industries. The owner is a dedicated, focused and enthusiastic professional with over 17 years working experience.

CHALLENGES

The business owner realised the need to improve her business and she identified that Lepharo Incubation Centre could support her in taking her business to new heights. In November 2017 she joined the incubator where she was afforded business operation premises and other business development support.

SEDA'S INTERVENTION

- Since joining the incubation centre, the business was given support which includes office space, boardroom to meet with current and potential clients, Computer Lab, Wi-Fi and machinery.
- Assistance with labour compliance, through health and safety department.
- Assistance with bookkeeping services through a registered financial service provider, access to market linkage.

THE OUTCOME

The turnover for the business after receiving continuous support from the incubator increased from R 2,3 million to R 10,3 million within a year.





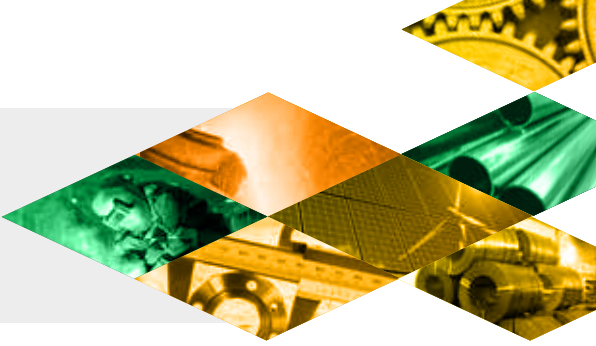
JESSEY'S CATERING T/A MR PLATTER

LOCATION PRETORIA, GAUTENG

SEDA BRANCH TSHWANE BRANCH

BUSINESS CATERING AND CANTEEN MANAGEMENT

“Excellent service and advice received from my business advisor, please keep up the good work and standards”



BACKGROUND

Jessey's Catering is an established close corporation that was registered in 2007 as a catering business. The business provides the end-user with a variety of foods prepared for different occasions in different quantities. This includes managing canteens for different corporates while maintaining a very high standard of fresh quality foods at an affordable price.

CHALLENGES

Since inception of this business, the client has encountered numerous problems relating to cash flow. The client's premises are in a business park where there is limited visibility, this requires extra marketing activities. In addition the client's rental costs are too high for their operations.

Availability of funds to secure better premises was a major challenge facing the company. Manual food preparations had its own flaws as there was a lack of consistency in quality and turn-around times. The assets were under-utilised including rented space, wastage costs were high as the client deals with perishable products therefore distressing the margins. Late payments by customers was a major cause of cash flow problems spiralling into late and non-payments to creditors and eventually hindering service delivery.

SEDA'S INTERVENTION

An assessment was done on the business with the aim of identifying challenges and making recommendations. Through Seda's partnership with Productivity SA a turnaround strategy was implemented whereby negotiations with creditors began and the strategy was augmented with marketing activities to improve cash flow. A trade exhibition intervention was recommended. Furthermore the client was advised to set up a marketing team to secure long term contracts which landed the client a three year contract with Pearson Institute's 3 campuses.

THE OUTCOME

The business turnover improved from R 4,7 million to R 8,5 million after intervention, the number of employees also increased from 26 to 50 after intervention and this resulted in 24 new jobs created.





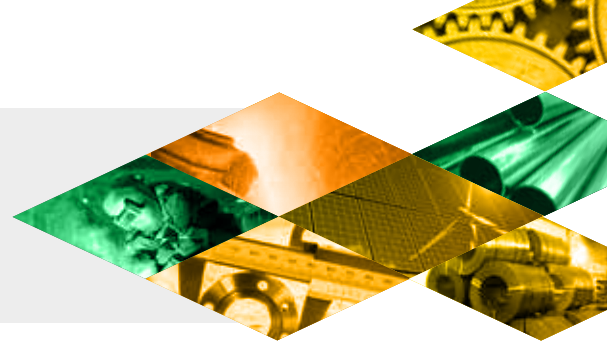
UBUHLEBOZALO TRADING

LOCATION PORT SHEPSTONE, KWAZULU NATAL

SEDA BRANCH UGU

BUSINESS CATERING, CLEANING, GARDENING AND ADMINISTRATIVE SERVICES

“We like to express our appreciation with the help we have received from Seda”



BACKGROUND

Ubuhlebozalo Trading was registered as a close corporation in 2007 and began trading in 2012. The business was founded by Ms Cynthia Mbali Shinga, who took her passion for the service industry and decided to open a business which would deal with catering and cleaning services. The business has been able to grow tremendously since its inception.

Ubuhlebozalo Trading offers catering services which include the preparation of food for functions and hiring of catering equipment to other catering businesses. The business also provides catering services to individuals and organisations. Cleaning and gardening services are offered to organisations such as hospitals, clinics and offices. The business also provides photocopying, faxing and internet facilities to clients from its office premises.

CHALLENGES

As a small business, Ubuhlebozalo Trading did not have a long term strategy to support its growth prospects. The business also lacked adequate marketing for its premises to attract and improve its business image. This includes a website and promotional material to further market its services.

SEDA'S INTERVENTION

The owner participated in Women Enterprise Coaching programme which consisted of 11 coaching sessions over a period of 10 months. The business was guided through

strategic planning and covered topics which included marketing, human resource management, costing and productivity. The business was also supplied with promotional material including: business cards, banners and brochures, a website and signage.

THE OUTCOME

The strategic planning exercise helped the business identify other income avenues for the business which included adding an internet café and photocopy centre to their administrative services. As a result the business annual turnover increased from R1 million to R 3,9 million in one year after securing a large cleaning contract. A further 28 new employees were employed increasing the staff from 4 to 32. The owner, Ms Mbali Shinga was a second runner up in the Women Entrepreneur of the Year Category at the Ithala Business Awards.





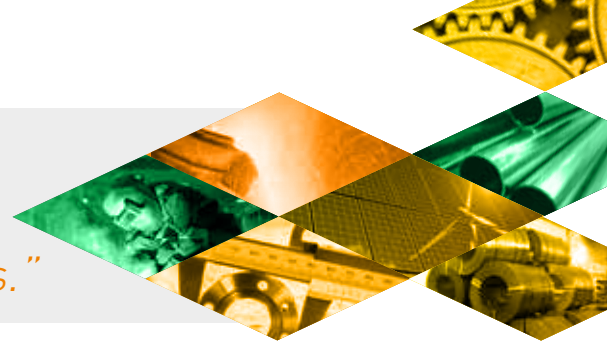
NACHEM CLEANING CHEMICALS MANUFACTURERS

LOCATION THOHYANDOU, LIMPOPO

SEDA BRANCH VHEMBE

BUSINESS MANUFACTURING

“We are happy with the services we received from Seda because the support opened doors for our business.”



BACKGROUND

Nachem Cleaning Chemicals Manufacturers started operating in 2009, it is owned by Mr Nndivhaleni Arnold Mkhumeleni. The business manufactures and sells cleaning products such as floor polish, pine gels, engine cleaners, dish washers and car shampoo. The business is operating at Tshitereke Village, Balanganani Complex.

CHALLENGES

The management of the business realised that although the business was fully operational there were challenges due to low sales and the products were not tested for quality. The business wanted to expand but they lacked funds to purchase required equipment and financial records were not kept properly.

SEDA'S INTERVENTION

Between 2011 and 2017, the business has received the following assistance from Seda:

- The development of advertising signage and stickers
- Development of Business plan
- Product testing by South African Bureau of Standards (SABS)
- Mentorship programme on financial management
- Website development
- Access to finance from Seda Technology Programme

THE OUTCOME

- The business is well marketed and it supplies its products to all districts in Limpopo Province including the Department of Health, Schools, Car Washes, Cleaning materials distributors and the general public.
- The business received R345 000 from Seda Technology Transfer Funds and new production equipment to mix chemicals was purchased, this equipment has improved the production capacity to 2 200 litres per hour.
- The annual turnover has improved from R180 000 in 2014 to R6 million in 2017.
- The number of employees has increased from 5 to 14 including the owners.





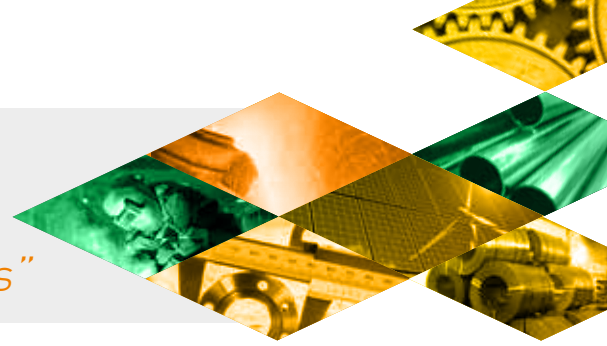
GLADTIDINGS INTERIORS CC

LOCATION KRIEL, MPUMALANGA

SEDA BRANCH NKANGALA

BUSINESS INTERIOR DESIGN, CATERING AND CLEANING

“I would confidently say that since Seda stepped in, my business has been growing significantly over the years”



BACKGROUND

Gladtidings started operating in 2009, the company is 100% female owned by Ms. Minah Zulu. She holds extensive mining experience in maintenance planning and has always had a love for interior design. After seeing a gap in the market for black interior designers, she decided to pursue her dream after she was retrenched. It was after getting involved with managing a community project for office cleaning at a coal mine, that she started researching the facilities management sector.

The research gave birth to an idea of complementing her interior design business with office cleaning after winning a 3 year contract for the community project. She then expanded her business by introducing a catering and cleaning service which currently does work for Exxaro Mine, JNC Engineering, Kriel Mine and Eskom.

CHALLENGES

The business had the following challenges: inadequate access to markets due to limited marketing activities. There was an opportunity to improve product quality.

SEDA'S INTERVENTION

The business was assisted with development and implementation of ISO 9001:2008, which enabled them to comply with the mines requirement for SHEQ and operational standards. Development of marketing material and website was done in 2015, this marketing has impacted positively on the business as it has been growing year on year.

THE OUTCOME

The intervention assisted the client in successfully achieving the following outcomes, turnover increased from R 3,1 million to R 7,3 million in the past two years. The number of employees increased from 35 to 87.

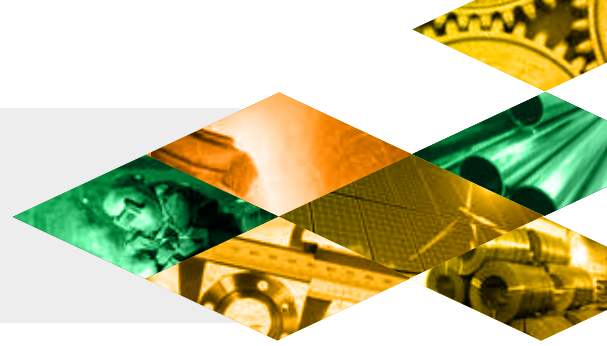




ZINDOGA TRADING AND PROJECTS

LOCATION MIDDLEBURG, MPUMALANGA
SEDA UNIT TECHNOLOGY TRANSFER
BUSINESS ENGINEERING, STEEL FABRICATION AND STEEL CONSTRUCTION

“Seda has taken our business to greater heights”



BACKGROUND

The business is 100% black woman owned and manufactures steel components for companies such as Eskom and the mines. The business had been an incubatee at Mpumalanga Stainless Initiative. When the application for Technology Transfer was made they only had small tools, the rest of the equipment they used belonged to the incubator and they had to outsource some jobs. They previously acquired premises for their operations but it was more convenient to be at the incubator due to close proximity to the equipment they needed.

CHALLENGES

Outsourcing was costing them a lot of money and they ended up not making any profit, and this practice was unsustainable. Outsourcing also meant that jobs that should have taken 4-5 days to complete took 4-5 weeks. Quality control was also difficult to manage while focusing on improving lead times. The business was not able to access jobs from big cooperates due to their limited capability.



SEDA'S INTERVENTION

The Technology Transfer Fund assisted the business with purchasing a lathe, milling machine, radial drill and a compressor.

THE OUTCOME

The equipment they received enabled them to move to their own premises, building credibility for the business to potential clients. The equipment also enabled them to do all the jobs that they could not do internally, which improved quality control and lead times. They were able to demonstrate their capabilities to potential clients which led to them getting more jobs from big corporates.

As a result the turnover has increased from R 1 million to R 5,5 million per annum, a 450% increase. The business has so much work that they have outgrown the equipment due to the demand and they are in the process of applying for a development loan in order to expand their capacity.





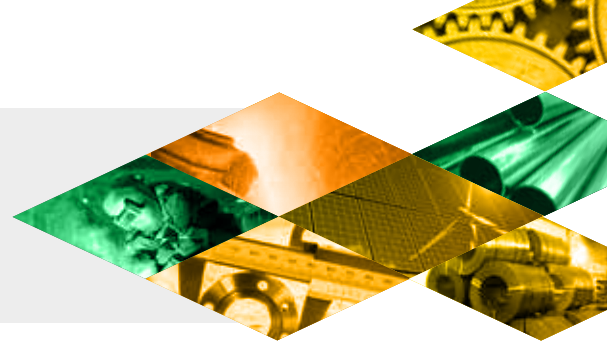
CYBRONIX (PTY) LTD

LOCATION KIMBERLY, NORTHERN CAPE

SEDA BRANCH FRANCES BAARD

BUSINESS SERVICE

“The assistance received from Seda has enhanced our professional image”



BACKGROUND

The business is owned by Neo Mpolokeng and Joel Sekgoro, it was registered in 2010 and it's based in Kimberley. Cybronix (Pty) Ltd offers smart metering solutions, electricity reticulation, revenue protection and its clientele includes parastatals, government departments as well as municipalities. The entity is the only business in the Northern Cape selected to be part of the National Gazelles for the 2016/2017 Financial Year. The Gazelles programme was specifically designed to support and accelerate growth of 40 businesses nationally over a two year period.

CHALLENGES

The business needed assistance with brand promotion in order to position itself in the market. Brand challenges comprised of outdated logos, lack of uniform business templates, absence of website and corporate email addresses. Cybronix was also in need of a business plan to use as a management tool and to access funding in order to support its growth plans.

SEDA'S INTERVENTION

Seda assisted the client with a number of interventions which included the designing of a new logo, marketing material as well as a website. A comprehensive business plan was developed and submitted to various funding institutions. The business benefitted through the National Gazelles by implementing best practices from others in the programme, as well as business skills transferred by the duly appointed Service Provider.

THE OUTCOME

The marketing intervention has enhanced the business image and professionalism, the business has managed to grow substantially increasing turnover by 130%. When the business became a Seda client, it employed 8 employees including the directors and currently boasts a staff compliment of 31 employees.





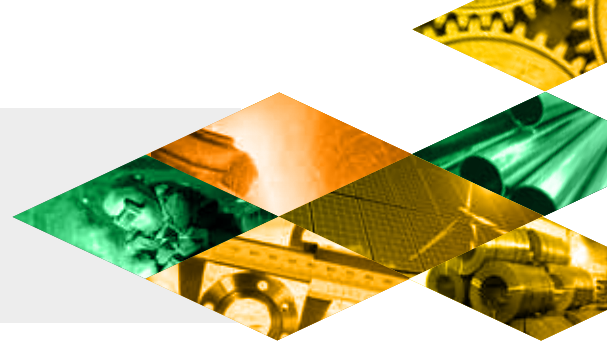
EMEM PARTS & SERVICES CC

LOCATION SPRINGBOK, NORTHERN CAPE

SEDA BRANCH NAMAKWA

BUSINESS ENGINEERING, MECHANICAL AND ALL RELATED SERVICES

“Seda’s support was really crucial and fundamental in making our business sustainable”.



BACKGROUND

Earthmoving Mining Equipment Maintenance Parts and Services is a Close Corporation, that is 100% owned by Mr Cloete and it was registered in 2006. It is based in Springbok and specialises in delivery of mechanical, supply, repair and maintenance of machinery. Since registration the business had been inactive for approximately 7 years as Mr Cloete was working permanently elsewhere. He decided to resuscitate the enterprise following his resignation in 2013.

While he was employed, he realised that there was a high demand for supply and maintenance services within the engineering space. Since he started the business he has managed to secure contracts from Vedanta Mine in Aggeneys and various government departments such as Road and Public Works. His clientele also comprises of local municipalities, mining industries as well as local consumers. The quality of his products are of the highest standard and competitive in prices.

CHALLENGES

The owner approached Seda for assistance, he realised that capturing of the payroll took much time and focus on other aspects of the business was partial. Absence of an effective personnel management system led to discrepancies in salaries and leave management of employees. There was also no guidance on disciplinary processes.

SEDA'S INTERVENTION

An assessment was done to determine the business needs, it was found that the business could be supported through mentorship in order to address human resources challenges.

THE OUTCOME

Through mentorship the business managed to have proper HR Policies and Payroll systems. After this intervention, the business turnover increased from R1,9 million to R2,2 million in 2018, this is due to the fact that the business owner had enough time to focus on attracting clients. The staff compliment equally improved from 10 to 14 employees.





