ANNUAL REPORT 2022/23

GAUTENG
it starts here

GGDA
GAUTENG GROWTH AND DEVELOPMENT AGENCY

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LIST OF ABBREVIATIONS/ACRONYMS

AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
ASP	Automotive Supplier Park
AIDC	Automotive Industry Development Centre
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
BACS	Batyi Automotive Component Supply
BBQ	Black Business Quarterly
BPeSA	Business Process enabling South Africa
CAP	Cosmetics Accelerator Programme
CCI	Cultural and Creative Industries
CoJ	City of Johannesburg
CoT	City of Tshwane
DBSA	Development Bank of South Africa
DDI	Domestic Direct Investment
EH&W	Employee Health and Wellness
EIA	Environmental Impact Assessment
EPMO	Enterprise project management office
EPWP	Expanded Public Works Programme
EV	Electric Vehicle
EXCO	Executive Committee
FDI	Foreign Direct Investment
GCR	Gauteng City Region
GDARD	Gauteng Department of Agriculture and Rural Development
GDED	Gauteng Department of Economic Development
GEP	Gauteng Enterprise Propeller
GEPP	Global Export Passport Programme
GEYODI	Gender Youth and People with Disabilities
GGDA	Gauteng Growth and Development Agency
GIDZ	Gauteng Industrial Development Zone
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practice
HR	Human Resource
ICT	Information Communication Technology
IDZ	Industrial Development Zone
IGR	Integrated Government Relations
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IT	Information Technology
JMP	Jewellery Manufacturing Precinct
KPI	Key performance indicator
LPG	Liquified Petroleum Gas
MEC	Member of Executive Council
MOU	Memoranda of Understanding
MTSF	Medium-Term Strategic Framework
NEV	Neighbourhood Electric Vehicle
NDP	National Development Plan
NMAfA	National Museum of African Art
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
ORTIA	OR Tambo International Airport
OSS	One-stop Shop
PDL	Product Development Lab
PFMA	Public Finance Management Act
PGM	Platinum Group Metals
PMU	Project Management Unit
PPGI	Public-Private Growth Initiative
PRT	Professional Resource Team
QMS	Quality Management System
R&D	Research and Development
RPL	Recognition of Prior Learning
SAMRO	South African Music Rights Organisation
SARS	South African Revenue Service
SCM	Supply Chain Manufacturing
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprises
SOC	State-Owned Company
SOFC	Solid Oxide Fuel Cell
TASEZ	Tshwane Automotive Special Economic Zone
TIHMC	The Innovation Hub Management Company
TIRE	Trade, Investment and Regulatory Enablement
TISH	Township, informal settlements, and hostels
TMR	Transformation, Modernisation and Reindustrialisation
TPM	Total Productivity Maintenance
TTC	Trade Test Centre
UPS	Uninterrupted Power Supply
US	United States
VC	Vice Chancellor
VFS	Visa Facilitation Service
WRSEZ	Rand West SEZ
WSP	Workplace Skills Plan

PART A

GENERAL INFORMATION

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PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:
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2003/021743/30

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EXTERNAL AUDITORS:
Auditor-General of South Africa

BANKER:
First National Bank

COMPANY/ BOARD SECRETARY
Advocate Pieter Holl (Acting)

FOREWORD
BY THE CHAIRPERSON

The Gauteng Growth and Development Agency (GGDA) remains steadfast in its commitment to fostering an inclusive and transformed economy for the Gauteng province. Our objective is rooted in the principles of inclusivity and transformation, and we are dedicated to driving economic growth that benefits all residents of the province.

We are acutely aware of the profound impact the pandemic had on all sectors of our economy. For this reason, we are redoubling our efforts to rebuild, revitalise and re-ignite all sectors – to ensure that they emerge stronger and more resilient than before. Our focus is not merely on recovery, but on fostering sustainable growth that can withstand future challenges.

To achieve these ambitious goals, the GGDA Board plays a pivotal role in providing strategic oversight. We are committed to ensuring robust organisational governance, fostering strategic stakeholder relationships and partnerships, and maintaining fiscal prudence. We have also closely monitored the delivery of the 2022/23FY Annual Performance Plan (APP) targets, so that we can maintain our focus on our objectives and ultimately deliver value to our stakeholders.

FOREIGN DIRECT INVESTMENT (FDI) AND STRATEGIC STAKEHOLDER PARTNERSHIPS

As we reflect on the 2022/23FY performance, it is with a sense of accomplishment that we acknowledge the significant strides we have made in securing investment for the Gauteng province. We have successfully secured R35,4 billion in both Foreign Direct and Domestic Direct Investment (DDI), a testament to the confidence that investors have in our region's economic potential and the value-drivers embedded in our strategy.

We have facilitated trade deals amounting to R6,4 billion for Gauteng businesses. These achievements not only stimulate economic growth but also create much-needed jobs and opportunities for our communities. This is a manifestation of our dedication to fostering a thriving and inclusive economy for Gauteng. Building on these sound foundations, I am confident of our future success and believe that we can continue to drive investment and trade in the province.

OVERSIGHT OF ECONOMIC INFRASTRUCTURE DEVELOPMENT

Phase 1 of the OR Tambo SEZ (ORTIA SEZ) has advanced tremendously, with practical completion for 8 additional tenants set to be completed in the coming financial year. This milestone could only be achieved through the capacitation of the Enterprise Project Management Office (EPMO) which has worked tirelessly with the OR Tambo SEZ team to realise the successful delivery of the Jewellery Manufacturing Precinct. The Precinct will enhance the manufacturing and export of minerals mined in South Africa, allowing for much needed jobs and investment in this sector. Thus far, over R1 billion worth of investments have been secured for phase 1 alone, and these investments include the re-entry of one of the leading Belgium diamond companies back into South Africa.

GOVERNANCE AND ACCOUNTABILITY

In support of the Growing Gauteng Together 2030 (GGT2030) initiative, the GGDA Board has prioritised the strengthening of our organisational structure. We have focused on filling key positions to bolster accountability and ensure effective implementation of our strategic goals. This is a crucial step towards building a sustainable organisation that will continue to drive growth and transformation in Gauteng. The Board managed to institute an integrated system which includes the incorporation of subsidiary board members into the group subcommittees to encourage cross pollination of ideas and dissolve silo operations from subsidiaries. Additional to the integration of subsidiary boards into group subcommittees a skills review process was conducted to identify critical human resources required to support the shared operating model for the GGDA.

In building mechanisms of accountability, the board has driven the introduction of conducting a group wide employee engagement survey. The outcomes of the employee engagement survey proposed that on time employee contracting, performance review and bonus payment for qualifying employees are critical aspects of being a caring, responsive employer of choice and could also be used as a mechanism to drive employee retention. The above therefore highlighted an important factor that performance is connected to the healthy work conditions and environment of the staff. In this regard we have introduced internal staff meetings called Town Halls per quarter to engage employees and share the vision and relevant information from the board. The Town Hall sessions have provided much needed integration, accountability, and inclusive organisational culture.

Recognising the importance of robust governance mechanisms, we have made it a priority to enhance our reporting capabilities. We have deliberately ensured that all board members and executives undergo training through the National School of Government. The training was intended to drive the evaluation of board performance through peer reviews and guide the Board on preparing and contributing for board meetings. This has been particularly crucial in assisting the board to evaluate the implementation of economic infrastructure development, investment facilitation and export expansions. These efforts are central to our mission of fostering a vibrant and inclusive economy in Gauteng.

ORGANISATIONAL PRIORITIES

Our organisational priorities for the 2022/23FY period were to capacitate the organisation with the necessary skill to achieve on the target of the APP and to drive growth and inclusivity in our region. Under the guidance of the board, I am pleased to report an 81% achievement in target which is a significant improvement from the 66.2% in 2021/22FY. I would like to thank the former Acting Group CEO Mr Simphiwe Hamilton for navigating the organisation towards this great success which included increased focus on investment facilitation and vision to enable rapid deployment of economic infrastructure. This was a key step towards boosting industrialisation which is a vital component of a thriving economy.

Our dedicated efforts to support the inclusion of small, medium and micro enterprises (SMME) in the economic value chain have shown pleasing results towards broader SMME participation. This is an area on which we will maintain our focus in the medium to long term, fostering inclusion and sustainability for new market entrants.

The prioritisation of job creation and skills development is aimed at enhancing the human capital in the province. This ultimately supports the government's efforts as laid out in the Growing Gauteng Together (GGT2030) and the provinces efforts towards supporting township economic development. Through fostering a skilled workforce and providing employment opportunities, the region actively participates in reducing the country's dire unemployment rate.

Leveraging various opportunities presented during the period, we have also made good progress in enhancing our integration with the African continent. In doing so, we are able to foster good relations, forge partnerships and attract investment beyond our borders.

As we move forward, these organisational priorities will continue to guide our efforts as we strive to grow a vibrant, inclusive and sustainable economy in Gauteng.

Dr Sibongile Vilakazi
Chairperson of the GGDA Board of Directors
Gauteng Growth and Development Agency
Date

CHIEF EXECUTIVE OFFICER'S **OVERVIEW**

As I reflect upon the 2022/23 financial year, I am humbled by the commitment shown by all members of the GGDA. Without your dedication to growing the Gauteng province, we would not have achieved on the 81% delivery of our annual performance targets. This achievement comprises of the excellent delivery targets displayed by AIDC at 86%; TIH at 93%; GIDZ at 60% and ConHill at 92%.

We have managed to facilitate a group achievement of 15 400 jobs created and 3 020 skills and enterprise development trainings implemented.

Despite the challenges we faced, the GGDA facilitated a total of R35,4 billion in investments. This figure comprises Foreign Direct Investments (R25,4 billion) and Domestic Direct Investments (R10 billion) from 21 individual investments.

Our subsidiary, The Innovation Hub Management Company, has been instrumental in these efforts, successfully incubating more than six companies to export ready innovation products. This, I wish to add, is a beacon of pride for the GGDA. Preparing our incubatees for the global market is a testament to the positive impact we're able to make on start-ups and innovators. Furthermore, the AIDC has launched one additional Township Automotive Hub in the Western corridor - the Chamdor Automotive Hub was initiated in October 2022.

At the heart of these developments is a focus on strategic engagement. During the period, we participated in the Southern Africa Europe CEO's Dialogue. This platform positions Gauteng at the centre of connecting South African, European, and African CEOs on global matters of significance. Once again, affirming our place on the global stage.

I am pleased to note the advancement of Phase 1 of the OR. Tambo Special Economic Zone (ORTIA SEZ), particularly the successful delivery of the Jewellery Manufacturing Precinct (JMP). This venture promises to boost the manufacturing and export of locally mined minerals, creating jobs and attracting investment to this vital sector. We secured over R1 billion worth of investments for Phase 1 and supported the significant re-entry of a leading Belgium diamond company into South Africa, which testifies to the appeal and potential of our initiatives.

Our application for the Vaal SEZ designation and the commitment of Mitochondria as an anchor investor are the feature success stories for the period. These are unpacked further in the report. With the target of R2 billion, we have exceeded expectations by securing investor commitments to the value of R4,6 billion, including from Mitochondria Energy and Bluedrop Energy. While we have a long road yet to walk, these advancements fill me with a sense of pride and hope for the future of Gauteng and South Africa.

I extend my sincere gratitude to the Board for your steadfast leadership and commitment to the success of the Group. To my Executive management team, I thank you for your support in guiding the team through some of the most challenging times. To all staff across the Group, the results delivered in this report are a testament to our collective efforts and without each of you, they would not be possible.