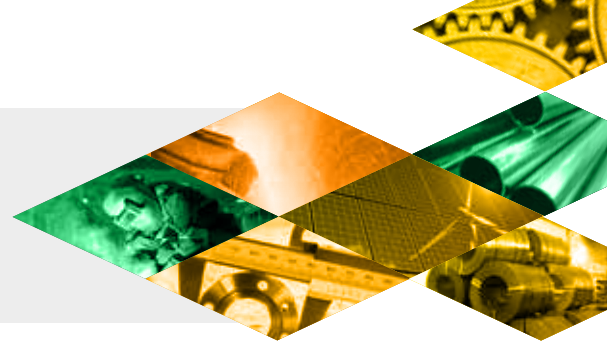
CURVE AUTO GLASS CC T/A PG GLASS MAFIKENG

LOCATION MAHIKENG, NORTH WEST

SEDA BRANCH NGAKA MODIRI MOLEMA

BUSINESS ALUMINIUM MANUFACTURER AND WINDSCREEN INSTALLATION

“Seda’s intervention has enabled us to explore growth opportunities.”



BACKGROUND

Curve Auto Glass CC was established by Mr Hepson Serache. The business was registered in 1984 as Molopo Fitment Centre. In 1991 the owner bought a PG Glass franchise and introduced aluminium manufacturing. The name of the business was then changed to Curve Auto Glass. The business is based in Stadt Village in Mahikeng in the North West Province.

Curve Auto Glass manufactures aluminium window and door frames and installs windscreens. The business started to provide customers with an alternative as the only aluminium manufacture at the time was in Johannesburg, which is 250 km away. Starting in a small workshop, the business has grown and now operates from premises that have a complete workshop, offices and showroom.

CHALLENGES

- The business was growing at a slow rate and did not have a growth strategy in place to align all its systems. It also lacked sufficient skills to drive growth.
- The business was also experiencing high staff turnover and therefore the business needed to attract and retain skilled employees.

SEDA'S INTERVENTION

An assessment of the business needs was conducted, major challenges were prioritised and recommendation to appoint a mentor was implemented. The mentor was tasked to

develop a comprehensible growth strategy and implement HR policies and procedures.

THE OUTCOME

Through Seda’s intervention and support, the owner has managed to implement a growth strategy and reduce staff turnover rate. The business annual turnover has increased by 7.6% from R 5,6 million to R 6,06 million. The number of jobs has increased from 18 to 24, an increase of 33.3%.





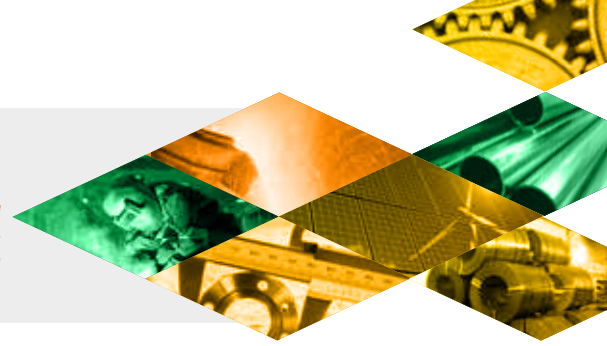
DORING BAY ABALONE (PTY) LTD

LOCATION STELLENBOSCH, WESTERN CAPE

SEDA BRANCH VREDENBURG BRANCH

BUSINESS AQUA FARMING – ABALONE

“The relationship with Seda came at the right time, it provided us with professional presence through promotional materials”



BACKGROUND

Doring Bay Abalone is a community black owned farm which was established in 2011. The farm is administered by Doring Bay Community Trust and it is the first biggest black-owned abalone farm in South Africa. The farm is located in the Matzikama coastline which is perfectly suited to Abalone Farming. Extensive surveys of the Matzikama coastline revealed an unrivalled potential for marine aquaculture and in particular land-based abalone farming and abalone ranching.

In 2008, the Doring Bay Community Trust signed a lease for the premises of the abandoned crayfish processing plant, which is owned by the Department of Public Works, with the aim of establishing an abalone farm and other businesses on the premises. Doring Bay Abalone currently farms more than 1.5 million abalone in various stages of development. The farm is based in Doring Bay in the West Coast District.

CHALLENGES

The following challenges were identified; lack of promotional materials, lack of business skills such as financial management and operational planning. Other challenges included lack of knowledge of the industry trends, poor costing and income planning, lack of effective stakeholder and community consultation.

SEDA'S INTERVENTION

A diagnostic assessment was conducted on the business which confirmed its challenges and the following interventions

were implemented; assistance with promotional materials, assistance with access to finance from the Department of Rural Development and Land Reform. Assistance for a permit to increase the abalone quota and facilitation to enter the PERA award competition.

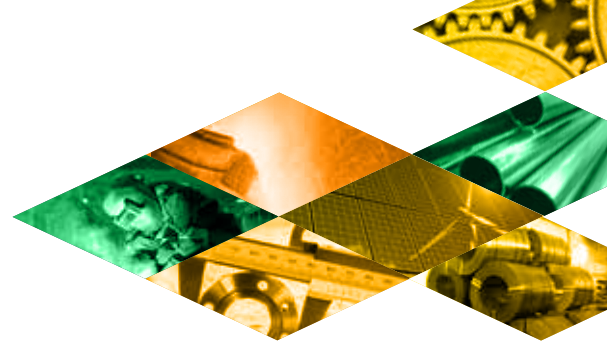
THE OUTCOME

The business turnover increased from R 4,5 million to R 6,2 million which is an increase of 38%. Employment increased from 36 to 44 which is an increase of 22%. The business received R 4,2 million grant from the Department of Rural Development and Land Reform. The environmental record of decision was approved by the Provincial Government to increase the plant from a 40 tonnage to a 60 tonnage farm. The business also received an award for best performing SMME recognised by IDC in October 2016 and also received PERA award for the best business in job creation in November 2016.





PART C
GOVERNANCE



INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance with regard to public entities is applied through the prescripts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King Reports on Corporate Governance. Parliament, the Executive and the Boards of the public entity are responsible for corporate governance. Seda is in the process of reviewing its corporate governance structures and processes to be aligned with the newly adopted King IV™ Code on Corporate Governance.

PORTFOLIO COMMITTEES

Parliament exercises its oversight role of Seda through evaluating the performance of the public entity by interrogating their annual financial statements and other relevant documents which have to be tabled as well as any other documents tabled from time to time. The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of Seda's external auditor. The Portfolio Committee exercises oversight over the service delivery performance of Seda and as such, reviews the non-financial information contained in the annual reports of Seda and is concerned 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 PFMA governs authority to the Executive Authority for oversight powers. The National Small Enterprise 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.

Seda submits the following reports to the Executive Authority on an annual basis: strategic and annual performance plans for approval together with budgets to complement Seda's strategic plans. During the 2017/18 financial year, Seda submitted four quarterly reports and an annual performance report 2017/18 as required by the Executive Authority.

THE ACCOUNTING AUTHORITY/ THE BOARD

INTRODUCTION

The Board of Directors are the Accounting Authority of Seda. The Board constitutes a fundamental base for the application of corporate governance principles in Seda. Seda is headed by and controlled by an effective and efficient Board, the majority of the members are independent and non-executive directors representing the necessary skills to strategically guide Seda. Non-executive members ensure independence and objectivity in decision-making.

BOARD MEMBERS



MR DENNIS THABANENG

Chairperson: Strategy and Organisational Performance Committee

Member: Human Resources and Remuneration Committee

Member: Audit and Risk Committee

MS PRECIOUS LUGAYENI

Chairperson: Human Resources and Remuneration Committee

Member: Strategy and Organisational Performance Committee

DR IVOR ZWANE

Chairperson: Board
Member: Strategy and Organisational Performance Committee

MS MANDISA TSHIKWATAMBA

CEO (ex officio)

MR MOTSHWANEDI JOE

LESEJANE

Chairperson: Audit and Risk Committee
Standing Invitee



MR MOJALEFA MOHOTO

Member: Strategy and Organisational Performance Committee

MS ZANELE MONNAKGOTLA

Member: Strategy and Organisational Performance Committee

Member: Human Resources and Remuneration Committee

Member: Audit and Risk Committee

DR MARIUS VENTER

Deputy Chairperson: Board
Member: Human Resources and Remuneration Committee

MS ANJUE HIRACHUND

Member: Strategy and Organisational Performance Committee

Member: Human Resources and Remuneration Committee

Member: Audit and Risk Committee

MR THAKHANI MAKHUVHA

Member: Strategy and Organisational Performance Committee

Member: Audit and Risk Committee

The Board has an absolute responsibility for the performance of the public entity and is fully accountable for such performance. The Board gives strategic direction to the public entity.

The role of the Board is as follows:

- It holds absolute responsibility for the performance of the public entity;
- It retains full and effective control over the public entity;
- It has to ensure that the public entity complies with applicable laws, regulations and government policy;
- It has unrestricted access to information of the public entity;
- It formulates, monitors, reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans;
- It ensures that the shareholder's performance objectives are achieved;
- It manages potential conflicts of interest;
- It develops a clear definition of levels of materiality
- The Board must attend annual meetings;
- It ensures financial statements are prepared;
- The Board must appraise the performance of the Chairperson;
- It must ensure effective Board induction;

- Must maintain integrity, responsibility and accountability;
- The Board 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, setting out the roles, structures and functions of the Board and its various Subcommittees. The Board Charter is reviewed annually to ensure alignment with best practise and to test compliance. Furthermore, the Charter confirms:

- 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 public entity risk management and internal controls;
- Communication policy, orientation and evaluation;
- A Self Evaluation of the Board and Board Committees' took place during the year under review and action plans were put in place to address areas requiring improvement.



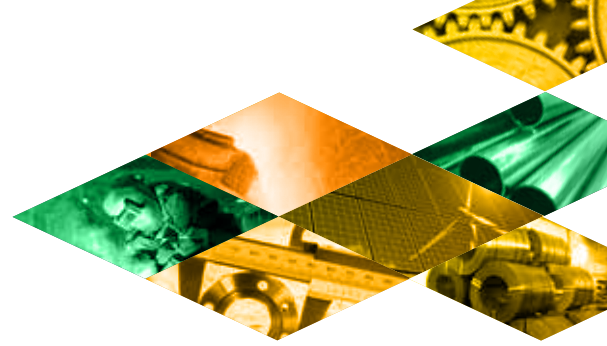
COMPOSITION OF THE BOARD

The Board consists of 9 Non-executive Board members, including the Chief Executive Officer (CEO) as an executive member. The Minister appoints the CEO on such terms and conditions as may be determined by the Board and when it is necessary to appoint a member to the Board, the Minister, through the media and by notice in the Gazette, invites nominations of persons as candidates for such appointment. The Executive Management team is appointed by the CEO after consultation with the Board.

Executive Management is employed on the basis of a fixed-term contract. The Board is diverse in respect of origin, gender, race and education. Together, the members bring a wealth of experience and expertise to Seda. 44 % of the Board members are women, while 89% are from historically disadvantaged racial groups. The Board is required to meet as often as the business of Seda requires, but at least six times a year.

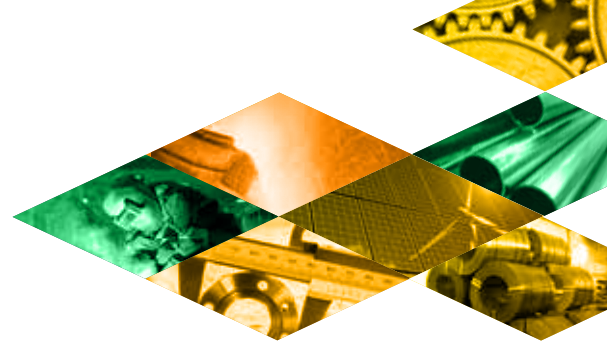
NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	QUALIFICATION	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO OF MEETINGS ATTENDED
Dr Mzwandile Ivor Zwane	Board Chairperson	01 September 2010	PhD Chemistry Wits University M S Chemistry University of Notre Dame (USA) Bsc (Hons) Chemistry Bsc Computer Science and Chemistry University of Fort Hare	Business strategy and organisational management Corporate governance Corporate Communication Social entrepreneurship Mentoring and coaching	Board Director BOAS Trust Society of Cosmetic Chemists SA	Strategy and Organisational Performance Comm.	18
Dr Marius Venter	Board Deputy Chairperson	01 September 2010	D Com Economics M Com Economics B Com (Hons) Economics B Com Law Rand Afrikaans University	Local Economic Development Strategic planning Entrepreneurship	Economic Development	Human Resources and Remuneration Comm. Audit and Risk Comm.	17
Mr Dennis Thabaneng	Member	01 September 2008	MSC Management Arthur D Little, Boston, USA B Com (Hons) Business Economics B Com Business Economics University of Zululand ND: Medical Technology Pathology Laboratory Services/King Edward VIII Hospital, Durban	Infrastructure development and funding Entrepreneurial development Business management Business strategy Corporate governance			24

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	QUALIFICATION	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO OF MEETINGS ATTENDED
Ms Precious Lugayeni	Member	01 September 2008	M Ed Economics Education B Ed (Cum Laude) B A (First Class) University of Zululand Higher Diploma Education (Post Graduate) University of Natal	Education and training Economic development Trade and investment Organisational strategy	Smart Exchange	Chairperson - Human Resources and Remuneration Comm Strategy and Organisational Performance Comm	23
Ms Zanele Monnagotla	Member	01 September 2015	Masters in Finance B Com Degree LLM WITS University	Project Finance, Structured Finance, Commercial Law, Innovation and Strategy	Sasol Inzalo Public South African Bureau of Standards National Advisory Council on Innovation CIPC	Human Resources and Remuneration Comm. Strategy and Organisational Performance Comm. Audit and Risk Comm.	19
Ms Anjue Hirachund	Member	01 September 2015	MBA WITS University MDP UNISA Dip Quality Management Diploma Production Management Damelin ND:Chemical Engineering Technikon Natal	Strategic Leadership Corporate Governance Business Ethics Strategy and Operations Human Resources	Board Member: Ports Regulator of South Africa REMCO Chair - Ports Regulator of South Africa	Human Resources and Remuneration Comm. Strategy and Organisational Performance Comm. Audit and Risk Comm.	24



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	QUALIFICATION	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO OF MEETINGS ATTENDED
Mr Thakhani Makhuvha	Member	2013 – till end of employment as Sefa CEO	Masters Degree Financial Management University of Johannesburg B Compt Hons UNISA B Com Accounting University of Venda Leadership Development Programme GIBS	Corporate finance Risk management Credit management Corporate governance Strategic planning Business continuity Small business development Private equity Investment banking	Ex-Officio: Sefa Director: Business Partners Limited	Strategy and Organisational Performance Comm Audit and Risk Comm	16
Mr Mojalefa Mohoto	DSBD Representative	01 September 2010	MA in Public and Development Management Postgrad Diploma in Development Management WITS University BA Degree VISTA University	Enterprise Development Policy co-ordination	Non-executive Director: Sefa Non-Executive Director: FASA Committee Member: South African Chamber of Commerce and Industry small business committee Board member: Cooperatives Incentive Scheme Panel member: Technology for Women in Business (TWIB)	Strategy and Organisational Performance Comm.	13

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	QUALIFICATION	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES OR TASK TEAMS	NO OF MEETINGS ATTENDED
Mr Johannes Lesejane	Invitee	27 May 2009	CA (SA) Fellow Chartered Management Accountant (UK) B Compt (Hons) Accounting B Com Accounting Certificate in Control Self-Assessment (CCSA)	Internal and external auditing Enterprise risk management Financial accounting Management accounting Taxation Mergers and acquisition Business continuity	Export Credit Insurance Corporation Ltd (ECIC) Attorneys Indemnity Insurance Fund (NPC) Independent Regulatory Board of Auditors	Audit and Risk Committee	12
Ms Mandisa Tshikwatamba	Seda CEO	01 August 2016	B Admin BA Programme: Finance and Investment Management Post Grad Dip Marketing Management; Bcom (Hons) Development Studies UNISA MBA Regent Business School	Public Administration, Corporate Governance and Risk Management, Enterprise Development and Policy Coordination	Trustee: Tshikwatamba Family Trust	Ex-Officio	24



COMMITTEES

The Board has several committees to assist in the discharge of its duties as set out below, though retaining its responsibility in relation to the delegated tasks. Each committee operates within defined terms of reference and is chaired by a non-executive board member. Committee members were nominated by the Board based on their respective qualifications and expertise.

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, is responsible for formulating the human resources, and social and ethical strategy and policies. During the year under review this committee was tasked with the additional responsibilities for social and ethics matters.

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAMES OF MEMBERS
Human Resources and Remuneration Committee	6	7	Ms Precious Lugayeni (Chairperson) Mr Dennis Thabaneng Mr Thakhani Makhuvha Dr Marius Venter Ms Zanele Monnagotla Ms Anjue Hirachund Ms Mandisa Tshikwatamba (CEO)

Audit and Risk Committee

The Audit and Risk Committee consists of non-executive Board members appointed by the Board. The committee meets at least every quarter in a year 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. Appropriate Executive and Senior Managers attend these meetings as standing invitees. The committee has agreed terms of reference approved by the Board. The report of the Audit and Risk Committee is included in the annual financial statements. The committee 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 thereto reviewed regularly by the Committee.