I am honoured to be part of a great team that bolsters the Gauteng province economy.

I look forward to another successful year for the GGDA, Gauteng, and South Africa.

Mr Saki Zamxaka
Acting Group Chief Executive Officer
Gauteng Growth and Development Agency
Date: 21/08/2023

Gauteng IDZ headquarters, Ekurhuleni

BOARD **MEMBERS**

Dr Sibongile Vilakazi
Chairperson of the GGDA Board of Directors

Qualifications and Memberships
Dr Vilakazi is a Research Psychologist with a PhD in Organisational Development and Diversity Management. She completed her PhD at Wits Business School in 2015, and in 2017 joined the Business School as a faculty member – teaching Business Strategy on the PDBA and MBA programmes, as well as supervising MBA and PhD research students.

Skills and Experience
Dr Vilakazi has rich corporate experience in customer strategy design and implementation, having headed Customer Experience for the Alexander Forbes Group, served as an Account Director at Kantar, and worked for Nedbank Group Insights and Nedbank Retail Segment. She is the founder of Ntsikelelo Business Solutions, a consulting business, in which she consults for small, medium, and corporate organisations on business transformation strategy, customer experience strategy, strategy implementation, and monitoring.

Current External Appointments
Dr Vilakazi serves as an independent non-executive director of the South African Music Rights Association (SAMRO) Board, where she is the chairperson of the Social, Ethics and Governance committee. She also serves on the Board of Kalagadi Manganese mining company as an independent non-executive director and a member of Entsika Foundation Board.

Mr Thembisa Fakude
Deputy Chairperson of the GGDA Board of Directors
Chairperson: GIDZ Board of Directors
Member: GGDA Group, Trade, Investment and Regulatory Enablement Committee
Member: GGDA Group Audit and Risk Committee

Qualifications and Memberships
Mr Fakude brings to the Board a wealth of experience in media and communications. He holds a master's degree in Politics, and a Bachelor of Arts (Hons), both of which were obtained from the University of the Witwatersrand, South Africa. He has held the Chairpersons of the Foreign Correspondents Association of Southern Africa and serves on the Board of the Mail and Guardian newspaper. He was a member of the Organising Committee for the fourth Women Deliver Conference, in Copenhagen (2016), and in Vancouver, Canada (2019).

Skills and Experience
Mr Fakude was a Bureau Chief of Al Jazeera Media Network for both the Arabic and the English Channels of the network in Southern Africa. In 2013, he joined Al Jazeera Centre for Studies in Doha, Qatar, as the head of the English Unit and later the head of External Relations. During his tenure (of more than ten years), he coordinated a two-year research programme, Media in Transition, cases in Tunisia, Turkey, and Morocco. He also served as a senior news producer and researcher.

Current External Appointments
Mr Fakude is a columnist for the Middle East Monitor in London, United Kingdom (UK). He is the Deputy Chairperson of the Common Action Forum in Madrid. He continues to serve as a Research Fellow at the al Sharq Forum in Istanbul, Turkey.

Advocate Lenstwe Mokgatle
Member of the GGDA Board of Directors
Chairperson: GGDA Group Nomination, Human Resources, and Remuneration Committee
Director: ConHill Board of Directors
Member: GGDA Group Audit and Risk Committee

Qualifications and Memberships
Advocate Mokgatle holds a Bachelor of Laws degree obtained at the Universities of Botswana and Edinburgh. He trained as an attorney in Gaborone and was admitted as an Advocate of the Supreme Court. He underwent numerous training and skilling programmes in the various posts that he occupied.
Advocate Mokgatle has sat on many boards and been appointed by government ministers to various ministerial advisory roles. He has worked as an Executive Mayor (Mogale City), Deputy Director General (Department of Economic Development), and Legal Advisor (Denel Aviation and the Department of Sport, Recreation, Arts & Culture). He is a member of the Institute of Directors of SA (IoDSA), and the Association of Arbitrators SA.

Skills and Experience
Advocate Mokgatle has a strong acumen in legal compliance, risk management, legal writing, research, and advisory. He has a proven track record in providing various organisations with world-class legal compliance and corporate governance services, coupled with excellent business management skills, the culmination of more than 29 years' experience in both the public and the private sectors.

Current External Appointments
Lembede Tambo Pitje Legal Counsel

Mr David Maimela
Member of the GGDA Board of Directors
Chairperson: GGDA Group, Trade, Investment and Regulatory Enablement Committee
Director: GIDZ Board of Directors

Qualifications and Memberships
Mr Maimela holds a Master of Arts degree (Cum Laude) from the University of Johannesburg. His dissertation in the field of International Relations and Foreign Policy focused on the subject of South Africa's national interest(s) in Africa during the Mbeki administration between 1999 and 2008. He is also an alumnus of the African Programme on Rethinking Development Economics.

Skills and Experience
Mr Maimela is a public policy specialist whose work and commitment have influenced policy decision-making in South Africa for 14 years. His professional career straddles the public, regulatory, research and academic, civil society, and consultancy sectors. As a co-founder and researcher at the Mapungubwe Institute for Strategic Reflection (MISTRA), he was responsible for research and consulting work that shaped decision-makers' choices in the government and business sectors. Over the years, he has served as a middle manager, senior executive, and advisor in institutions such as the Office of the Premier in Gauteng, the Competition Commission (CCSA), the Gauteng Department of Health (GDoH), and the University of South Africa (UNISA).

Current External Appointments
Mr Maimela also serves as a board member of the South African Broadcasting Corporation (SABC), as well as being the Founder and Executive Director at The Polisee Space, a pan-African public policy think-tank.

Ms Refilwe Letwaba
Member of the GGDA Board of Directors
Chairperson: AIDC Board of Directors
Member: GGDA Group Social and Ethics Committee

Qualifications and Memberships
Ms Letwaba holds a Bachelor of Laws degree from the Wits University and has served on various Boards that include the Cancer Association of South Africa, the Land Development Objectives Board North West Province, and the Temba Technical College.

Skills and Experience
Ms Letwaba served as chairperson on various Portfolio Committees of the Legislature, Committee of Local Government, and the Standing Committee of the Scrutiny of Subordinate Legislation Committee. She has earned a vast range of knowledge and expertise whilst serving in senior management capacities in the South African Government. Ms Letwaba has served as a public representative in the Gauteng Legislature for 10 years.

Current External Appointments
Ms Letwaba is not, at present, a member of external entities and holds no external appointments.

Advocate Kgotso Maja
Member of the GGDA Board of Directors
Chairperson: TIHMC Board of Directors
Member: GGDA Group Audit and Risk Committee

Qualifications and Memberships
Advocate Maja obtained his Bachelor of Laws degree from Wits University and is a candidate at the Johannesburg Business School for enrolment on the Master of Business Administration qualification. Advocate Maja is a member of the Institute of Directors for Southern Africa (IoDSA).

Skills and Experience
With an extensive history of community participation, Advocate Maja is a former Board Member at the Far East Rand Hospital in Gauteng, and the current Tshwane Regional Secretary of the Professionals Progressive Forum – comprised of professionals, business practitioners, and academics involved in social and economic development. He is the founder of Wallstreet Afrika, a consulting agency that provides advisory services on matters of socio-economic development in both the public and the private sectors. Advocate Maja has served in organisations such as ABSA Business Bank and Microsoft, and in areas of small business and corporate affairs, respectively. He is an Alumnus of the Young African Leaders Initiative, the Mandela Institute of Development Studies, and the 100 Brightest Young Minds South Africa.

Current External Appointments
Advocate Maja is a Council member of Westcol TVET College and serves on its Audit and Risk Committee. He is also a Board member of the Weskoppies Psychiatric Hospital in Tshwane.

BOARD MEMBERS

Mr Krishen Sukdev

Member of the GGDA Board of Directors
Chairperson: GGDA Group Audit and Risk Committee
Director: TIHMC Board of Directors

Qualifications and Memberships

Mr Sukdev graduated with a Bachelor of Business Science (Hons) degree from the University of Cape Town and obtained his Master's in Business Administration from Heriot-Watt University. He qualified as a Fellow of the Faculty of Actuaries and Fellow of the Actuarial Society of South Africa and the Financial Planning Institute.

Skills and Experience

Mr Sukdev has a wealth of experience, having gained over
30 years of experience in the financial services and retirement industry, serving as Actuary, Trustee, Principal Officer, Liquidator, Director, Non-Executive Director and CEO.

He has extensive executive management experience in governance, risk management, and internal controls. He has excellent knowledge of both the private and public sectors. Mr Sukdev has worked extensively with internal and external auditors. He has been involved in Generally Recognised Accounting Practice (GRAP) Accounting, corporate governance and compliance, supply chain management in the public sector, and organisational performance management. He served as the CEO of the Government Pensions Administration Agency (GPAA) for five years, directly reporting to the Minister of Finance. He has worked with various oversight committees to manage risk and performance and has also served as a director of the Association of South African Black Actuarial Professionals.

Current External Appointments

Mr Sukdev is the Chairperson of the Investment and Actuarial Committee and a member of the Audit Committee of the Land Bank Insurance entities – also serving as a Non-Executive Director of the Land Insurance Company. In addition, he is the Chairperson of the Liberty Life Lifestyle Retirement Annuity and Preservation Funds, an Independent Trustee of the Liberty Corporate Selection Umbrella Funds, Principal Officer of the Impala Platinum Beneficiary Fund, an Independent Trustee of the NEHAWU National Provident Fund and a Trustee of the Independent Development Trust.

Ms Thandiwe Godongwana

Member of the GGDA Board of Directors Member: GGDA Group Nomination, Human Resources, and Remuneration Committee
Member: GGDA Group Social and Ethics Committee
Chair: GGDA & AIDC Tender Committees

Qualifications and Memberships

Ms Godongwana obtained her Bachelor of Science degree at the University of Fort Hare, where she also completed a Higher Diploma in Education. She secured a Bachelor of Education degree via UNISA as well as a Business Management Diploma at Damelin. Ms Godongwana is currently completing her Master of Management (Finance and Investment) degree at Wits University.

Skills and Experience

A well-rounded Business Executive, Ms Godongwana has a sound academic background, extensive business acumen and Human Resources Management experience, and has a firm understanding of corporate governance – having been exposed to many industrial and commercial sectors at both Board and management levels. She has experience in designing Human Resource (HR) strategies and has served as a Board member to determine the effectiveness of HR strategies proposed by management (including the various aspects of performance management systems). Ms Godongwana provides leadership in her role as Director of Ikhwezi Neuro Clinic, New Invest 119 (Pty) Ltd, Foxtech-Ikhwezi Manufacturing, the NBI Advisory Board, Closure and Rehab Solutions, Ditulo Furnishers, and the Pan African Benefits Services. She is Chairperson of the Cross- Med Health Centre, and a Board Member of Mayibuy Transport Corporation (serving on the Audit and Risk, and Remuneration committees). She has also successfully served at the National Fire and Security Department. In addition, Ms Godongwana is a member of the Institute of Directors South Africa (IoDSA).

Current External Appointments

Ms Godongwana is the Board Chair of the Premier Hotel OR Tambo International and serves on committees for the South African National Biodiversity Institute, the Tourism B-BBEE Council, the South African Fishing Empowerment Corporation, and the Buffalo City Municipality Development Agency.