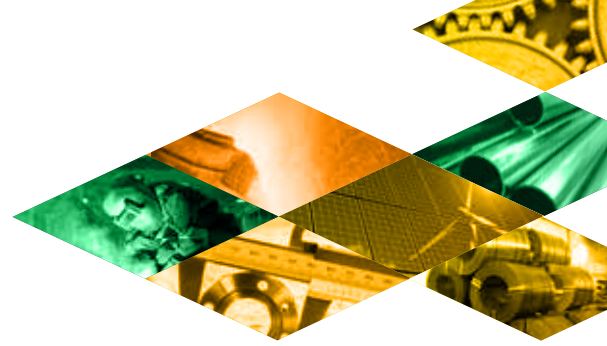
COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAMES OF MEMBERS
Audit and Risk Committee	5	7	Mr Joe Lesejane (Chairperson) Dr Marius Venter Mr Dennis Thabaneng Mr Koos Roelofse (dti representative) Mr Thakhani Makhuvha Ms Anjue Hirachund Ms Zanele Monnagotla

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	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAMES OF MEMBERS
Strategy and Organisational Performance Committee	7	8	Mr Dennis Thabaneng (Chairperson) Dr Ivor Zwane Mr Thakhani Makhuvha Mr Mojalefa Mohoto MS Precious Lugayeni Ms Anjue Hirachund Ms Zanele Monnagotla Ms Mandisa Tshikwatamba (CEO)





Remuneration of board members

Non-Executive Directors remuneration is based on meetings attendance, and other *ad hoc* non-meeting duties performed on behalf of Seda, at the rate which has been approved by the Shareholder, taking cognisance of National Treasury (NT) guidelines, which is annually increased.

Name	Director fees	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Re-imbursments	TOTAL R
Hirachund, A	156 159	220	20 160	-	-	-	405	176 944
Lugayeni, PF	237 496	1 430	11 740	-	-	-	1 110	251 776
Makhuvha, TR	11 765	-	7 200	-	-	-	50 747	69 712
Mohoto, M *	-	-	-	-	-	-	-	-
Monnagotla, Z	128 021	110	14 400	-	-	-	-	142 531
Thabaneng, DMN	190 690	330	18 025	-	-	-	297	209 342
Tshikwatamba, NM	-	2 090	19 000	2 359 809	60 000	131 745	3 277	2 575 921
Venter, M	144 532	220	3 072	-	-	-	-	147 824
Zwane, I	255 789	1 100	25 637	-	-	-	-	282 526

Name	Consultant Fees	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Re-imbursments	TOTAL R
Lesejane, MJ	162 190	330	7 200	-	-	-	-	169 720

RISK MANAGEMENT

Seda's Enterprise Risk Management (ERM) principles depend on taking calculated risks when pursuing opportunities to achieve strategic goals, without jeopardising the direct interests of Seda and its stakeholders. The Seda 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 (ARC), whose main responsibilities are to ensure that Seda has implemented an effective Risk Management Policy and Risk Management Plan that will enhance the Seda's ability to achieve its strategic objectives.

The implementation of the Enterprise Risk Management (ERM) framework contributes to:

- Proactively identifying, managing and monitoring enterprise risks so as to minimise losses and disruption to the organisation;
- Promoting and embedding a risk-conscious culture and behaviour throughout Seda;
- Complying with relevant legal and regulatory requirements; and
- Integrating risk into the internal audit methodology such that internal audit becomes risk based.

An annual risk assessment was conducted in respect of the strategic and operational risks and was aligned to the strategic and operational planning processes of Seda. The risks are monitored on an on-going basis in relation to risk mitigation strategies or plans, relevance and adequacy of

existing controls, the identification of emerging key and significant risks. Risk management and the tabling of the strategic risk register of the organisation is a standing item on the agenda of the Executive Committee (EXCO) and the Audit and Risk Committee.

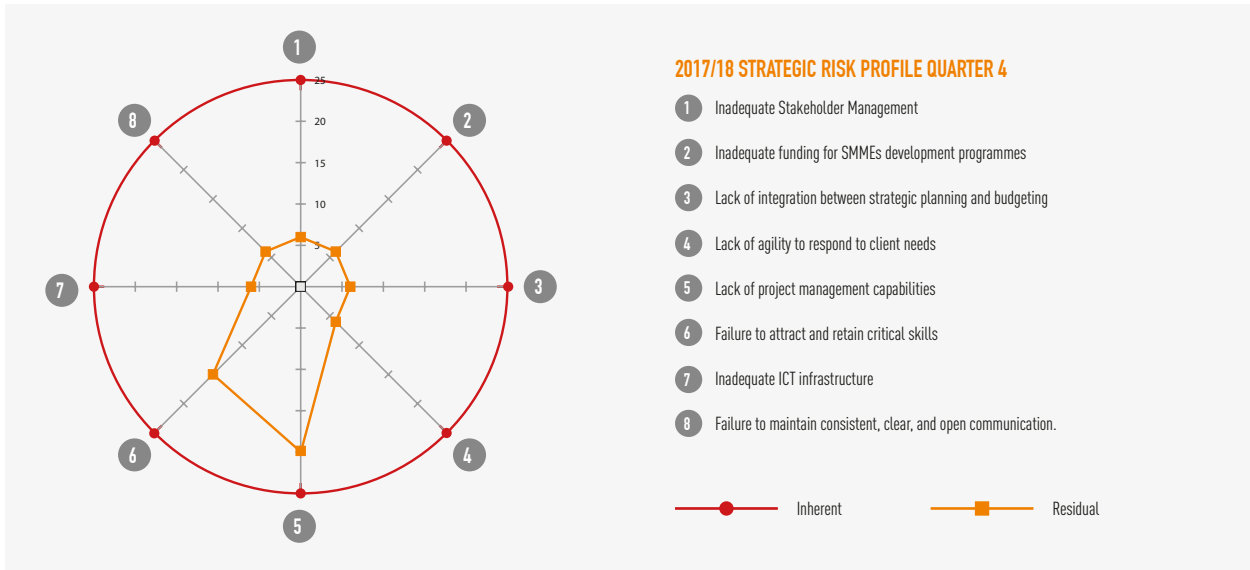
During 2017/18 Seda managed its key risks adequately in the light of the issues and challenges facing the SMME sector.

Seda risk Treatment Action Plans showed improvement in comparison to the previous financial year whereby 71% of the action plans in mitigating the risks were implemented irrespective of the budgetary constraints in the public sector. Seda has showed signs of improvements in embedding risk management culture and systems within the operational and strategic levels of the organisation.

The diagram on the following page provides an overview of Seda's strategic risks universe for 2017/18.

In addition, a Risk Appetite Framework (which includes a risk-bearing capacity) has been developed and forms part of the risk-reporting and monitoring philosophy. Essentially, in pursuit of strategy/direction, there are certain risks that Seda agrees to take and it is determined that such risks typically fall within the risk appetite of Seda. Risk appetite sets parameters which guides Seda in the amount of risk (upside and downside) the entity should accept in alignment with strategic objectives.

The statement recommends appropriate risk appetite parameters for consideration by Seda management, ARC and the Board. The following principles guides the definition and the implementation of risk appetite within Seda:



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 the external and internal auditors ensures that adequate and efficient audit reviews of these controls take place for effective and efficient management of systems. The internal control is generally and internal mechanism for ensuring an effective internal controls are maintained.

INTERNAL AUDIT AND AUDIT COMMITTEES

The primary objective of the internal audit unit is to: Assist the Chief Executive Officer and the Audit and Risk Committee in

the effective discharge of their responsibilities, and provide strategic support to management 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 for the purpose of providing an independent assessment on risk management, control or governance processes for Seda) and

- Consulting services are performed at the specific request from management. The nature and scope of the consulting engagement are subject to agreement with management and are intended to add value and improve the Seda's operations.

To this end, Internal Audit provides management with independent analyses, appraisals, recommendations, counsel and information concerning activities reviewed, with a view to improving accountability and performance.

During the 2017/18 financial year, Internal Audit executed its risk-based audit plan which is based on the key risks identified. The plan was approved by the Audit and Risk Committee. The areas of audit focussed on the following:

- Financial Discipline Review;
- Supply Chain Management Review;
- Marketing & Communications Review;
- Compliance Management Review;
- Human Resource Management Review;
- Information Technology General Controls Review;
- Co-operatives & CPPP Review;
- Performance Information Review;
- Pastel Evolution Pre-Migration Review;
- Planning and Budgeting 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 and they include amongst others:

- Investigation Report on Irregular Expenditure – Gazelles Programme;
- Seda eThekweni Due Diligence;
- Limpopo Province, Root Cause Analysis for Investigation Cases;
- eHlanzeni Rapid Incubator – Management Reports Review;
- Review the accuracy of salary increases and performance bonus pay-outs.

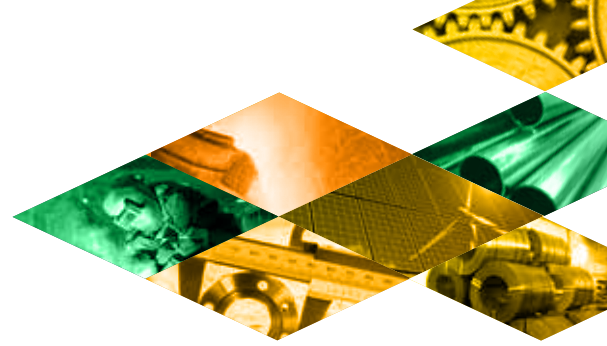
COMPLIANCE WITH LAWS AND REGULATIONS

Seda recognises the essential role that compliance with applicable legal and regulatory requirements plays in the governance and sustainability of its business.

The Compliance management function provides support to business relating to regulatory reporting obligations. The function further provides regulatory training to employees and management relating to applicable legislation and changes to legislation.

On an annual basis a list of prioritised acts are selected and focused on. During the 2017/2018 financial year a total of 10 (ten) acts were identified for compliance control capturing, monitoring and reporting thereon.

During the year awareness sessions were conducted across the Seda network focusing on the Protection of Personal Information Act, No 4 of 2013 and the Promotion of Access to Information Act, No 2 of 2000. Monitoring was conducted



on Basic Conditions of Employment (BCEA) and Public Finance Management Act (PFMA), plus a follow-up on the Occupational Health and Safety Act. This exercise was conducted at Provincial and Branch Offices of Seda.

FRAUD AND CORRUPTION

During the year the Board approved the Fraud Prevention Policy and the fraud policy statement in deterring or combating unethical conduct and minimising fraudulent activities within the operational activities of the organisation.

WHISTLE-BLOWING

All employees and management have been trained on anti-fraud and corruption during the year to entrench a culture and a responsibility to report wrongdoing or misconduct. Seda has established a partnership and co-operative relationship with the office of the Public Service Commission (PSC) in the fight against fraud and corruption.

INVESTIGATION PROCESS

During 2017/18 financial year, twelve cases of alleged fraud and other irregularities were reported with the highest number being Northern Cape Provincial Office with five (5) cases recorded followed by Limpopo and National Office with two (2) cases each. All cases were investigated and reported thereon with recommendations to management, ARC and the Board. In trying to instil the ethical behaviour and reducing the misconduct activities within Seda, Risk and Compliance Unit conducted Fraud and Corruption awareness workshops

throughout the organisation and encouraged the reporting of fraudulent activities through NACH.

MINIMISING CONFLICT OF INTEREST

All Seda employees are required to declare external interests annually. Seda also has a Gift and Hospitality Policy regulating gifts, donations and sponsorship to prevent fraud and corruption. Board Members are required to declare their financial interests annually and at each meeting.

CODE OF CONDUCT

Seda's 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 and the highest standards of propriety and to comply with Seda's code of ethics. Seda is committed to compliance and good corporate governance.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The health and safety of our employees is important to Seda. The organisation has made strides to ensure that we have a structure in place to look for the safety of employees. In each province and in the national office there are health and safety representatives who have been trained in providing advise and responding to safety issues. Every 6 months different Seda offices perform a safety and evacuation drill to ensure that employees are aware of the procedure to follow in the case of emergencies.

COMPANY SECRETARY

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

SOCIAL RESPONSIBILITY

In the year under review the organisation participated in a take a girl child to work campaign which was championed by Cell C. Girls from local schools around Pretoria spent the whole day at Seda. Different presentations on our organisation were shared with them. Moreover, they were taken to different employee working stations where they received insight on various careers. Provinces also had different initiatives to support the campaign.





AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is pleased to present the report for the financial year ended 31 March 2018.

AUDIT COMMITTEE RESPONSIBILITY

The Audit 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 Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

THE EFFECTIVENESS OF INTERNAL CONTROL

Our 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 Audit and Risk Committee.

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

- Internal Financial Controls Review;
- Marketing and Communications Review;
- Compliance Management Review;
- Human Resource Management Review;
- Information Technology General Controls Review;
- Co-operatives and CPPP Review;
- Planning & Budgeting Review;
- Performance Information Review; and
- Ongoing follow up reviews on open findings.

Overall, from the majority of the audits completed, the Committee is satisfied that the control environment is adequate and effective to provide the necessary assurance to the Seda Board and its stakeholders on the fulfilment of the Committee's role.

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT:

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

EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the annual financial statements prepared by the public entity.

EFFECTIVENESS OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

The Audit and Risk Committee has further formally evaluated the effectiveness of the Chief Financial Officer and finance function and found them adequate.

AUDITOR'S REPORT

All audit recommendations accepted by management in the prior year on matters included in the auditor's report and other important matters were implemented, or alternative actions were taken to resolve the finding.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements, as well as the Annual Integrated Report, and is of the opinion that the audited annual financial statements and the Annual Integrated Report be accepted and read together with the report of the Auditor-General. The Audit Committee recommended the audited annual financial statements to the Seda Board, for adoption, as well as the AGSA Management report for noting at its meeting convened on the 24th July 2018.



Motshwanedi Joe Lesejane

Chairperson of the Audit and Risk Committee

Date: 31 July 2018



PART D
**HUMAN RESOURCE
MANAGEMENT**

HUMAN RESOURCE MANAGEMENT

“If everyone is moving forward together, then success takes care of itself.” — Henry Ford

INTRODUCTION

It is widely acknowledged that employees are most productive when the working environment reflects a caring and supportive management culture. The human resources (HR) function is an important enabler to ensure that employees remain motivated, focused and committed in achieving the organisational goals. In 2017/18 financial year, a concerted effort has been put in place in ensuring that existing human resource policies are reviewed and others are developed to create a conducive environment for Seda employees.

RECRUITMENT

Seda continues to focus on effective ways of attracting, shortlisting, selecting and appointing suitable candidates with the right skills, knowledge, competencies and attributes. In 2017/18 financial year the organisation continued to work tirelessly to ensure that the vacancy rate annual target is achieved. Seda’s objective is to ensure that all approved vacant positions are filled. The annual vacancy rate set target was 5% and the organisation achieved 4.4% meaning the annual set target was achieved and exceeded. Seda remains committed to ensure that the vacancy rate is continuously reduced and maintained at an acceptable level.



CAPACITY BUILDING

Seda complied with Services Seta requirements by submitting the annual Workplace Skills Plan (WSP) and Annual Training Plan (ATR). This initiative has assisted the organisation to quantify the extent at which Seda made an impact in empowering its human capital.

PERFORMANCE MANAGEMENT

Seda promotes a performance driven culture. The organisation recognises, reinforces and rewards good performance. Seda employees are continuously sensitised on what is expected from them, in order to ensure that their performance contribution is inline and aligned with the strategic goals of the organisation. All Seda employees entered into annual performance contracts, monitored and

evaluated in line with the prescripts of the Performance Management and Development Policy (PMD).

PLANS FOR THE FUTURE

Future plans regarding the HR environment in Seda, include the following:

- Develop an Employment Equity Plan;
- Upgrading the payroll system to Sage People 300;
- Conduct organisation wide skills audit; and
- Implement an automated Job Evaluation system internally.



HUMAN RESOURCE REPORT 2017/18

STAFF COMPOSITION AND EMPLOYMENT EQUITY

TABLE1: EXISTING STAFF LIST BY BUSINESS UNIT AS AT 31 MARCH 2018

NAME OF DIVISION/PROVINCE	TOTAL STAFF LIST AS AT 31 MARCH 2018	NUMBER OF VACANCIES AS AT 31 MARCH 2018	TOTAL	% VACANCY RATE AS % OF TOTAL POSTS 31 MARCH 2018	CONTRACT STAFF AS PER MOUs/ SLAs
Office of the Chief Executive Officer	25	2	27	7.41%	0
Strategy and Information Management	24	0	24	0.00%	0
Corporate Services	42	3	45	6.67%	1
Enterprise Development	51	4	55	7.27%	2
Finance	27	2	29	6.90%	0
Seda Technology Programme	29	1	30	3.33%	1
TOTAL NATIONAL OFFICE	198	12	210	5.71%	4
Eastern Cape	57	0	57	0.00%	7
Free State	55	3	58	5.71%	7
Gauteng	26	2	28	7.14%	12
KwaZulu-Natal	57	4	61	6.56%	6
Limpopo	47	3	50	6.00%	4
Mpumalanga	49	2	51	3.92%	5
North West	48	3	51	5.66%	5
Northern Cape	49	2	51	3.92%	14
Western Cape	79	0	79	0.00%	4
TOTAL PROVINCIAL	467	19	486	3.91%	64
GRAND TOTAL	665	31	696	4.45%	68

Table 1 above indicates the existing staff as per the payroll data as at 31 March 2018. There were six hundred and sixty five active employees (665).

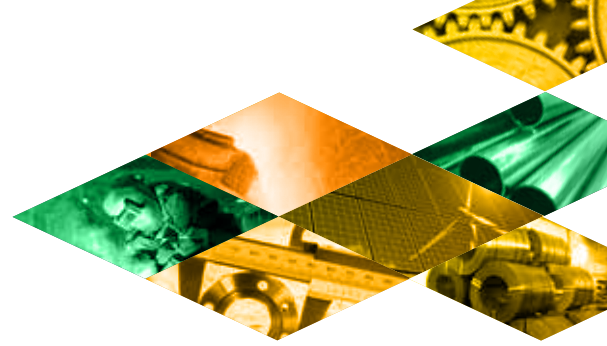
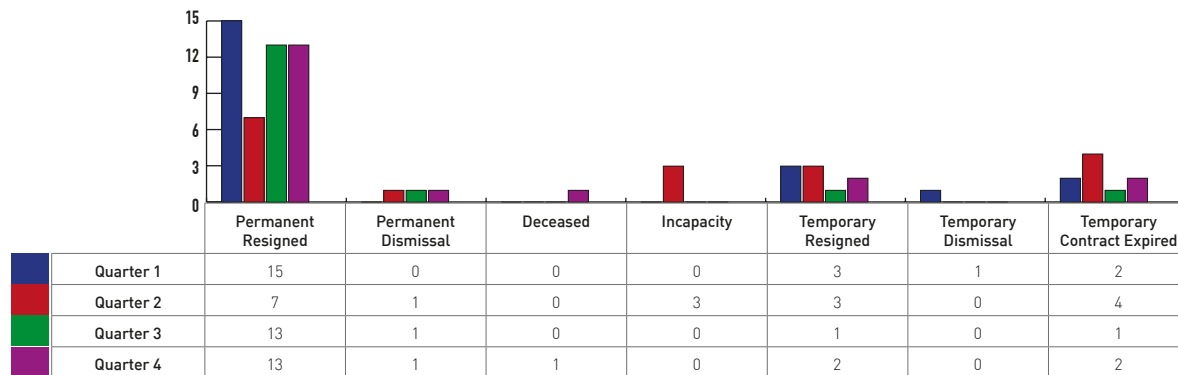


TABLE 2: EXISTING STAFF BY OCCUPATIONAL CATEGORIES AS AT 31 MARCH 2018

OCCUPATIONAL CATEGORY	MALES					FEMALES					FOREIGN NATIONALS		TOTAL
	A	C	I	W	TOTAL	A	C	I	W	TOTAL	MALES	FEMALES	
Top Management	2	0	0	0	2	4	0	0	0	4	0	0	6
Senior Management	9	4	0	4	17	5	1	0	2	8	0	0	25
Specialist	37	3	1	3	44	19	1	0	4	24	0	0	68
Junior Management	84	6	2	5	97	6	4	2	7	79	0	0	176
Skilled workers	88	8	0	3	99	90	13	2	5	110	0	2	209
Semi-Skilled Workers	15	1	0	0	16	147	13	0	5	165	0	1	181
GRAND TOTAL	235	22	3	15	275	331	32	4	23	390	0	3	665
Employees with disabilities	1	0	1	0	2	8	1	0	0	9	0	0	11
PERCENTAGE TOTAL	35.34%	3.31%	0.45%	2.26%	41.35%	49.77%	4.81%	0.60%	3.46%	58.65%	0.00%	0.45%	100.00%

Table 2 statistics in the table above indicate that female employees are still in the majority at 58.65% compared to the male employees at 41.35%

GRAPH 1: STAFF MOVEMENT FOR THE 2017/2018 FINANCIAL YEAR

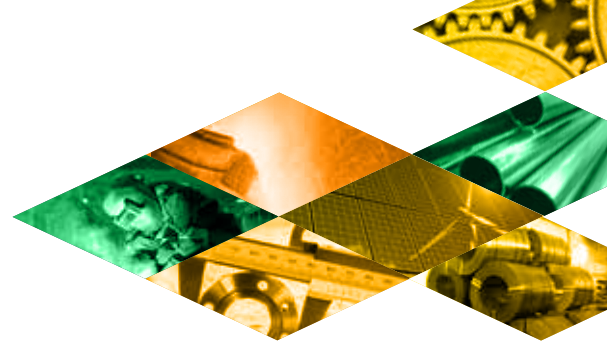


The graph above illustrates that a total of seventy four (74) employees exited the organisation during the 2017/2018 financial year, fifty five (55) employees are permanent employees and nineteen (19) employees are contract employees. Quarterly statistics are reported on this graph.

HIV/AIDS HEALTH PROMOTION PROGRAMMES AND LABOUR RELATIONS

TABLE 3: HIV/AIDS HEALTH PROMOTION PROGRAMMES

Question	Yes	No	Details, if yes
Does the entity have a dedicated unit or has it designated specific staff members to promote health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<p>Organisation has a dedicated EWP Unit, and has employed a Wellness Consultant who provides support to National and Provincial Office staff.</p> <p>Annual Budget: R868 394.00</p>
Has the entity introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme	X		<p>An external Wellness service provider (ICAS) has been appointed for a period of 12 months, and their contract is coming to an end at the end of May 2018. ICAS has again been selected as a preferred Wellness service provider for a period of 36 months (i.e. 3 years) – their contract commences on the 1st of June 2018 and end on the 30th of June 2021.</p> <p>ICAS provides a 24 hour psycho-social counselling to staff (telephonic and face to face). Other services that they are providing are Managerial Consultancy Training, Health and Disease Management (including HIV & AIDS), Critical Incident Management, Absenteeism and Incapacity Management.</p> <p>Health Service Management is also provided through Alexander Forbes' "Specialist Health Care Services."</p> <p>Alexander Forbes took over from "Richard Birds" Medical Aids Brokers with effect from 31 October 2016 till 2019.</p>
Has the entity reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		<p>The HIV/AIDS and OHS policies developed to protect staff who are infected with HIV – as well as prevention of exposure to HIV infection have been reviewed and are to be submitted for approval during the 2018/19 financial year.</p>
Has the entity introduced measures to protect HIV positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.	X		<p>The appointed Wellness service provider also provides HIV & AIDS Management services, on-going counselling, care and support. Awareness campaigns on stigma prevention are conducted periodically as aligned to the National Health Calendar.</p>
Does the entity encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		<p>The HIV policy encourages staff to undergo Voluntary Counselling and Testing. Wellness Days and Campaigns are organised to create an environment that is conducive and supportive to all staff willing to undergo Voluntary Counselling and Testing.</p>



INJURY ON DUTY CASES

IOD cases = 1

IOD Cases settled = 1

LABOUR RELATIONS

TABLE 4: DISCIPLINARY CASES SUMMARY AS AT 31 MARCH 2018

DISCIPLINARY CASES	Number of Cases				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL
Dismissals	1	0	2	1	4
Final Written Warning (FWW)	1	0	1	2	4
Written Warning (WW)	2	1	4	4	11
Counselling / Verbal Warning	0	0	0	2	2
Withdrawn/Not guilty	2	0	0	0	2
TOTAL DISCIPLINARY CASES	6	1	7	9	23

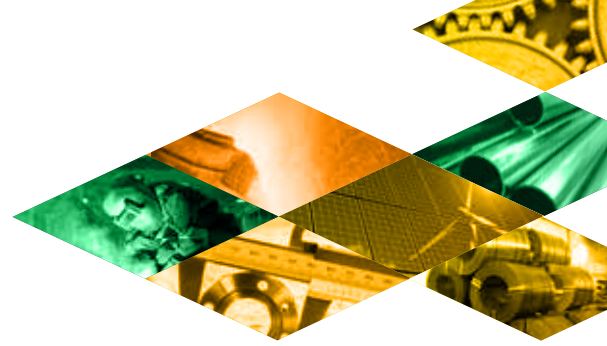
TABLE 5: GRIEVANCE CASES SUMMARY AS AT 31 MARCH 2018

GRIEVANCE CASES	Number of Cases				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL
Grievances	4	3	3	1	11
TOTAL GRIEVANCES CASES	4	3	3	1	11

TABLE 6: CCMA AND LABOUR COURT CASES AS AT 31 MARCH 2018.

CASES	NUMBER OF CASES				
	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
Conciliation	3	1	3	1	8
Arbitration	0	0	1	1	2
Settlement agreements	0	0	1	0	1
Pre-Dismissal Arbitration	0	0	0	0	0
Cases dismissed / withdrawn	3	1	1	0	5
TOTAL CCMA MATTERS	6	2	6	2	16
LABOUR COURT MATTERS					







PART E
**FINANCIAL
INFORMATION**



ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDITOR-GENERAL	102
ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT	106
STATEMENT OF FINANCIAL PERFORMANCE	108
STATEMENT OF FINANCIAL POSITION	109
STATEMENT OF CHANGES IN NET ASSETS	110
CASH FLOW STATEMENT	111
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL INFORMATION	112
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	114

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE 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 **108 to 156**, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the 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 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of the Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.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 this auditor's report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the 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.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the Small Enterprise Development Agency'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 accounting authority 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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. 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

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to 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.
12. 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 of the public entity for the year ended 31 March 2018:

Programme	Pages in the annual performance report
Programme 1 – organisational capacity	31 – 34

13. 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.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 1 – organisational capacity.

OTHER MATTERS

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report on pages 31 to 34 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

17. Identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 1 – organisational capacity. 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

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

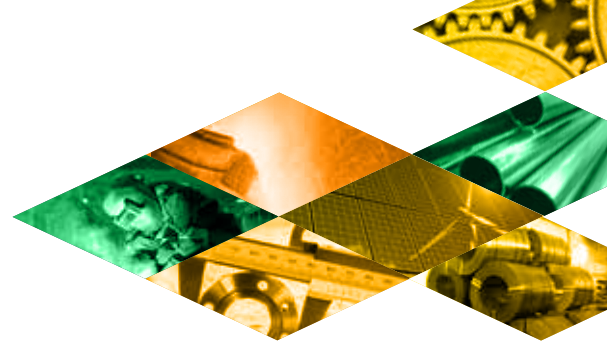
OTHER INFORMATION

20. 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.

21. 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 thereon.

22. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. If, based on the work I have performed, I conclude that there is a material misstatement in this other information; I am required to report that fact. I have nothing to report in this regard.



INTERNAL CONTROL DEFICIENCIES

24. 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. I did not identify any significant deficiencies in internal control.

Auditor - General.

Pretoria

31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

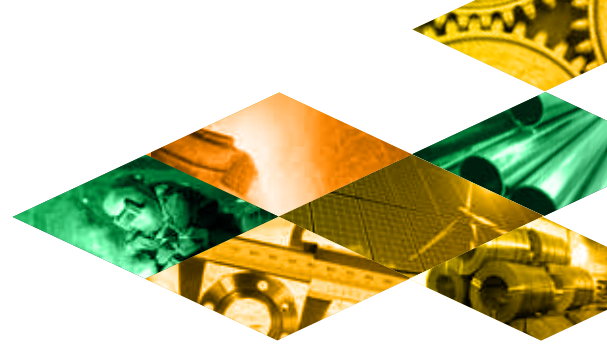
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for the selected programme and on the public entity's compliance 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 board of directors, which constitutes the accounting authority.
- conclude on the appropriateness of the board of directors, which constitutes 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 related to events or conditions that may cast significant doubt on the Small Enterprise Development Agency's ability 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 the 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 continuing as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2018

	NOTES	2018 R	Restated 2017 R
Revenue: Exchange		78 592 840	135 064 456
Interest received	2	7 672 967	8 937 960
Sundry income	2	1 562 040	3 747 297
Earnings from programmes and projects	2	69 357 833	122 379 199
Revenue: Non-exchange			
Government grants	2	721 912 000	620 682 000
- Seda		575 766 000	481 495 000
- Seda Technology Programme (STP)		146 146 000	139 187 000
TOTAL REVENUE	2	800 504 840	755 746 456
Expenses			
Depreciation, impairment and amortisation	3	(12 714 842)	(18 368 018)
Finance costs	3	(378 680)	(112 858)
Goods & Services	3	(430 355 696)	(453 274 383)
- Administrative and other costs		(145 472 423)	(139 502 402)
- Programme and project costs		(284 883 273)	(313 771 981)
Loss on sale of assets	3	(106 999)	(335 749)
Personnel cost	3	(326 302 540)	(300 160 411)
TOTAL EXPENSES		(769 858 757)	(772 251 419)
SURPLUS / (DEFICIT) FOR THE YEAR		30 646 083	(16 504 963)

STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

	NOTES	2018 R	Restated 2017 R
ASSETS			
Current Assets			
		204 195 011	98 300 406
Cash and cash equivalents	4	194 225 129	87 632 020
Accounts receivable	5	9 489 669	10 090 470
Inventories	6	480 213	577 916
Non Current Assets			
		49 759 418	54 639 340
Plant and equipment	7	49 248 520	54 024 751
Intangible assets	8	510 898	614 589
TOTAL ASSETS		253 954 429	152 939 746
LIABILITIES			
Current Liabilities			
		172 224 993	101 338 900
Accounts payable	9	136 048 380	75 484 092
Current portion of operating lease obligations	11	1 263 338	618 031
Provisions	10	34 913 275	25 236 777
Non Current Liabilities			
		3 115 541	3 633 034
Long-term portion of operating lease obligations	11	3 115 541	3 633 034
TOTAL LIABILITIES		175 340 534	104 971 934
NET ASSETS		78 613 895	47 967 812
ACCUMULATED SURPLUS		78 613 895	47 967 812
TOTAL NET ASSETS		78 613 895	47 967 812

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2018

	NOTES	Restated Accumulated Surplus / [Deficit] R
Balance at 01 April 2016		64 472 775
Deficit for the year		(17 697 796)
Adjustment to deficit for the year	21	1 192 833
Balance at 31 March 2017		47 967 812
Surplus for the year		30 646 083
BALANCE AT 31 MARCH 2018		78 613 895

CASH FLOW STATEMENT


for the year ended 31 March 2018

	NOTES	2018 R	Restated 2017 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Earnings from programmes and projects	15c	69 958 634	120 064 137
Interest received	2	7 672 967	8 937 960
Government grants	2	721 912 000	620 682 000
Sundry Income	2	1 562 040	3 747 297
		801 105 641	753 431 394
Payments			
Finance costs	3	(378 680)	(112 858)
Personnel cost	3	(326 302 540)	(300 160 411)
Suppliers		(359 889 393)	(526 463 573)
		(686 570 613)	(826 736 842)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	15b	114 535 028	(73 305 448)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of assets		212 704	376 097
Purchase of assets	15a	(8 154 623)	(17 431 807)
NET CASH USED IN INVESTING ACTIVITIES		(7 941 919)	(17 055 710)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH USED IN FINANCING ACTIVITIES		-	-
Net increase / (decrease) in cash and cash equivalents		106 593 109	(90 361 158)
Cash and cash equivalents at the beginning of the year		87 632 020	177 993 178
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	194 225 129	87 632 020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL INFORMATION

for the year ended 31 March 2018

	Original Budget 2017/18 R	Adjustments R	Final Budget 2017/18 R	Actual 2017/18 R	%	Variance R
Revenue						
Earnings from programmes and projects ¹	69 274 542	1 430 738	70 705 280	69 357 833		(1 347 447)
Gain on sale of assets	0	0	0	0		0
Government grants	721 912 000	0	721 912 000	721 912 000		0
- Seda	575 766 000	0	575 766 000	575 766 000		0
- Seda Technology Programme	146 146 000	0	146 146 000	146 146 000		0
Interest received ²	5 000 000	0	5 000 000	7 672 967		2 672 967
Sundry Income ³	0	879 776	879 776	1 562 040		682 264
TOTAL REVENUE	796 186 542	2 310 514	798 497 056	800 504 840	0,25%	2 007 784
Expenses						
Administrative and other costs ⁴	(148 567 083)	2 069 176	(146 497 907)	(145 472 423)		1 025 484
Depreciation, impairment & amortisation ⁵	(18 875 079)	864 815	(18 010 264)	(12 714 842)		5 295 422
Finance costs ⁶	0	(5 385)	(5 385)	(378 680)		(373 295)
Loss in sale of assets	0	(83 329)	(83 329)	(106 999)		(23 670)
Personnel cost ⁷	(318 737 655)	(11 570 144)	(330 307 799)	(326 302 540)		4 005 259
Programme and project costs ⁸	(316 901 328)	6 931 781	(309 969 547)	(284 883 273)		25 086 274
TOTAL EXPENSES	(803 081 145)	(1 793 086)	(804 874 231)	(769 858 757)	4,35%	35 015 474
SURPLUS / (DEFICIT)	(6 894 603)		(6 377 175)	30 646 083		37 023 258
CAPEX⁹	(11 980 476)	347 387	(11 633 089)	(8 154 623)		3 478 466
TOTAL EXPENSES (incl Capex, excl depreciation)	(796 186 542)	(2 310 514)	(798 497 056)	(765 298 538)	4,16%	33 198 518
SURPLUS (excl depreciation, including CAPEX)	0	0	0	35 206 302		



Explanations of Budget adjustments

1. Earnings from programmes and projects - Adjustment due to funding received for additional programmes and projects during the course of the year.
3. Sundry income - Adjustment due to increase in sundry income, mainly Skills Development Levy.
4. Administrative and other costs - Adjustment due to increase in admin related expenditure like short-term insurance, office rental etc.
5. Depreciation, impairment & amortisation - Adjustments due to write-off of some assets.
7. Personnel cost - Adjustment due to filling of vacant positions, salary increases and other related costs.
8. Programme and project costs - Adjustment due to funding not received for certain programmes and projects.
9. CAPEX - Adjustment due to budget constraints.