Mr Kganki Matabane

Member of the GGDA Board of Directors
Member: GGDA Group, Trade, Investment and Regulatory Enablement Committee

Qualifications and Memberships

Mr Matabane's academic journey is an ongoing one. He obtained a National Diploma in Cost and Management Accounting from the University of Johannesburg, and a Bachelor of Technology degree from the University of South Africa, where he also completed his Master of Business Leadership qualification. Mr Matabane obtained his Post Graduate Diploma in Business Administration and completed a Senior Executive Development Programme via GIBS. In his quest for ongoing learning, he attended the Leadership Development Programme at the University of Stellenbosch Business School and completed a Certificate Programme in Financial Analysis at the Wits Business School.

Skills and Experience

Mr Matabane is the CEO of the Black Business Council, and has served as Chief Operating Officer and Executive Director at Sentech SOC Ltd. He is an accomplished business professional who has managed profit and loss in both the public and private sector. He provides valuable direction to the Boards and committees on which he serves, including EXCO, the Audit, Finance and Risk, Social and Ethics, Transformation, as well as the Human Resources and Remuneration committees. Mr Matabane contributed to the post-COVID-19 Economic Reconstruction and Recovery Plan for South Africa in his capacity as a Co-Executive Sponsor for Business for South Africa. He is a highly influential and sought-after thought leader on socio-economic issues of national and international significance and importance.

Current External Appointments

Mr Matabane is a member of the Presidential Broad-Based Black Economic Empowerment Advisory Council.

Mr Errol Magerman
Member of the GGDA Board of Directors
Member: GGDA Group, Trade, Investment and Regulatory Enablement Committee
Member: GGDA Group Audit and Risk Committee

Qualifications and Memberships

Mr Magerman is a well-qualified member of the GGDA Board. He holds a Post -Graduate Diploma in Management in the field of Governance and Public Leadership. He has maintained a sound record of ongoing learning, having completed a Project Management and Leadership, as well as a Public Finance Management course, through the Regenesys School of Public Management. In addition, he has studied Governance and Public Leadership at the Wits University and Public Administration and Governance at the University of South Africa.

Skills and Experience

Mr Magerman's leadership expertise is a culmination of years of oversight roles in portfolios such as Social Development and Housing at the Gauteng Provincial Legislature (where he served as Chairperson of the Committee) and has ensured the highest level of governance in both the national and local government elections – serving on the Local Government Committee. Mr Magerman also served as a Board member and Chairperson of the Ekurhuleni Water Care Company (ERWAT).

Current External Appointments

Mr Magerman is not, at present, a member of external entities and holds no external appointments.

Ms Millicent Moroga
Member of the GGDA Board of Directors
Chairperson: ConHill Board of Directors
Member: GGDA Group Social and Ethics Committee

Qualifications and memberships

Ms Moroga holds a Bachelor of Arts degree (Hons, Cum Laude) in Sociology. She also graduated Cum Laude with an MSc in International Development from the Institute of Policy Development and Management, University of Manchester, UK.

Skills and experience

Ms Moroga currently holds the position of Corporate Affairs Director for Heineken South Africa. She has made significant contributions during her career, having worked for Old Mutual as the head of the Old Mutual Foundation, and for the South African Breweries Limited, where she served as the Corporate Affairs Manager. Her experience and expertise have benefitted the various Boards on which she has served. Ms Moroga has served on the Board of the Gauteng Enterprise Propeller, the Foundation for Alcohol Related Research, and the Old Mutual Foundation. She is currently a Trustee of the Heineken South Africa Foundation, and the Old Mutual Employee Incentive Scheme.
She is an alumnus of the Brightest Young Minds as well as the Golden Key International Society.

Current external appointments

Ms Moroga is not, at present, a member of external entities and holds no external appointments.

Ms Thabiso Kutumela
Member of the GGDA Board of Directors
Chairperson: GGDA Group Social and Ethics Committee
Director: GIDZ Board of Directors

Qualifications and memberships

Ms Kutumela has an impressive academic resumé, having completed her Bachelor of Commerce, Bachelor of Laws, and Master of Laws degrees at Wits University. She has ensured that her growth and learning are an ongoing effort, and has completed certificates in Advanced Company Law, Risk, Compliance and Governance, Competition Law, and Advanced Administrative Law – also via Wits University. Ms Kutumela is a Member of the Appeals Board of the South African Institute for Drug-Free Sport.

Skills and experience

Ms Kutumela's experience spans in excess of 14 years, and she currently operates her own consulting company, advising in areas such as commercial law, corporate governance, compliance, and administrative law. She has strong expertise in negotiating, drafting, and vetting agreements. Her experience includes holding a position of Senior Legal Advisor at AECI Limited and she was an associate in the commercial department at Norton Rose Fulbright South Africa. She is a member of the Institute of Directors for Southern Africa (IODSA) and received her Certified Director designation.

Current external appointments

Ms Kutumela serves as a non-executive director at the Independent Regulatory Board for Auditors and is the Chairperson of the National Home Builders Registration Council Disciplinary Committee.

EXECUTIVE MANAGEMENT

Mr Saki Zamxaka
Acting Group Chief Executive Officer

Mr Jameel Chand
Group Chief Operating Officer

Mr Mpho Baatjies
Group Chief Financial Officer

Mr Itumeleng Mogorosi
Group Executive Monitoring, Evaluation and Organisation Performance

Mr Muziwethu Mathema
Group Executive Macro Business Intelligence and Design

Mr Sipho Marala
Group Executive Trade and Investment Regulatory Enablement

Advocate Pieter Holl
Acting Group Executive Legal and Secretariat

Mr Stewart Molalabangwe
Group Executive Corporate Services

Mr Amogelang Motlhale
Group Executive Enterprise Project Management Office

Ms Fuziwe Kubheka
Group Executive: Marketing and Communications

Mr Langutani Nxumalo
Acting Head of Internal Audit

Mr Tumelo Mokgotho
Manager Enterprise Risk and Ethics

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE **ANNUAL REPORT**

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

All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.