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.
2. Interest received - Due to the cash in bank.
3. Sundry income - Due to income on Skills Development Levy claiming back.
4. Administration cost - Due to savings on certain expenditure via contract negotiations.
5. Depreciation, impairment & amortisation - Due to disposal of assets.
7. Personnel cost - Staff took more leave than anticipated in terms of the budget.
8. Programmes and project costs - Less amount spent as programmes and projects were executed in a cost effective manner and savings negotiated on certain projects like ICT related projects. Cost containment measures have been implemented and incorporated in the relevant policies and procedures of the organisation. Amounts spent on programmes and projects are outlined under note 3.

Refer to note 1.17.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

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).

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

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

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

1.1.1 Adoption of new and revised standards

No new standards to be adopted by Seda for 2017/18 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 108 Statutory receivables	1 April 2019
GRAP 109 Accounting by Principals and Agents	1 April 2019

GRAP 108 - Statutory Receivables

The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables to Seda.

Statutory receivables are receivables that:

- (a) arise from legislation, supporting regulations, or similar means; and
- (b) require settlement by another entity in cash or another financial asset.

Seda does not have statutory receivables.

GRAP 109 - Accounting by Principals and Agents

The objective of this standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

When an entity is party to a principal-agent arrangement, it shall apply the principles in this Standard to assess whether it is a principal or an agent before applying any other Standards of GRAP dealing with the recognition and measurement of revenue, expenses, assets and/or liabilities.

An **agent** is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A **principal** is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A **principle-agent arrangement** results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Seda would determine principal-agent arrangements to ascertain the impact of this standard.

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 it 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 their residual value over their estimated useful lives, using the straight-line method.

1.4 IMPAIRMENT OF ASSETS

An "impairment" as 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 transfer 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

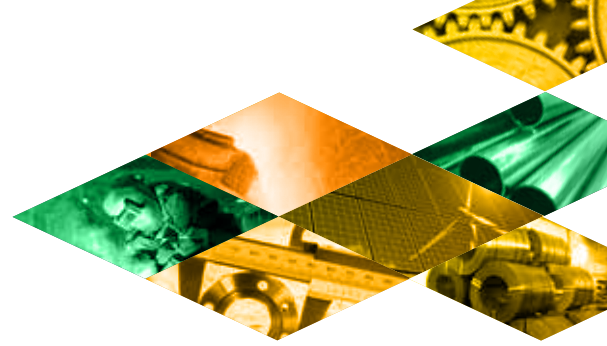
Consumable stores are initially recognised at cost. Consumable stores are valued at the lower of initial cost or current replacement cost.

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

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 DSBD and Department of Trade and Industry (**the dti**).

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

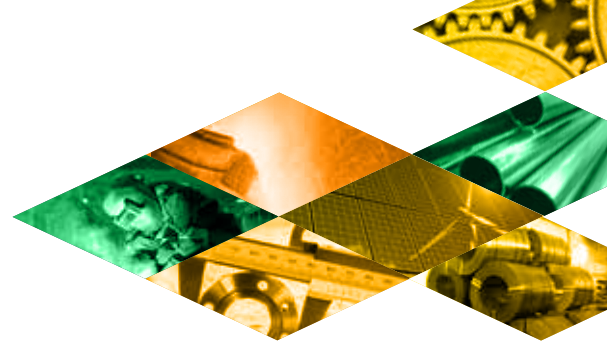
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to performance bonus and/or thirteenth cheque represent the amount which Seda has a present obligation to pay as a result of employees' 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 this expense as an expense in the Statement of Financial Performance. This fund is governed by the Pension Fund Act, 1956.

Medical Aid

Medical Aid contributions are restricted to the period of employment.



1.10 FINANCIAL INSTRUMENTS

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

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

Financial assets

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

Accounts receivable

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

Bank and cash balances

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

Financial liabilities

Financial liabilities consist of finance lease long-term liabilities, trade and other payables and other short-term finance lease liabilities.

The financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade payables

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

De-recognition

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

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

1.11 CRITICAL JUDGMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

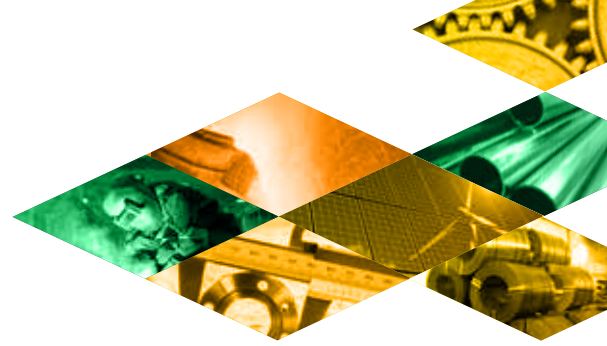
In the process of applying Seda's accounting policies management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements:

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 judgement 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.



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 ASSETS AND LIABILITIES

A contingent liability is

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

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

A contingent asset usually arises 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 2017/18. Seda only presents the final budget amounts. Differences (variances) between the actual amounts and budget amounts are presented and explained.



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

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

1.18 SEGMENT REPORTING

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

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

A segment is a distinguishable activity or group of activities of an entity for which 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 chose 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.

2. REVENUE	2018 R	2017 Restated R
REVENUE: EXCHANGE		
Interest received	7 672 967	8 937 960
Sundry income	1 562 040	3 747 297
Earnings from programmes and projects	69 357 833	122 379 199
<ul style="list-style-type: none"> • Department of Small Business Development (Dsbdb) or Department of Trade and Industry (Dti) specific projects • Local government • Other specific projects • Provincial government 	<div style="border: 1px solid black; padding: 2px;"> <p style="margin: 0;">42 899 751</p> <p style="margin: 0;">2 637 954</p> <p style="margin: 0;">21 127 435</p> <p style="margin: 0;">2 692 693</p> </div>	<div style="border: 1px solid black; padding: 2px;"> <p style="margin: 0;">82 017 766</p> <p style="margin: 0;">5 049 120</p> <p style="margin: 0;">32 194 561</p> <p style="margin: 0;">3 117 752</p> </div>
REVENUE: NON-EXCHANGE		
Government grants (Dsbdb)	721 912 000	620 682 000
<ul style="list-style-type: none"> • Seda • Seda Technology Programme (STP) 	<div style="border: 1px solid black; padding: 2px;"> <p style="margin: 0;">575 766 000</p> <p style="margin: 0;">146 146 000</p> </div>	<div style="border: 1px solid black; padding: 2px;"> <p style="margin: 0;">481 495 000</p> <p style="margin: 0;">139 187 000</p> </div>
	800 504 840	755 746 456
3. SURPLUS / (DEFICIT) FOR THE YEAR		
Surplus / (Deficit) for the year is arrived at after taking into account the following:		
Personnel cost	326 302 540	300 160 411
- Long service awards	727 912	1 787 046
- Provision for leave	790 532	3 664 063
- Provision for performance bonus	34 780 959	25 075 816
- Salaries	286 556 999	264 942 028
- Skills Development Levy (SDL)	1 840 082	2 852 423
- Temporary workers	543 463	939 608
- Workmen's compensation	1 062 593	899 427



3. SURPLUS / (DEFICIT) FOR THE YEAR

	2018 R	2017 Restated R
Administrative and other costs	145 472 423	139 502 402
Administrative costs	92 288 201	85 387 222
• Admin related (excluding boards members' emoluments, operating lease expense, finance cost and provision for bad debt)	53 264 596	50 437 324
- Cleaning	4 471 278	4 248 963
- Consumables	3 112 976	3 221 880
- Maintenance and repairs	1 326 486	1 278 778
- Maintenance and repairs - hardware	41 167	84 001
- Maintenance and repairs - office equipment	66 106	353 854
- Maintenance and repairs - office buildings	563 521	356 642
- Maintenance and repairs - vehicles	655 692	484 281
- Municipal services	8 661 668	6 637 824
- Other (includes catering, general expenditure, insurance, stationery etc.)	14 803 996	13 273 252
- Provision for Inventory write-off	(67 051)	79 704
- Travel and accommodation	20 955 243	21 696 923
• Communication costs	18 339 627	17 342 576
- Advertising and marketing	3 523 277	4 275 845
- Printing and publication	2 518 614	2 005 040
- Other (includes courier cost, library maintenance etc.)	1 643 290	967 289
- Telephone and cell phone	10 654 446	10 094 402
• Computer services	13 307 345	8 701 015
- Internet charges	7 351 603	5 783 922
- Specialised computer services	5 725	1 682
- Software licences	5 950 017	2 915 411
• Recruitment and re-location costs	3 804 546	4 277 672

3. SURPLUS / (DEFICIT) FOR THE YEAR (CONTINUED)

	2018 R	2017 Restated R
• Professional services (excluding auditors' remuneration)	1 897 885	3 271 635
- Consultants	1 258 421	2 169 976
- Legal services	354 469	841 165
- Other (includes membership fees to professional bodies etc.)	284 995	260 494
• Staff training & development	1 674 202	1 357 000
Auditors' remuneration	2 496 040	3 259 906
• External auditors	1 467 988	2 676 393
- Regularity audit	1 467 988	2 676 393
• Internal auditors	1 028 052	583 513
Board members' emoluments	1 450 375	1 639 672
• For services as members (excl CEO remuneration)	1 280 655	1 508 008
• Board sub-committees	169 720	131 664
Operating lease expenses		
• Buildings and equipment	49 204 377	48 860 685
Provision for bad debts	33 430	354 917
Depreciation, impairment and amortisation	12 714 842	18 368 018
• Computer equipment	7 065 959	8 512 543
• Computer software	229 069	205 575
• Equipment	565 164	1 368 757
• Motor vehicles	3 384 148	4 620 291
• Office furniture	501 632	1 817 947
• Leasehold improvements	968 870	1 842 905
Finance costs	378 680	112 858
• Interest paid	378 680	112 858



3. SURPLUS / (DEFICIT) FOR THE YEAR (CONTINUED)

	2018 R	2017 Restated R
Loss on sale of plant and equipment	106 999	335 749
• Loss on sale of plant and equipment	106 999	335 749
Programme and projects costs	284 883 273	313 771 981
• Enterprise Development Fund (EDF)	54 634 017	45 912 243
• Other programmes and projects (includes dsbd specific projects, programme development, ICT projects, specific target market projects etc.)	57 561 151	99 291 636
• Seminars and workshops for clients	6 895 191	4 194 202
• STP - Incubators	142 353 105	138 382 519
• STP - Quality and Standards projects	5 340 536	5 790 583
• STP - Technology Transfer Fund (TTF)	18 099 273	20 200 798

4. CASH AND CASH EQUIVALENTS

Call account	181 449 895	66 092 057
Current accounts	12 410 322	21 178 758
Petty cash	364 912	361 205
	194 225 129	87 632 020

Refer to note 16.4 for details on interest rates.

Of the cash balance R82 112 353 (R35 060 627) relates to grants received in advance which is to be utilized for specific projects as reflected in note 9.

5. ACCOUNTS RECEIVABLE	NOTES	2018 R	2017 Restated R
Exchange transactions			
Deposits		1 997 800	2 465 830
Payment in advance		6 991 325	5 459 507
Relocation cost receivables		135 185	46 811
Staff receivables		107 406	-
Sundry receivables		524 805	2 518 580
		9 756 521	10 490 728
Provision for bad debt - sundry receivables		(266 852)	(400 258)
		9 489 669	10 090 470
Provision for bad debts:			
Movement for the year:			
Opening Balance at 1 April		400 258	79 104
Less: Bad debt written-off or recovered		(166 836)	(33 763)
		233 422	45 341
Net charge to the Statement of Financial Performance	3	33 430	354 917
CLOSING BALANCE AT 31 MARCH		266 852	400 258
Note: No non-exchange transactions for accounts receivable			
The ageing analysis of the past due sundry receivables is as follows:			
< 3 months		238 704	1 072 224
3 - 6 months		-	260 553
6 months - 1 year		19 760	1 090 266
1+ years		266 341	95 537
Total sundry receivables past due date		524 805	2 518 580

6. INVENTORIES	NOTES	2018 R	2017 R
Consumable stores at cost		412 402	657 620
Provision for inventory write-downs		67 811	(79 704)
Current replacement cost		480 213	577 916
Provision for stationery and computer consumables written-off:			
Movement for the year:			
Opening Balance at 1 April		79 704	-
Less: Stationery and computer consumables write-downs / written-off		(79 704)	-
		-	-
Net charge to the Statement of Financial Performance	3	(67 051)	79 704
CLOSING BALANCE AT 31 MARCH		(67 051)	79 704

7. PLANT & EQUIPMENT – 2017/18

	Computer Equipment R	Equipment R	Motor Vehicles R	Office Furniture R	Leasehold Improvements R	Total R
Major Assets (above R2 000 per item)						
At 1 April 2017						
Cost	59 691 795	13 605 287	34 770 754	19 521 339	9 874 206	137 463 381
Accumulated depreciation and impairment	(32 148 223)	(9 573 819)	(18 157 749)	(14 579 727)	(8 992 109)	(83 451 627)
Opening carrying amount	27 543 572	4 031 468	16 613 005	4 941 612	882 097	54 011 754
Year ended 31 March 2018						
Opening carrying amount	27 543 572	4 031 468	16 613 005	4 941 612	882 097	54 011 754
Additions at cost	2 643 361	1 631 432	1 498 033	141 558	1 167 153	7 081 537
Disposals at cost	(3 332 426)	(1 026 619)	(298 823)	(834 201)	(1 075 640)	(6 567 709)
Disposal depreciation	3 296 148	985 288	275 315	809 995	1 013 630	6 380 376
Work in progress	926 620	0	0	0	0	926 620
Depreciation for the year	(7 065 156)	(553 960)	(3 384 148)	(495 105)	(968 870)	(12 467 239)
Cost re-allocated	538 807	586 017	0	4 178 696	(37 000)	5 266 520
Impairment	0	0	0	0	0	0
Depreciation Reallocated	(536 410)	(577 759)	(85 465)	(4 190 971)	(626)	(5 391 231)
Closing carrying amount	24 014 516	5 075 867	14 617 917	4 551 584	980 744	49 240 628
At 31 March 2018						
Cost	60 468 157	14 796 117	35 969 964	23 007 392	9 928 719	144 170 349
Accumulated depreciation and impairment	(36 453 641)	(9 720 250)	(21 352 047)	(18 455 808)	(8 947 975)	(94 929 721)
Carrying amount	24 014 516	5 075 867	14 617 917	4 551 584	980 744	49 240 628
Useful lives	4 years	6 years	5 years	6 years	6 years or lease period	

7. PLANT & EQUIPMENT - 2017/18 (CONTINUED)

	Computer Equipment R	Equipment R	Motor Vehicles R	Office Furniture R	Leasehold Improvements R	Total R
Minor Assets (below R2 000 per item and excluding major assets)						
At 1 April 2017						
Cost	871 599	1 162 264	0	4 539 332	45 391	6 618 586
Accumulated depreciation and impairment	(868 289)	(1 160 595)	0	(4 531 355)	(45 350)	(6 605 589)
Opening carrying amount	3 310	1 669	0	7 977	41	12 997
Year ended 31 March 2018						
Opening carrying amount	3 310	1 669	0	7 977	41	12 997
Additions at cost	3 319	11 217	0	6 531	(1)	21 066
Disposals at cost	(95 281)	(107 615)	0	(445 393)	(6 316)	(654 605)
Disposal depreciation	94 969	107 475	0	444 806	6 312	653 562
Work in progress	0	0	0	0	0	0
Depreciation for the year	(803)	(11 204)	0	(6 527)	0	(18 534)
Cost re-allocated	(520 675)	(520 807)	0	(3 786 773)	(8 504)	(4 836 759)
Impairment	0	0	0	0	0	0
Depreciation Reallocated	520 229	520 283	0	3 781 157	8 496	4 830 165
Closing carrying amount	5 068	1 018	0	1 778	28	7 892
At 31 March 2018						
Cost	258 962	545 059	0	313 697	30 570	1 148 288
Accumulated depreciation and impairment	(253 894)	(544 041)	0	(311 919)	(30 542)	(1 140 396)
Carrying amount	5 068	1 018	0	1 778	28	7 892
TOTAL CARRYING VALUE	24 019 584	5 076 885	14 617 917	4 553 362	980 772	49 248 520

7. PLANT & EQUIPMENT – 2016/17

	Computer Equipment R	Equipment R	Motor Vehicles R	Office Furniture R	Leasehold Improvements R	Total R
Major Assets (above R2 000 per item)						
At 1 April 2016						
Cost	54 036 256	14 588 402	36 580 338	21 004 187	10 701 683	136 910 866
Accumulated depreciation and impairment	(33 367 612)	(10 008 996)	(15 221 851)	(14 700 063)	(7 869 695)	(81 168 217)
Opening carrying amount	20 668 644	4 579 406	21 358 487	6 304 124	2 831 988	55 742 649
Year ended 31 March 2017						
Opening carrying amount	20 668 644	4 579 406	21 358 487	6 304 124	2 831 988	55 742 649
Additions at cost	11 528 231	767 572	206 435	435 324	86 075	13 023 637
Disposals at cost	(9 975 660)	(1 776 126)	(2 016 019)	(1 934 526)	(907 526)	(16 609 857)
Disposal depreciation	9 680 943	1 759 181	1 684 388	1 840 065	793 232	15 757 809
Work in progress	4 028 776	0	0	0	0	4 028 776
Depreciation / amortisation for the year	(8 492 147)	(1 350 476)	(4 620 291)	(1 765 258)	(1 842 905)	(18 071 077)
Cost re-allocated	74 192	25 439	0	16 354	(6 026)	109 959
Impairment	0	0	0	0	0	0
Depreciation Reallocated	30 593	26 472	5	45 529	(72 741)	29 858
Closing carrying amount	27 543 572	4 031 468	16 613 005	4 941 612	882 097	54 011 754
At 31 March 2017						
Cost	59 691 795	13 605 287	34 770 754	19 521 339	9 874 206	137 463 381
Accumulated depreciation and impairment	(32 148 223)	(9 573 819)	(18 157 749)	(14 579 727)	(8 992 109)	(83 451 627)
Carrying amount	27 543 572	4 031 468	16 613 005	4 941 612	882 097	54 011 754
Useful lives	4 years	6 years	5 years	6 years	6 years or lease period	

7. PLANT & EQUIPMENT - 2016/17 (CONTINUED)

	Computer Equipment R	Equipment R	Motor Vehicles R	Office Furniture R	Leasehold Improvements R	Total R
Minor Assets (below R2 000 per item and excluding major assets)						
At 1 April 2016						
Cost	1 013 478	1 245 680	0	4 569 710	45 391	6 874 259
Accumulated depreciation and impairment	(1 012 128)	(1 243 798)	0	(4 563 263)	(45 350)	(6 864 539)
Opening carrying amount	1 350	1 882	0	6 447	41	9 720
Year ended 31 March 2017						
Opening carrying amount	1 350	1 882	0	6 447	41	9 720
Additions at cost	23 582	17 318	0	53 357	0	94 257
Disposals at cost	(162 807)	(100 314)	0	(92 188)	0	(355 309)
Disposal depreciation	162 543	99 963	0	91 571	0	354 077
Work in progress	0	0	0	0	0	0
Depreciation / amortisation for the year	(20 396)	(18 281)	0	(52 689)	0	(91 366)
Cost re-allocated	(2 654)	(420)	0	8 453	0	5 379
Impairment	0	0	0	0	0	0
Depreciation Reallocated	1 692	1 521	0	(6 974)	0	(3 761)
Closing carrying amount	3 310	1 669	0	7 977	41	12 997
At 31 March 2017						
Cost	871 599	1 162 264	0	4 539 332	45 391	6 618 586
Accumulated depreciation and impairment	(868 289)	(1 160 595)	0	(4 531 355)	(45 350)	(6 605 589)
Carrying amount	3 310	1 669	0	7 977	41	12 997
TOTAL CARRYING VALUE	27 546 882	4 033 137	16 613 005	4 949 589	882 138	54 024 751

8. INTANGIBLE ASSETS

	2018 Computer Software R	2017 Computer Software R
Major Assets (above R2 000 per item)		
At 1 April 2017		
Cost	1 048 994	801 360
Accumulated depreciation / amortisation	(434 415)	(266 339)
Opening carrying amount	614 579	535 021
Year ended 31 March 2018		
Opening carrying amount	614 579	535 021
Additions at cost	-	285 137
Disposals at cost	(137 316)	(37 500)
Disposal depreciation	137 301	37 499
Work in progress	125 400	-
Depreciation / amortisation for the year	(229 069)	(205 575)
Cost re-allocated	-	(3)
Impairment	-	-
Depreciation re-allocated	1	-
Closing carrying amount	510 896	614 579
At 31 March 2018		
Cost	1 037 078	1 048 994
Accumulated depreciation / amortisation	(526 182)	(434 415)
Carrying amount	510 896	614 579
Useful lives	4 years	4 years



8. INTANGIBLE ASSETS

Minor Assets (below R2 000 per item and excluding major assets)

At 1 April 2017

	2018 Computer Software R	2017 Computer Software R
Cost	1 106	1 103
Accumulated depreciation / amortisation	(1 096)	(1 096)
Opening carrying amount	10	7

Year ended 31 March 2018

Opening carrying amount	10	7
Additions at cost	-	-
Disposals at cost	(343)	-
Disposal Depreciation	335	-
Work in Progress	-	-
Depreciation / amortisation for the year	-	-
Cost re-allocated	0	3
Depreciation re-allocated	-	-
Closing carrying amount	2	10

At 31 March 2018

Cost	763	1 106
Accumulated depreciation / amortisation	(761)	(1 096)
Carrying amount	2	10

TOTAL CARRYING VALUE

510 898	614 589
----------------	----------------

9. ACCOUNTS PAYABLE

	2018 R	2017 R
Exchange transactions		
Earnings from programme and projects received in advance ¹	82 112 353	33 760 627
Leave pay accrual	12 847 679	11 441 236
Provision for 13 th cheque (staff savings)	905 828	756 128
Provision for loss of assets	105 198	-
Sundry payables and accrued expenses	34 762 627	27 799 539
Trade payables	5 314 695	1 726 562
	136 048 380	75 484 092

* No non-exchange transactions for accounts payable

Trade payables are non-interest bearing and are settled on a 30 day basis. Due to the short-term nature of the payables, management believes that the carrying amount approximates their fair value.

- 1) Including R64 716 208 (R20 881 703) for DSBD ring fenced projects. The balance relates to other stakeholder-funded projects. These conditional balance will be recognised as revenue in future accounting periods upon completion of the specified task or incurring the costs on the projects.

10. PROVISIONS

Provision for bonuses	34 913 275	25 236 777
Movement for the Year for bonuses	34 913 275	25 236 777
Provision for bonuses		
Opening balance at 1 April	25 236 777	24 152 141
less: bonuses paid	(25 104 461)	(23 991 180)
	132 316	160 961
Net charge to the Statement of Financial Performance	34 780 959	25 075 816
CLOSING BALANCE AT 31 MARCH	34 913 275	25 236 777

The provision for bonuses is based on management's judgement and represents the obligation to pay bonuses to salaried employees, as a result of predetermined performance criteria having been met. Performance bonuses are paid one year in arrear as the assessment of eligible employees had not taken place at the reporting date.



11. OPERATING LEASE OBLIGATION

2018
R

2017
R

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

Current portion	1 263 338	618 031
Non-current portion	3 115 541	3 633 034
Straight-lining effect of the operating lease	4 378 879	4 251 065

OPERATING LEASE COMMITMENTS

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

Up to one year	31 832 058	37 346 818
Between two and five years	46 092 262	55 951 976
	77 924 320	93 298 794

12. CONTINGENT ASSETS AND LIABILITIES

CONTINGENT LIABILITIES

There are contingent liabilities in respect of:

Legal claims - CCMA	-	150 000
Legal claims - Employee	60 000	-
Legal claims - Suppliers	-	123 940
	60 000	273 940

Legal Claims - Employee - the claim relates to a employee claiming unpaid Injury on Duty (IOD) medical expenses. Cost relates to attorney fees.

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

13. COMMITMENTS

CAPITAL EXPENDITURE

	2018 R	2017 R
Computer equipment	843 737	107 474
Computer software	175 592	2 666 620
Equipment	223 830	2 999
Office furniture	39 856	-
	1 283 015	2 777 093

OPERATIONAL EXPENDITURE

Approved and contracted	53 902 965	66 389 212
Approved but not yet contracted	5 199 890	3 030 598
	59 102 855	69 419 810

Total Commitments

	60 385 870	72 196 903
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COMMITMENTS SPLIT PER PERIOD

Up to 12 months	26 726 529	43 162 786
Longer than 12 months	33 659 341	29 034 117
	60 385 870	72 196 903



14. REMUNERATION OF BOARD OF DIRECTORS

14.1 BOARD MEMBERS: 1 APRIL 2017 TO 31 MARCH 2018

No	Name	Director fees	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Re-imbursments	TOTAL R
1	Hirachund, A	156 159	220	20 160	-	-	-	405	176 944
2	Lugayeni, PF	237 496	1 430	11 740	-	-	-	1 110	251 776
3	Makhuvha, TR	11 765	-	7 200	-	-	-	50 747	69 712
4	Mohoto, M *	-	-	-	-	-	-	-	-
5	Monnakgotla, Z	128 021	110	14 400	-	-	-	-	142 531
6	Thabaneng, DMN	190 690	330	18 025	-	-	-	297	209 342
7	Tshikwatamba, NM	-	2 090	19 000	2 359 809	60 000	131 745	3 277	2 575 921
8	Venter, M	144 532	220	3 072	-	-	-	-	147 824
9	Zwane, I	255 789	1 100	25 637	-	-	-	-	282 526
		1 124 452	5 500	119 234	2 359 809	60 000	131 745	55 836	3 856 576

Board Sub-committees Members: 1 April 2017 to 31 March 2018

No	Name	Consultant Fees	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Re-imbursments	TOTAL R
10	Lesejane, MJ	162 190	330	7 200	-	-	-	-	169 720
11	Roelofse, K *	-	-	-	-	-	-	-	-
		162 190	330	7 200	-	-	-	-	169 720
TOTAL		1 286 642	5 830	126 434	2 359 809	60 000	131 745	55 836	4 026 296

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

14. REMUNERATION OF BOARD OF DIRECTORS (CONTINUED)

14.2 BOARD MEMBERS: 1 APRIL 2016 TO 31 MARCH 2017

No	Name	Director fees	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Re-imbursments	TOTAL R
1	Hirachund, A	168 087	-	25 771	-	-	-	-	193 858
2	Lugayeni, PF	254 154	770	14 832	-	-	-	2 555	272 311
3	Makhuvha, TR	123 104	110	11 045	-	-	-	-	134 259
4	Mohoto, M *	-	-	-	-	-	-	-	-
5	Monnakgotla, Z	194 275	110	30 720	-	-	-	-	225 105
6	Njenge, L	-	6 107	96 240	1 522 693	225 560	167 681	7 238	2 025 519
7	Thabaneng, DMN	196 078	110	27 648	-	-	-	308	224 144
8	Tshikwatamba, NM	-	13 883	-	1 495 091	40 000	-	554	1 549 528
9	Venter, M	177 246	770	13 152	-	-	-	-	191 168
10	Zwane, I	232 070	1 100	32 746	-	-	-	1 247	267 163
		1 345 014	22 960	252 154	3 017 784	265 560	167 681	11 902	5 083 055

Board Sub-committees Members: 1 April 2016 to 31 March 2017

No	Name	Consultant Fees	Subsistence allowance	Travelling	Salary	Allowances	Performance bonus	Re-imbursments	TOTAL R
11	Lesejane, MJ	124 834	110	6 720	-	-	-	-	131 664
12	Roelofse, K *	-	-	-	-	-	-	-	-
		124 834	110	6 720	-	-	-	-	131 664
	TOTAL	1 469 848	23 070	258 874	3 017 784	265 560	167 681	11 902	5 214 719

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

6 L Njenge, appointed as Acting CEO till July 2016. Performance bonus in respect of 2015/16 financial year.

8 NM Tshikwatamba, appointed as CEO from August 2016.



15. NOTES TO THE CASH FLOW STATEMENT	NOTES	2018 R	Restated 2017 R
A) PLANT, EQUIPMENT AND INTANGIBLE ASSETS			
Seda acquired assets, as per asset note 7 and 8.		8 154 623	17 431 807
B) RECONCILIATION OF SURPLUS/(DEFICIT) FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus / (Deficit) for the Year		30 646 083	(16 504 963)
Non-cash Movements:		12 821 841	18 703 767
Depreciation, impairment and amortisation		12 714 842	18 368 018
(Gain) / Loss on sale of assets		106 999	335 749
Changes in Working Capital		71 067 104	(75 504 252)
Increase / (Decrease) in accounts payable		60 564 288	(75 158 567)
Increase / (Decrease) in accounts receivable		600 801	(2 315 062)
Increase / (Decrease) in inventories		97 703	(57 938)
Increase in provisions		9 676 498	1 084 636
Smoothing effect of operating lease		127 814	942 679
Net Cash Flows from Operating Activities		114 535 028	(73 305 448)
C) RECEIPTS OF EARNINGS FROM PROGRAMME AND PROJECTS	2		
Accounts receivable - current period		(9 489 669)	(10 090 470)
Accounts receivable - prior period		10 090 470	7 775 408
Gross Earnings from programme and projects		69 357 833	122 379 199
		69 958 634	120 064 137
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. FINANCIAL INSTRUMENTS (CONTINUED)

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.

2018	Effective Interest Rate as at 31 March 2018	Less than 6 months R	More than 6 months R	Total R
Assets				
Current cash balances	5,25%	12 410 322	-	12 410 322
Short-term call deposits	6,25%	181 449 895	-	181 449 895
		193 860 217	-	193 860 217
2017	Effective Interest Rate as at 31 March 2017	Less than 6 months R	More than 6 months R	Total R
Current cash balances	5,50%	21 178 758	-	21 178 758
Short-term call deposits	6,50%	66 092 057	-	66 092 057
		87 270 815	-	87 270 815



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 consider the price risk to be insignificant.

16.6 CREDIT RISK MANAGEMENT

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

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

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

16.7 LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management are satisfied that the agency will be able to settle their financial liabilities and lease liability in the normal course of business. The liquidity ratio current assets vs. current liabilities is 1.18:1.

17. RELATED PARTIES

RELATIONSHIPS

NAME OF RELATED PARTY

Controlling entity	Department of Small Business Development
National Department and Entities within the national sphere of government	Department of Agriculture & Forestry Department of Communication & Information Systems Department of Higher Education Department of Labour Department of Trade and Industry

17. RELATED PARTIES (CONTINUED)

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	2018 R	2017 R
Department of Small Business Development	(64 716 208)	(18 615 803)
Department of Communication & Information Systems	31 110	26 824
Department of Higher Education (BESD project)	(1 811 416)	603 097
Department of Labour	(1 062 593)	(899 427)
Department of Trade and Industry	(2 265 900)	(2 265 900)

RELATED PARTIES TRANSACTIONS

Department of Small Business Development (government grant)	(721 912 000)	(620 682 000)
Department of Small Business Development or Department of Trade and Industry (specific projects)	(43 917 723)	(80 717 766)
Department of Agriculture & Forestry	-	(304 167)
Department of Communication & Information Systems	-	1 117 788
Department of Higher Education (BESD project)	(17 139 176)	(28 566 238)
Department of Labour	1 062 593	899 427

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 2018:

No	Name	Salary	Contributions to Provident Fund and Medical Aid	Performance bonus	Travel allowance	Cell phone allowance	Re-imbursments	Other (long service award and acting allowance)	TOTAL R
1	Gwala-Mahaye, P *	1 450 525	79 157	165 827	-	21 600	4 317	-	1 721 426
2	Khonkwane, N *	1 461 088	39 526	137 957	-	21 600	12 901	-	1 673 072
3	Majola, PN *	1 271 949	227 109	137 957	-	21 600	1 336	-	1 659 951
4	Mzizi, N *	905 566	245 250	221 567	348 375	21 600	6 530	-	1 748 888
5	Njenge, L *	1 557 854	60 815	139 339	96 240	21 600	7 703	7 000	1 890 551
		6 646 982	651 857	802 647	444 615	108 000	32 787	7 000	8 693 888

* Including performance bonus in respect of 2016/17.

PAYMENTS MADE TO SEDA'S EXECUTIVE MANAGERS FOR THE YEAR ENDED 31 MARCH 2017:

No	Name	Salary	Contributions to Provident Fund and Medical Aid	Performance bonus	Travel allowance	Cell phone allowance	Re-imbursments	Other (long service award and acting allowance)	TOTAL R
1	Gwala-Mahaye, P *	1 365 981	73 080	146 079	-	21 600	4 284	-	1 611 024
2	Jobodwana, B *	727 933	146 553	108 409	-	14 400	8 418	137 926	1 143 639
3	Khonkwane, N *	1 379 714	32 909	201 341	-	21 600	3 593	7 000	1 646 157
4	Majola, PN *	1 169 506	213 116	185 796	28 000	21 600	8 914	7 000	1 633 932
5	Mzizi, N *	1 079 263	215 325	201 341	116 125	21 600	7 405	-	1 641 059
		5 722 397	680 983	842 966	144 125	100 800	32 614	151 926	7 675 811

* Including performance bonus in respect of 2015/16.

2 B Jobodwana - Acting Chief Strategy and Information Officer (CSIO) from April to July 2016.

3 PN Majola, appointed Executive: Enterprise Development Division from April 2016.

19. MEDICAL AID AND RETIREMENT BENEFITS

2018
R

2017
R

The total amounts paid toward medical aid for the period [507 (500) employees for the current year] and retirement benefits for the period [661 (649) employees for the current year] are as follows:

Medical Aid	21 394 780	18 634 824
Provident Fund	27 845 612	25 755 277
	49 240 392	44 390 101

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.

21. RETROSPECTIVE RESTATEMENT OF PRIOR PERIOD ERRORS

- Income received has been understated in the previous year due to non-recognition of income related to earnings from programmes and projects. This income has been now recognised as income which resulted in the restatement of prior year figures in the Statement of Financial Performance, Statement of Changes in Net Assets and the relevant notes.
- Interest paid and bank charges have been understated in previous years relating to a travel credit card. This interest paid and bank charges have now been recognised as expenditure which resulted in the restatement of prior year figures in the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Net Assets and the relevant notes.