This Annual Report is complete and accurate and is free of any omissions.

This Annual Report has been prepared in accordance with the guidelines for annual reports issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to a public entity.

The accounting authority is responsible for the preparation of the Annual Financial Statements as well as judgements made based on this information.

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

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

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

Mr Saki Zamxaka
Acting Group Chief Executive Officer

Dr Sibongile Vilakazi
Chairperson of the Board

STRATEGIC **OVERVIEW**

VISION

To be the premier catalyst of innovative, sustainable, and inclusive growth and socio-economic development within the Gauteng city region (GCR).

GGDA BOARD VISION

The GGDA Board vision is for the GGDA Group to become the:

- Best agency to work for, in terms of personal growth and a caring culture;
- Most agile agency with highly motivated and skilled employees; and
- Centre of excellence for infrastructure development, and trade and investment promotion.

In addition to the three focus areas, mentioned above, the organisation strives to create an environment that fosters a healthy work-life balance, a culture of strategy execution and implementation, and one in which executive and senior management drives leadership by providing vision for the organisation and develops a workforce that proactively follows the vision.

MISSION

In achieving the above vision, the GGDA sets for itself the following intent in its involvement with its stakeholders: To create an enabling environment for economic growth and development through targeted macro- and micro-economic intelligence, trade, exports and investment facilitation, strategic economic infrastructure development, innovation and social transformation; thus, positioning Gauteng as a leading global city region.

VALUES

In working towards the achievement of the vision and mission set out above, the GGDA subscribes to the following internal values, which are aligned to the Batho Pele principles:

GGDA PEOPLE VALUES

Integrity
We value each other's opinions regardless of rank, and we demonstrate respect across culture, religion, gender, and race.

Transparency
We share information and knowledge and encourage a culture of learning, and we provide an open, safe, and responsive environment.

Empowerment
We encourage and facilitate personal and professional development, to promote an efficient and successful organisation.

GGDA PERFORMANCE VALUES

Creative Excellence
We strive for creative and continuous improvement, through an innovative attitude, to achieve high performance.

Goal Driven
We deliver on clearly defined objectives through a well-coordinated effort, effectively and efficiently.

Professionalism
We consistently perform with integrity and hold ourselves accountable.

LEGISLATIVE AND **OTHER MANDATES**

The amendment to the Blue IQ Investment Holdings Act No. 3 of 2003 enabled the change of name from Blue IQ to GGDA and incorporated the mandate and objectives of the former Gauteng Economic Development Agency. The expanded mandate of the GGDA enables the agency to promote economic growth and development in an integrated manner. The objectives of the GGDA, in terms of section 3 of the amended Blue IQ Investment Holdings Act No. 5 of 2013, are to:

- enable the economic development focus on sustainable jobs;
- drive growth in the provincial gross domestic product and employment rates;
- strategically position the province as a globally competitive city region;
- facilitate partnerships and create linkages across the province to maximise service delivery outcomes; and
- support the development of key sectors in the economy, in line with the established economic and industrial policies of the province.

The GGDA's responsibilities are carried out in terms of (but not limited to) the following national and provincial laws:

NATIONAL LEGISLATION

- Public Finance Management Act, as amended 1999;
- Companies Act, 2008, as amended 2011;
- Promotion of Access to Information Act, 2000;
- Inter-governmental Relations Framework Act, 2005;
- Preferential Procurement Policy Framework Act, 2000;
- Employment Equity Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Skills Development Act, 1998;
- World Heritage Convention Act, 1999;
- Credit Agreements Act, 1980;
- Business Act, 1991;
- National Environmental Management: Protected Areas Act, 2003;
- Sales and Services Matters Amendment Act, 1995;
- Municipal Systems Act, 2000;
- Township Planning and Township Ordinance, 1986;
- Development Facilitation Act, 1995;
- Broad-based Black Economic Empowerment Act, 2003;
- Municipal Finance Management Act, 1999;
- South African Qualifications Authority Act, 1995;
- Promotion of Access to Information Act, 2000;
- Promotion of Trade and Investment Bill; and
- Special Economic Zone (SEZ) Act, No. 16 of 2014.

PROVINCIAL LEGISLATION

- Blue IQ Investment Holdings Act, 2003, as amended;
- Gauteng Tourism Act, 2001;
- The Gauteng Tender Board Repeal Act, 2002;
- Gauteng Unfair Business Practices Act, 1996; and
- Gauteng Inter-governmental Fiscal Relations Act, 1997.

GOOD GOVERNANCE POLICY FRAMEWORKS

- South African National Policy Framework for Women Empowerment and Gender Equality;
- White Paper on Transforming Public Service Delivery (Batho Pele White Paper);
- National Youth Policy Development Framework, 2002–2008;
- National Programme of Action for Children Framework (NPA), 1996;
- Gauteng Monitoring and Evaluation Policy Framework, 2010; and
- National Disability Policy Framework, 2009.

INSTITUTIONAL POLICIES AND STRATEGIES

The institutional policies and strategies that govern the GGDA are described in the sections that follow.

Institutional Policies

The GGDA reviews and applies updates (where applicable) to its internal operating policies annually and the amended policies are tabled before the accounting authority during the first quarter of the financial year for approval. As an implementing arm of the Gauteng Department of Economic Development (GDED), the GGDA relies on the shareholder to provide direction regarding the implementation of strategic policy matters to ensure the achievement of inclusive economic development. The policies listed below set the basis for the GGDA's priorities.