STATEMENT OF FINANCIAL PERFORMANCE

a) Earnings from programmes and projects

As previously stated

Earnings from programmes and projects

Earnings from programmes and projects - restated for 2017

	-	121 079 199
	-	1 300 000
	-	122 379 199



21. RETROSPECTIVE RESTATEMENT OF PRIOR PERIOD ERRORS	2018 R	2017 R
B) FINANCE COST		
As previously stated	-	(6 226)
Finance cost (interest paid)	-	(106 632)
Finance cost - restated for 2017	-	(112 858)
B) ADMINISTRATIVE AND OTHER COSTS		
As previously stated	-	(139 501 867)
Administrative and other costs (bank charges)	-	(535)
Administrative and other costs - restated for 2017	-	(139 502 402)
A + B) STATEMENT OF FINANCIAL POSITION		
Accounts receivable		
As previously stated	-	10 197 637
Accounts receivable	-	(107 167)
Accounts receivable - restated for 2017	-	10 090 470
Accounts payable		
As previously stated	-	76 784 092
Accounts payable	-	(1 300 000)
Accounts payable - restated for 2017	-	75 484 092
A + B) STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN NET ASSETS		
Accumulated Deficit		
As previously stated	-	46 774 979
Deficit for the year	-	1 192 833
Accumulated Deficit - restated for 2017	-	47 967 812

21. RETROSPECTIVE RESTATEMENT OF PRIOR PERIOD ERRORS

(A + B) CASH FLOW STATEMENT

Net Cash Flow used in Operating Activities

Receipts

As previously stated

Earnings from programmes and projects

Payments

As previously stated

Finance cost

Suppliers

Net Cash Flow used in Operating Activities - restated for 2017

(A+B) NOTES

Note on Revenue

External earnings from programmes and projects

As previously stated

DSBD or dti specific projects

External earnings from programmes and projects - restated for 2017

NOTE ON DEFICIT OF THE YEAR

i) Administrative and other costs

As previously stated

Other administrative costs

Administrative and other costs - restated for 2017

	2018 R	2017 R
Receipts	-	752 024 227
As previously stated	-	1 407 167
Earnings from programmes and projects	-	753 431 394
Payments		
As previously stated	-	(825 329 675)
Finance cost	-	(106 632)
Suppliers	-	(1 300 535)
Net Cash Flow used in Operating Activities - restated for 2017	-	(826 736 842)
External earnings from programmes and projects		
As previously stated	-	121 079 199
DSBD or dti specific projects	-	1 300 000
External earnings from programmes and projects - restated for 2017	-	122 379 199
i) Administrative and other costs		
As previously stated	-	139 501 867
Other administrative costs	-	535
Administrative and other costs - restated for 2017	-	139 502 402



21. RETROSPECTIVE RESTATEMENT OF PRIOR PERIOD ERRORS	2018 R	2017 R
ii) Finance cost		
As previously stated	-	6 226
Finance cost	-	106 632
Finance cost - restated for 2017	-	112 858
NOTE ON ACCOUNTS RECEIVABLE		
Accounts receivable		
As previously stated	-	10 197 637
Deposits	-	(107 167)
Accounts receivable - restated for 2017	-	10 090 470
NOTE ON ACCOUNTS PAYABLE		
Accounts payable		
As previously stated	-	76 784 092
Earnings from programme and projects received in advance	-	(1 300 000)
Accounts payable - restated for 2017	-	75 484 092
NOTE ON CASH FLOW STATEMENT		
i) Reconciliation of deficit for the year to net cash flows from operating activities		
As previously stated	-	(73 305 448)
Deficit for the year	-	1 192 833
Decrease in accounts payable	-	(1 300 000)
Decrease in accounts receivable	-	107 167
Reconciliation of deficit for the year - restated for 2017	-	(73 305 448)

21. RETROSPECTIVE RESTATEMENT OF PRIOR PERIOD ERRORS

ii) Receipts of earnings from programme and projects

	2018 R	2017 R
As previously stated	-	118 656 970
Accounts receivable - current period	-	107 167
Gross earnings from programmes and projects	-	1 300 000
Reconciliation of earnings from programme and projects - restated for 2017	-	120 064 137

NOTE ON SEGMENT REPORTING

i) Revenue from exchange transactions

As previously stated	-	133 764 456
National Office (incl STP)	-	1 300 000
Revenue from exchange transactions - restated for 2017	-	135 064 456

ii) Total expenditure

As previously stated	-	(772 144 252)
National Office (incl STP)	-	(107 167)
Expenditure - restated for 2017	-	(772 251 419)

NOTE ON FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful expenditure

As previously stated	-	92 508
Fruitless and wasteful expenditure	-	106 632
Fruitless and wasteful expenditure - restated for 2017	-	199 140

22. SEGMENT REPORTING

2018	Revenues from non-exchange allocations R	Revenues from exchange transactions R	Total Revenue R		Total expenditure R	Net surplus / (Deficit) (note 1) R	Non-current assets R
National Office (including STP)	365 105 215	71 793 839	436 899 054	55%	(412 573 811)	24 325 243	19 728 082
Provinces	356 806 785	6 799 001	363 605 786	45%	(357 284 946)	6 320 840	30 031 336
Eastern Cape province	48 100 974	502 335	48 603 309		(50 428 227)	(1 824 918)	4 051 441
Free State province	37 830 918	181 821	38 012 739		(37 788 684)	224 055	3 709 968
Gauteng province	26 300 291	2 360 228	28 660 519		(27 615 757)	1 044 762	1 631 222
Kwa-Zulu Natal province	40 458 842	2 439 667	42 898 509		(42 374 975)	523 534	2 561 325
Limpopo province	39 069 317	210 938	39 280 255		(37 772 574)	1 507 681	2 850 151
Mpumalanga province	34 596 636	137 100	34 733 736		(33 753 909)	979 827	3 094 234
Northern Cape province	35 155 532	727 988	35 883 520		(32 585 536)	3 297 984	3 313 253
North West province	35 881 963	138 629	36 020 592		(35 373 652)	646 940	3 822 918
Western Cape province	59 412 312	100 295	59 512 607		(59 591 632)	(79 025)	4 996 824
TOTAL	721 912 000	78 592 840	800 504 840		(769 858 757)	30 646 083	49 759 418

NOTE:

1. Explanations of the net surplus and deficit amounts are covered in context under the Statement of Budget and Actual Information.
2. The allocation of resources to the provinces depends on the number of branches, staff, activities etc. Refer to note 1.18

22. SEGMENT REPORTING

2017 - RESTATED	Revenues from non-exchange allocations R	Revenues from exchange transactions R	Total Revenue R		Total expenditure R	Net surplus / (Deficit) (note 1) R	Non-current assets R
National Office (including STP)	311 206 785	125 167 834	436 374 619	58%	(425 976 143)	10 398 476	21 238 300
Provinces	309 475 215	9 896 622	319 371 837	42%	(346 275 276)	(26 903 439)	33 401 040
Eastern Cape province	42 988 428	531 621	43 520 049		(45 972 893)	(2 452 844)	4 398 190
Free State province	32 920 337	406 277	33 326 614		(36 976 103)	(3 649 489)	4 326 839
Gauteng province	24 713 901	4 571 247	29 285 148		(29 491 626)	(206 478)	1 746 520
Kwa-Zulu Natal province	32 739 840	2 143 861	34 883 701		(37 457 676)	(2 573 975)	2 362 461
Limpopo province	32 684 144	258 932	32 943 076		(36 264 169)	(3 321 093)	3 163 096
Mpumalanga province	31 600 501	235 555	31 836 056		(35 318 137)	(3 482 081)	2 904 071
Northern Cape province	29 658 853	1 176 437	30 835 290		(32 115 711)	(1 280 421)	4 198 134
North West province	31 552 451	494 419	32 046 870		(36 155 895)	(4 109 025)	4 406 138
Western Cape province	50 616 760	78 273	50 695 033		(56 523 066)	(5 828 033)	5 895 591
TOTAL	620 682 000	135 064 456	755 746 456		(772 251 419)	(16 504 963)	54 639 340

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



23. FRUITLESS AND WASTEFUL EXPENDITURE

	2018 R	Restated 2017 R
Opening balance	199 140	680 573
Add: Fruitless and wasteful expenditure – current year	682 141	199 140
Add: Fruitless and wasteful expenditure – prior years	368 636	-
Less: Fruitless and wasteful expenditure (noted and cleared in accordance with policies and procedures)	(92 508)	(680 573)
Closing balance	1 157 409	199 140

- a) Interest paid to other small payments that relates to telecommunication accounts, amounting to R10 044.
- b) Interest paid to the bank on travel card relating to prior years amounting to R109 068 in 2014/15 and R259 568 in 2015/16.
- c) Overpayment error of R7 758. Money to be recovered in the 2018/19.
- d) Two incidents lead by fraud syndicates resulted in fraudulent payments and an incident of fraud that involved an employee. The total amount is R561 748. Forensic investigations in progress and the matters were also reported to SAPS.
- e) Dishonesty and fraud by a staff member of R102 591. Employee submitted an offer of employment from his related company to obtain an counter-offer from Seda. Disciplinary actions are in progress.

Various additional internal controls were implemented to prevent occurrence and corrective actions were taken in line with Seda's policies.

24. IRREGULAR EXPENDITURE

Opening balance	23 375 833	-
Add: Irregular expenditure current year	859 991	19 866 470
Add: Irregular expenditure prior year	34 725 873	3 509 363
Less: Amounts noted and cleared in accordance with policies and procedures	(17 899 347)	-
Closing balance	41 062 350	23 375 833

24. IRREGULAR EXPENDITURE (CONTINUED)

DETAILS OF IRREGULAR EXPENDITURE - CURRENT YEAR:	DISCIPLINARY STEPS TAKEN / CRIMINAL PROCEEDINGS AND REMEDIAL ACTIONS	2018 R	2017 R
a) Operating leases paid after expiry of lease contracts	Note 1	848 226	-
b) Remuneration of Board members in the public sector	Note 2	11 765	291 191
c) Overspend on approved budget for 2016/17 by 1.54%		-	16 761 585
		859 991	17 052 776

DETAILS OF IRREGULAR EXPENDITURE - PRIOR YEAR AMOUNTS IDENTIFIED IN THE CURRENT YEAR:	DISCIPLINARY STEPS TAKEN / CRIMINAL PROCEEDINGS AND REMEDIAL ACTIONS		
d) National Gazelle programme - amount approved by management without complying with procurement process	Note 3	34 725 873	2 813 694
		34 725 873	2 813 694

NOTES:

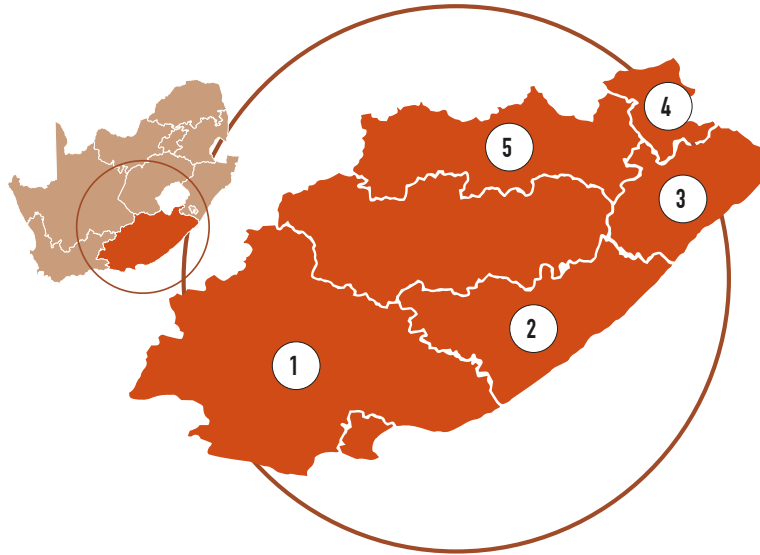
- Due to negotiations not completed within the prescribed timeline - Seda paid for operating leases in some of the provinces where the lease contract had already expired. Corrective action was taken to prevent this from happening in future.
- Seda is exploring various ways like approval to take time off / annual leave from their workplace or exemption to address the situation in consultation with the Department of Small Business Development (DSBD).
- National Gazelle programme - The amount paid for the pilot implementation of the National Gazelle programme, of R15 944 273 (in 2016/17) and R18 781 000 (in 2015/16) as noted in the prior year Annual Financial Statements has been recorded as irregular expenditure. These amounts are irregular expenditure as they were approved by Management without complying with procurement process in inviting competitive bids. Corrective actions are being taken by the Accounting Authority to address this situation.

The National Gazelle programme is now performed internally by Seda and the period of the pilot phase has passed.



ANNEXURE A
**SEDA PROVINCIAL
OFFICES**

EASTERN CAPE



1 **PORT ELIZABETH**
Nelson Mandela Bay

2 **EAST LONDON**
Amathole

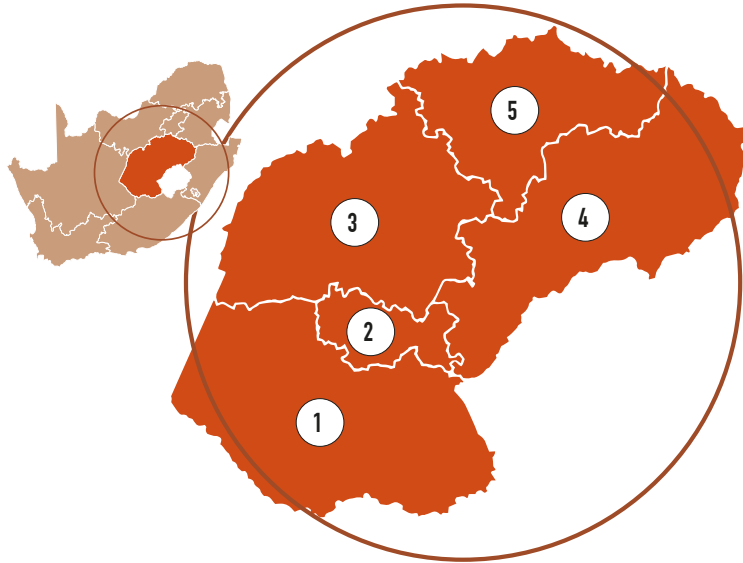
3 **MTHATHA**
OR Tambo

4 **MOUNT AYLIFF**
Alfred Nzo

5 **QUEENSTOWN**
Chris Hani

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Chemin, Port Elizabeth	Chemical Industry	Port Elizabeth, Eastern Cape	010 594 0641
Chemin, East London	Chemical Industry	East London, Eastern Cape	010 594 9843
Furntech Mthatha	Furniture Manufacturing	Mthatha, Eastern Cape	047 531 1840
Seda Construction Incubator (SCI), Mthatha	Construction	Mthatha, Eastern Cape	047 531 1840
Seda Construction Incubator (SCI), Port Elizabeth	Construction	Port Elizabeth, Eastern Cape	041 486 2595
SCI East London	Construction	East London, Eastern Cape	087 373 0801
Seda Nelson Mandela Bay ICT Incubator (SNII)	ICT	Port Elizabeth, Eastern Cape	041 409 8600
Seda Alfred Nzo Agro Manufacturing Incubator (SANAMI)	Agro Processing	Mount Ayliff, Eastern Cape	087 285 1556
Zenzele Technology Demonstration Centre Makana	Small-Scale Mining	Grahamstown, Eastern Cape	011 709 4674

FREE STATE



1 **TROMPSBURG**
Xharep

2 **BLOEMFONTEIN**
Mangaung

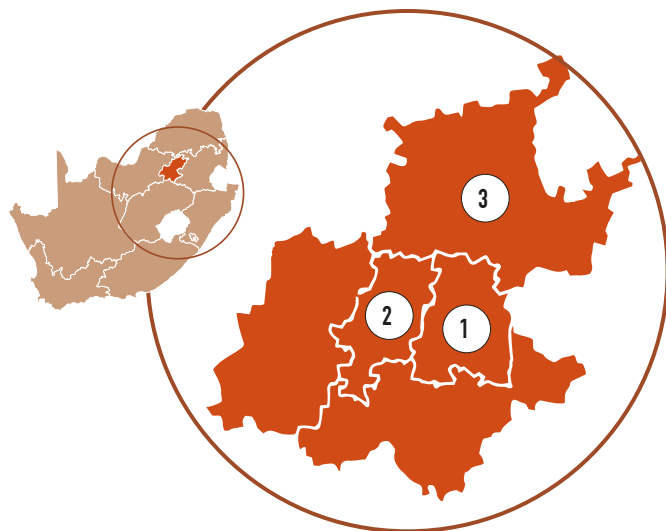
3 **WELKOM**
Lejweleputswa

4 **PHUTHADITJABA**
Thabo Mofutsanyane

5 **KROONSTAD**
Fezile Dabi

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Seda Agricultural & Mining Tooling Incubator (SAMTI)	Mining & Agriculture Tooling	Bloemfontein, Free State	051 507 3483
Motheo TVET Colleague Rapid Incubator	Fashion and Jewellery Design	Bloemfontein, Free State	051 406 9344