Table 1: Institutional policies

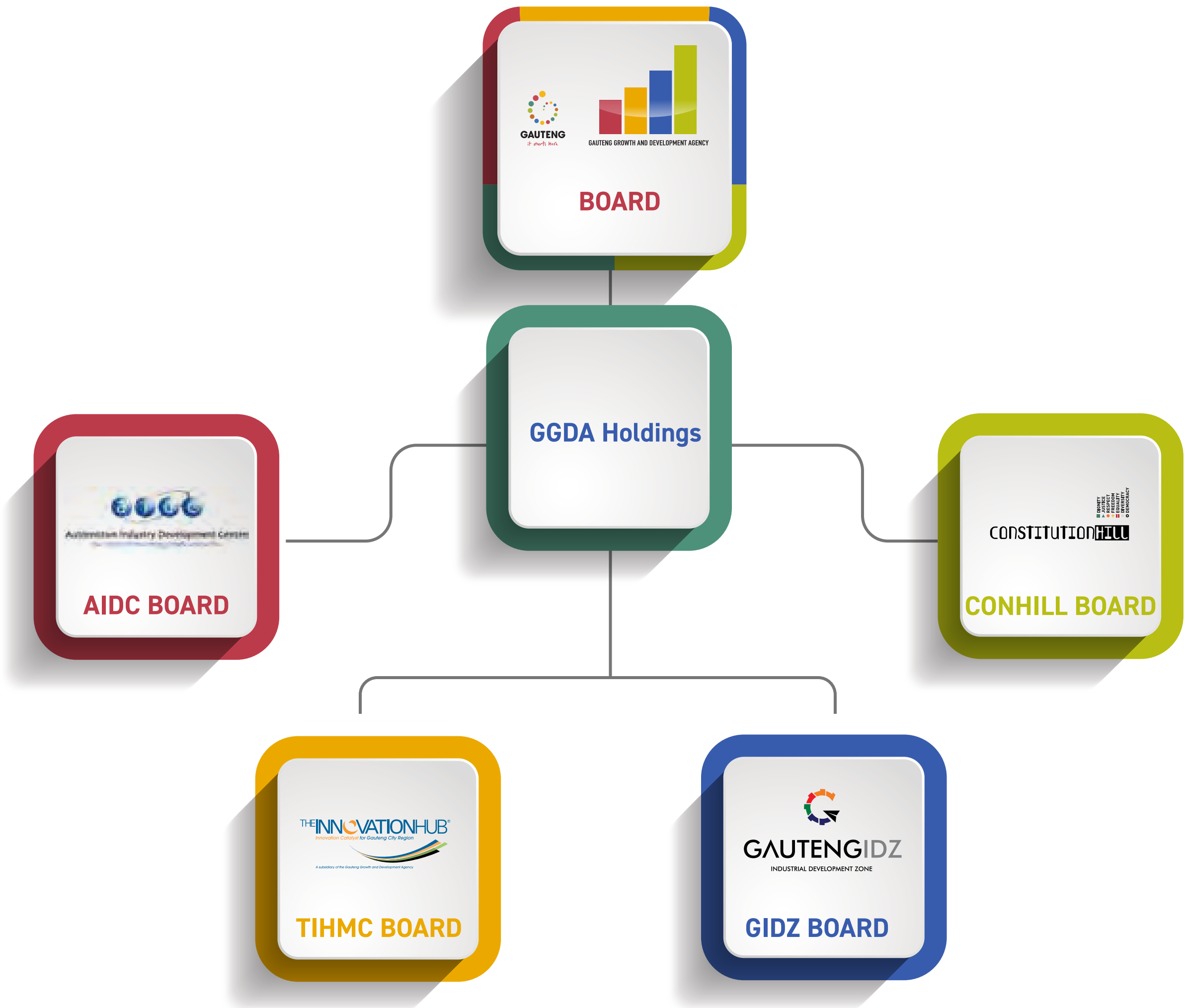
Policy/Framework	Relevance to GGDA
The National Development Plan (NDP) (2030)	The NDP is a blueprint of development for the country. It aims to eliminate poverty and reduce inequality by 2030. The NDP provides a broad strategic framework for development. The NDP performance areas of relevance to the GGDA mandate include the following: • economy and employment; • economic infrastructure; • inclusive rural economy; • South Africa in the region and the world; • improving education, training, and innovation; and • building a capable and developmental state.
The medium-term strategic framework (MTSF)	The 2019–2024 MTSF with its 14 outcomes is, by and large, the implementation vehicle of the NDP. Although all departments in all three spheres of government collectively and individually contribute to the achievement of all 14 outcomes, the GGDA responds to the following MTSF outcomes: 4. Decent employment through inclusive economic growth. 5. A skilled and capable workforce to support an inclusive growth path. 6. An efficient, competitive, and responsive economic infrastructure network. 7. Vibrant, equitable, sustainable rural communities – contributing towards food security for all. 11. Create a better South Africa for all and contribute to a better and safer Africa and world. 12. An efficient, effective, and development-oriented public service.
The Creative Industries Development Framework	Promotes the development of a creative industry sector to maximise socio-economic benefits in alignment with the Gauteng Growth and Development Strategy.
The Gauteng Social Development Strategy	Confirms the connection between social and economic development.
The Gauteng Spatial Development Perspective, 2007	Ensures the prioritisation and targeting of infrastructure investment and government action.