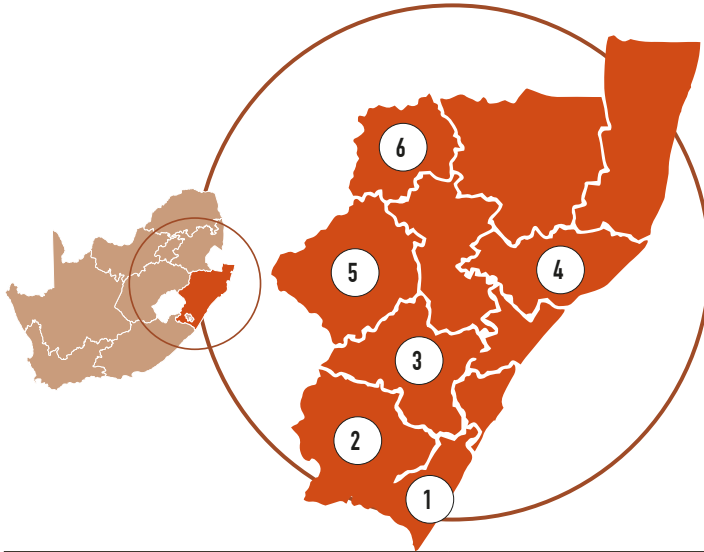
GAUTENG



- 1 **EKURHULENI**
Ekurhuleni
- 2 **JOHANNESBURG**
City of Johannesburg
- 3 **PRETORIA**
CITY of Tshwane

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Chemin, Mogale City	Chemin Industry	Mogale City, Gauteng	010 594 9841
EgoliBio	Biotech	Pretoria, Gauteng	012 844 0724
Furntech Johannesburg	Furniture Manufacturing	Johannesburg, Gauteng	011 672 9210
Lepharo	Copper, Zinc and Base Metals	Springs, Gauteng	011 363 3920
Seda Automotive Technology Centre (SATEC)	Automotive Industry	Rosslyn, Gauteng	012 700 0698/9
SCI, Mogale City	Construction	Mogale City, Gauteng	011 052 6611
SCI, Ekurhuleni	Construction	Ekurhuleni, Gauteng	011 394 0015
SCI, Tshwane	Construction	Pretoria West, Gauteng	012 373 5890
Seda Essential Oils Business Incubator (SEOBI)	Essential Oils-Plant Cultivation & Oil Distillation	Pretoria, Gauteng	012 808 3061
South Africa Manufacturing Technology Demonstration Centre (SMTDC)	Small-Scale Manufacturing	Soshanguve, Gauteng	012 793 1066
SoftstartBTI (SBTI)	ICT	Midrand, Gauteng	011 695 4800
Zenzele Technology Demonstration Centre	Small-Scale Mining	Randburg, Gauteng	011 709 4674
Secopa Bathung	Mix Manufacturing	Soweto, Gauteng	087 351 8292
Global Jewellery Academy	Jewellery Manufacturing	Lenasia, Gauteng	011 857 1426
Ekurhuleni Jewellery Incubator	Jewellery Manufacturing	Ekurhuleni, Gauteng	011 825 5822
Bakery and Food Technology Incubator of South Africa	Food Technology Industry	Pretoria, Gauteng	012 803 1222
Ekurhuleni West TVET College Rapid Incubator	Mixed Manufacturing	Katlehong, Gauteng	011 353 1600
SCI Nelmaphius	Construction	Pretoria, Gauteng	012 346 6020

KWAZULU-NATAL



- | | | | |
|---|--|---|----------------------------------|
| 1 | PORT SHEPSTONE
Ugu | 4 | RICHARDS BAY
Uthungulu |
| 2 | IXOPO
Sisonke | 5 | LADYSMITH
Uthukela |
| 3 | PIETERMARITZBURG
uMgungundlovu | 6 | NEWCASTLE
Amajuba |

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Chemin, Durban	Chemical Industry	Durban, KwaZulu-Natal	010 594 9842
Downstream Aluminium Centre for Technology (DACT)	Aluminium Fabrication & Casting	Richard's Bay, KwaZulu-Natal	035 797 1500
Furntech Durban	Furniture Manufacturing	Durban, KwaZulu-Natal	031 579 1896
Furntech Umzimkhulu	Furniture Manufacturing	Umzimkhulu, KwaZulu-Natal	039 259 0993
INVOTECH	Mixed High-Tech	Durban, KwaZulu-Natal	031 201 5788
Seda Construction Incubator (SCI), Durban	Construction	Durban, KwaZulu-Natal	031 368 1207
Seda Construction Incubator (SCI) Dundee	Construction	Umzimkhulu, KwaZulu-Natal	034 212 2074
Seda Construction Incubator (SCI) Kwa-Mashu	Construction	Kwa-Mashu, KwaZulu-Natal	031 503 5225
Seda Essential Oils Business Incubator (SEOBI)	Essential Oils-Plant Cultivation & Oil Distillation	Nkandla, KwaZulu-Natal	035 833 0479
Smartxchange	ICT	Durban, KwaZulu-Natal	031 307 1998
Esayidi TVET College Rapid Incubator	ICT	Port Shepstone, KwaZulu-Natal	039 685 5482
Smartxchange	ICT	Port Shepstone, KwaZulu-Natal	039 682 0631

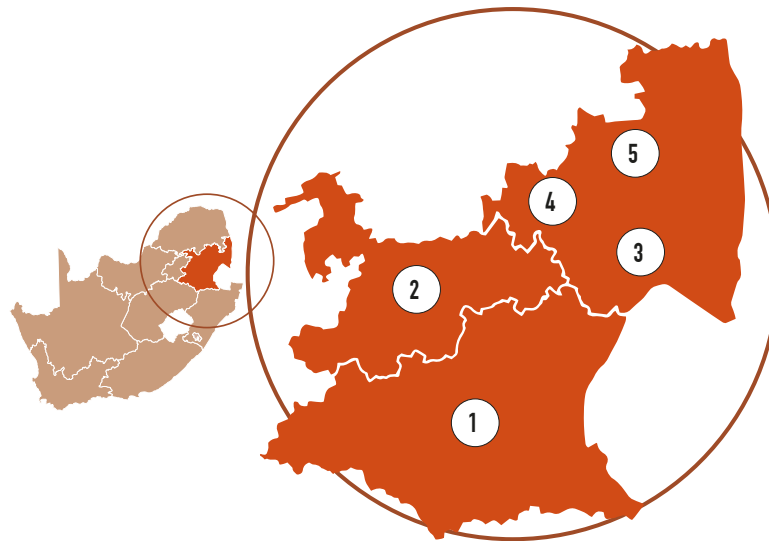
LIMPOPO



- 1 **MAKOPANE** Waterberg
 2 **JANE FURSE** Greater Sekhukhune
 3 **POLOKWANE** Capricorn
 4 **TZANEEN** Mponi
 5 **THOHoyANDOU** Vhembe

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Mapfura Makhura Incubator (MMI)	Bio-Fuels Plant Production & Processing	Marble Hall, Limpopo	013 268 9324
Seda Limpopo Jewellery Incubator (SLJI)	Jewellery Manufacturing	Polokwane, Limpopo	015 293 0319
Vhembe TVET College Rapid Incubator	Mixed Manufacturing	Thohoyandou, Limpopo	015 963 3156

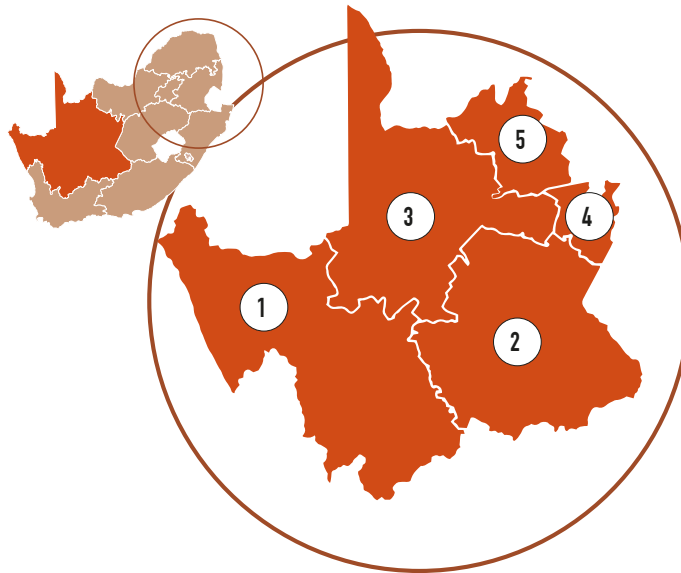
MPUMALANGA



- 1 **SECUNDA** Gert Sibande 2 **eMALAHLENI** Nkangala 3 **MALELANE** Nkomazi 4 **NELSPRUIT** Ehlanzeni 5 **BUSHBUCKRIDGE** Bushbuckridge

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Furtech White River	Furniture Manufacturing	White River, Mpumalanga	013 750 3066
Mobile Agri-Skills Development & Training (MASDT)	Agricultural Capacity Building	Nelspruit, Mpumalanga	013 753 2470
Mpumalanga Stainless Steel Initiative (MSI)	Stainless Steel Processing	Middelburg, Mpumalanga	013 246 1528
Timbali	Floriculture	Nelspruit, Mpumalanga	013 753 2412
Ehlanzeni TVET College Rapid Incubator	Renewable Technologies	Nelspruit, Mpumalanga	013 752 7105

NORTHERN CAPE



1 **SPRINGBOK**
Namakwa

2 **DE AAR**
Pixley ka Seme

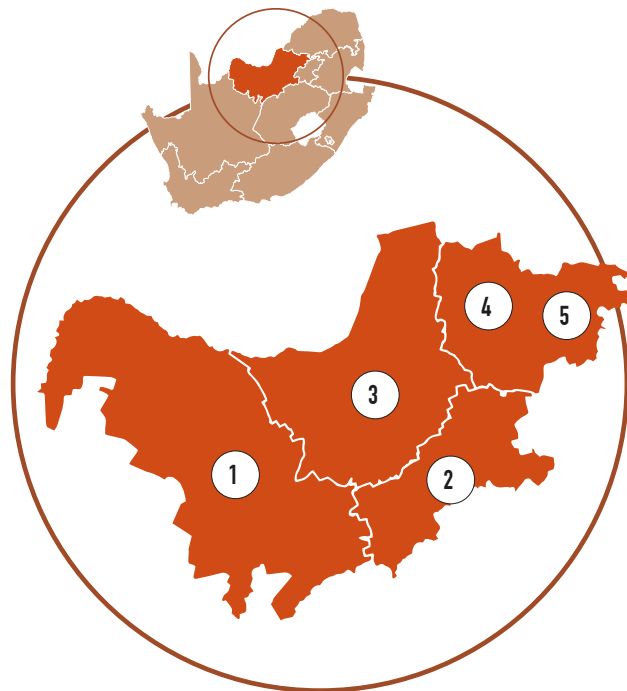
3 **UPINGTON**
Siyanda

4 **KIMBERLEY**
Frances Baard

5 **KURUMAN**
John Taolo Gaetsewe

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Northern Cape Diamond and Jewellery Incubator	Jewellery	Kimberley, Northern Cape	053 831 1570
Northern Cape Rural TVET College Rapid Incubator	Construction	De Aar, Northern Cape	054 332 4711

NORTH WEST



1 **VRYBURG**
Dr Ruth Segomotsi Mompoti

2 **KELRKSDORP**
Dr Kenneth Kaunda

3 **MAFIKENG**
Ngaka Modiri Molema

4 **RUSTENBURG**
Bojanala West

5 **BRITS**
Bojanala East

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
Seda Platinum Incubator (SPI)	Platinum Jewellery	Rustenburg, North West	014 597 0736
Orbit TVET College Rapid Incubator	Automotive	Rustenburg, North West	014 597 5536

WESTERN CAPE



- 1 **BELLVILLE**
City of Cape Town
- 2 **STELLENBOSCH**
Cape Winelands
- 3 **GEORGE**
Eden

CENTRE	SECTOR	PROVINCE	CONTACT NUMBER
South Africa Renewable Business Incubator (SAREBI)	Renewable Energy	Atlantis, Western Cape	021 577 2719
Furntech Cape Town	Furniture Manufacturing	Cape Town, Western Cape	021 510 0088
Furntech, Nyanga	Furniture Manufacturing	Cape Town, Western Cape	021 201 7542
False Bay TVET College Rapid Incubator	Metal Fabrication and Boat Building	Muizenburg, Western Cape	021 003 0600
SAVANT	Advanced Manufacturing	Cape Town, Western Cape	021 418 9010

SEDA PROVINCIAL OFFICES CONTACT DETAILS

PROVINCE	OFFICE NAME AND LOCATION	NAME	ADDRESS	PHONE/FAX/CELL NUMBERS	EMAIL ADDRESS
EASTERN CAPE	Provincial Office East London	Siphiwo Soga Provincial Manager	No 4 Scherwitz Rd Berea East London	043 706 6700/1/2/3 (T) 043 721 1652 (F) 082 851 8912(C)	ssoga@seda.org.za
	Provincial Office East London	Ntombozuko Somtunzi Operations Manager	No 4 Scherwitz Rd Berea East London	043 706 6700/1/2/3 (T) 043 721 1652 (F) 082 958 2561 (C)	nsomtuzi@seda.org.za
FREE STATE	Provincial Office Bloemfontein	Jackie Ntshingila Provincial Manager	Telkom Building Block B First Floor Nelson Mandela Road Bloemfontein	051 411 3820 (T) 051 444 4235 (F) 082 801 0008 (C)	jntshingila@seda.org.za
	Provincial Office Bloemfontein	Boijane Mshumpela Operations Manager	Telkom Building Block B First Floor Nelson Mandela Road Bloemfontein	051 411 3820 (T) 051 444 4235 (F) 073 204 2002 (C)	bmshumpela@seda.org.za
GAUTENG	Provincial Office Johannesburg	Colin Leshou Provincial Manager	Second Floor Forum 5 Braampark 33 Hoofd St Braamfontein Johannesburg	011 408 6528 (T) 072 019 5996 (C)	cleshou@seda.org.za
	Provincial Office Johannesburg	Colin Francis Operations Manager	Second Floor, Forum 5 Braampark 33 Hoofd St Braamfontein Johannesburg	011 408 6528 (T) 082 894 8841 (C)	cfrancis@seda.org.za
KWAZULU-NATAL	Provincial Office Durban	Cedric Mnguni Provincial Manager	381 Berea Road Durban	031 277 9500 (T) 031 277 9510 (F) 082 920 5154 (C)	cmnguni@seda.org.za
	Provincial Office Durban	Nkululeko Kunene Operations Manager	381 Berea Road Durban	031 277 9500 (T) 031 277 9510 (F) 076 826 0995 (C)	nkunene@seda.org.za

PROVINCE	OFFICE NAME AND LOCATION	NAME	ADDRESS	PHONE/FAX/CELL NUMBERS	EMAIL ADDRESS
LIMPOPO	Provincial Office Polokwane	Koenie Slabbert Provincial Manager	Second Floor Suite 6 Maneo Building 73 Biccadd Street Polokwane	015 287 2940 (T) 015 297 4022 (F) 083 378 6289 (C)	kslabbert@seda.org.za
	Provincial Office Polokwane	Martin Rafferty Operations Manager	Second Floor Suite 6 Maneo Building 73 Biccadd Street Polokwane	015 297 1139 (T) 015 297 4022 (F) 082 561 6147 (C)	mrafferty@seda.org.za
MPUMALANGA	Provincial Office Nelspruit	Mashiba Kgole Provincial Manager	Suite 102 Bi-water Building 16 Brander Street Nelspruit	013 755 6046/7 (T) 013 755 6043 (F) 082 565 6935 (C)	mkgole@seda.org.za
	Provincial Office Nelspruit	Phumzile Mnisi Operations Manager	Suite 102 Bi-water Building 16 Brander Street Nelspruit	013 755 6046 (T) 013 755 6043 (F) 082 466 9786 (C)	pmnisi@seda.org.za
NORTHERN CAPE	Provincial Office Kimberley	Kedisaletse Williams Provincial Manager	13 Bishop Avenue Sanlam Building Kimberley	053 839 5700 (T) 053 839 5711 (F) 082 304 1970 (C)	kwilliams@seda.org.za
	Provincial Office Kimberley	Oupa Kale Operations Manager	13 Bishop Avenue Sanlam Building Kimberley	053 839 5700 (T) 053 839 5711 (F) 082 259 0658 (C)	okale@seda.org.za
NORTH WEST	Provincial Office Rustenburg	Neville Maimane Provincial Manager	214 Beyers Naude Street Rustenburg	014 591 7900 (T) 014 592 9734 (F) 082 887 1942 (C)	nmaimane@seda.org.za
	Provincial Office Rustenburg	Neo Rampagane Operations Manger	214 Beyers Naude Street Rustenburg	014 591 7900 (T) 014 592 9734 (F) 083 282 0662 (C)	nrampagane@seda.org.za
WESTERN CAPE	Provincial Office Cape Town	Alex Qunta Provincial Manger	Sixth Floor The Pinnacle 2 Burg Street Cape Town	021 487 3640 (T) 085 494 0273 (C)	aqunta@seda.org.za
	Provincial Office Cape Town	Thabang Palami Operations Manager	Sixth Floor The Pinnacle 2 Burg Street Cape Town	021 487 3640 (T) 082 430 4344 (C)	tpalami@seda.org.za





seda 

SMALL ENTERPRISE DEVELOPMENT AGENCY

an agency of the dsbd

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RP368/2018
ISBN: 978-0-621-46761-1