Table 1: Institutional policies (continued)

Policy/Framework	Relevance to GGDA
Gauteng Ten-Pillar Programme (Transformation, Modernisation, and Reindustrialisation (TMR))	The TMR presents a Ten-Pillar Programme aimed at radically transforming, modernising, and re-industrialising Gauteng over the next 15 years, with an emphasis on radical socio-economic transformation and an active government. Under the TMR, the Gauteng Provincial Government (GPG) has ten pillars, which contribute to radical socio-economic transformation, and GGDA responds specifically to the following pillars: **Pillar 1:** Radical economic transformation. **Pillar 2**: Decisive spatial transformation. **Pillar 3:** Accelerated social transformation. **Pillar 9:** Reindustrialisation of Gauteng province
Growing Gauteng Together 2030 (GGT2030)	The sixth administration has pronounced the new Provincial Development Plan known as 'Growing Gauteng Together – Our Roadmap to 2030'. The GGT2030 has seven pillars and the GGDA responds to the following: a. Economy, jobs, and infrastructure. b. Education, skills revolution, and health. c. Integrated human settlements and land release. d. Building a capable, ethical, and developmental state. e. Building a better Africa and world.
Township Economic Revitalisation Strategy	Revitalising Gauteng's township economies requires the GGDA, among other tasks, to promote townships actively as locations for foreign and domestic investment and to ensure that township economies are fundamentally integrated into mainstream economic planning and resourcing. GGDA will contribute towards three key outcomes of the Township Revitalisation Programme: i. Create an enabling and supportive environment based on the seven strategic focus areas for township economy revitalisation. ii. Establish the social and economic value of the township economy. iii. Ensure that the township enterprises become key players in the Gauteng economy
Township Economic Development Act	Revitalising Gauteng's township economies requires the GGDA to, among other tasks, actively promote townships as locations for foreign and domestic investment and ensure that township economies are fundamentally integrated into mainstream economic planning and resourcing. GGDA will contribute toward three key outcomes of the Township Revitalisation Programme: i. Create an enabling and supporting environment based on the seven strategic focus areas for township economy revitalisation. ii. Establish the social and economic value of the township economy. iii. Ensure that the township enterprises become key players in the Gauteng economy

ORGANISATIONAL **STRUCTURE**

Figure 1: Organisational Structure



PART B

PERFORMANCE INFORMATION

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AUDITOR'S REPORT: **PREDETERMINED OBJECTIVES**

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

Refer to pages 207-212 of the Auditor's Report, published as Part F: Financial Information.

GROUP PERFORMANCE **SUMMARY**

Figure 2: Group Performance Summary

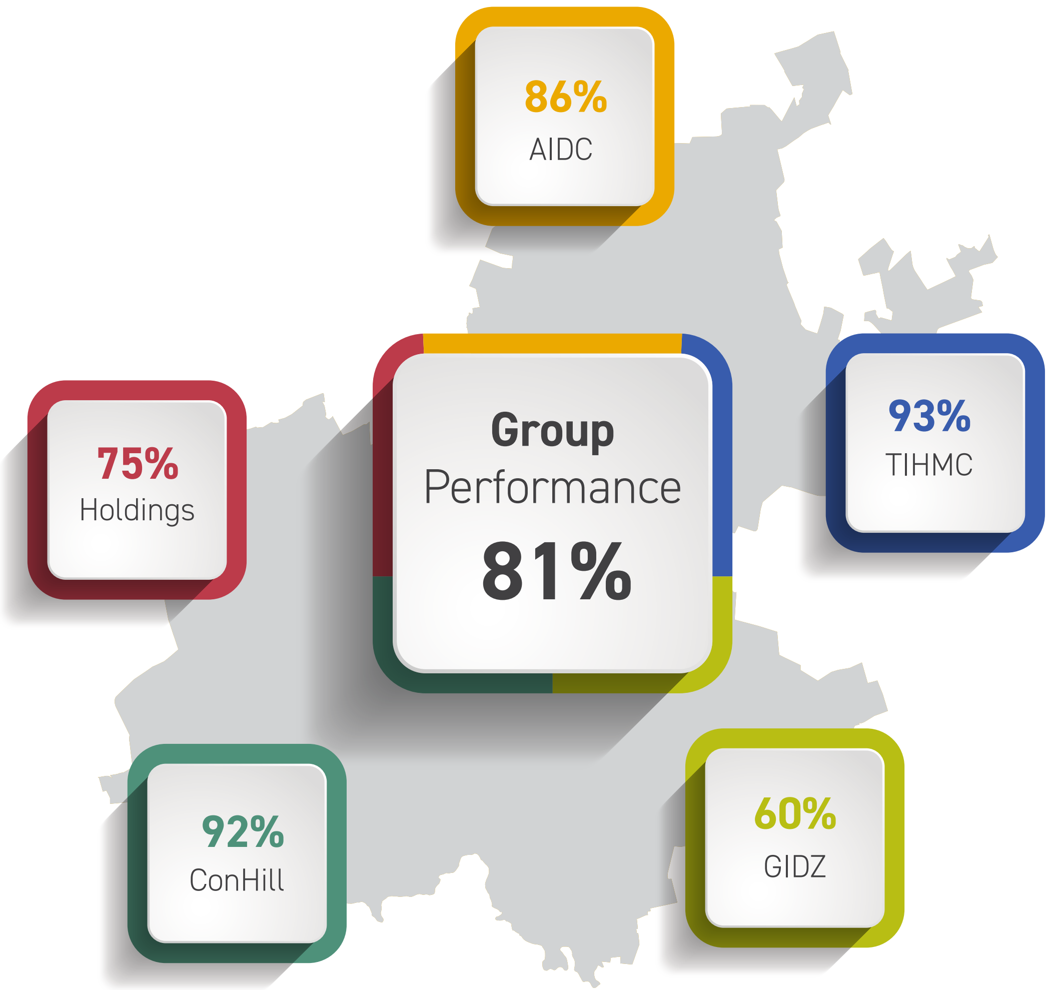


Table 2: Group performance summary

Division	Number of output indicators due for reporting	Number of output indicators achieved	Number of output indicators not achieved	Annual % achieved
Holdings	24	18	6	75%
AIDC	14	12	2	86%
TIHMC	15	14	1	93%
GIDZ	10	6	4	60%
ConHill	12	11	1	92%
Total	**75**	**61**	**14**	**81%**

GROUP JOB **CREATION**

Figure 3: Group Job Creation

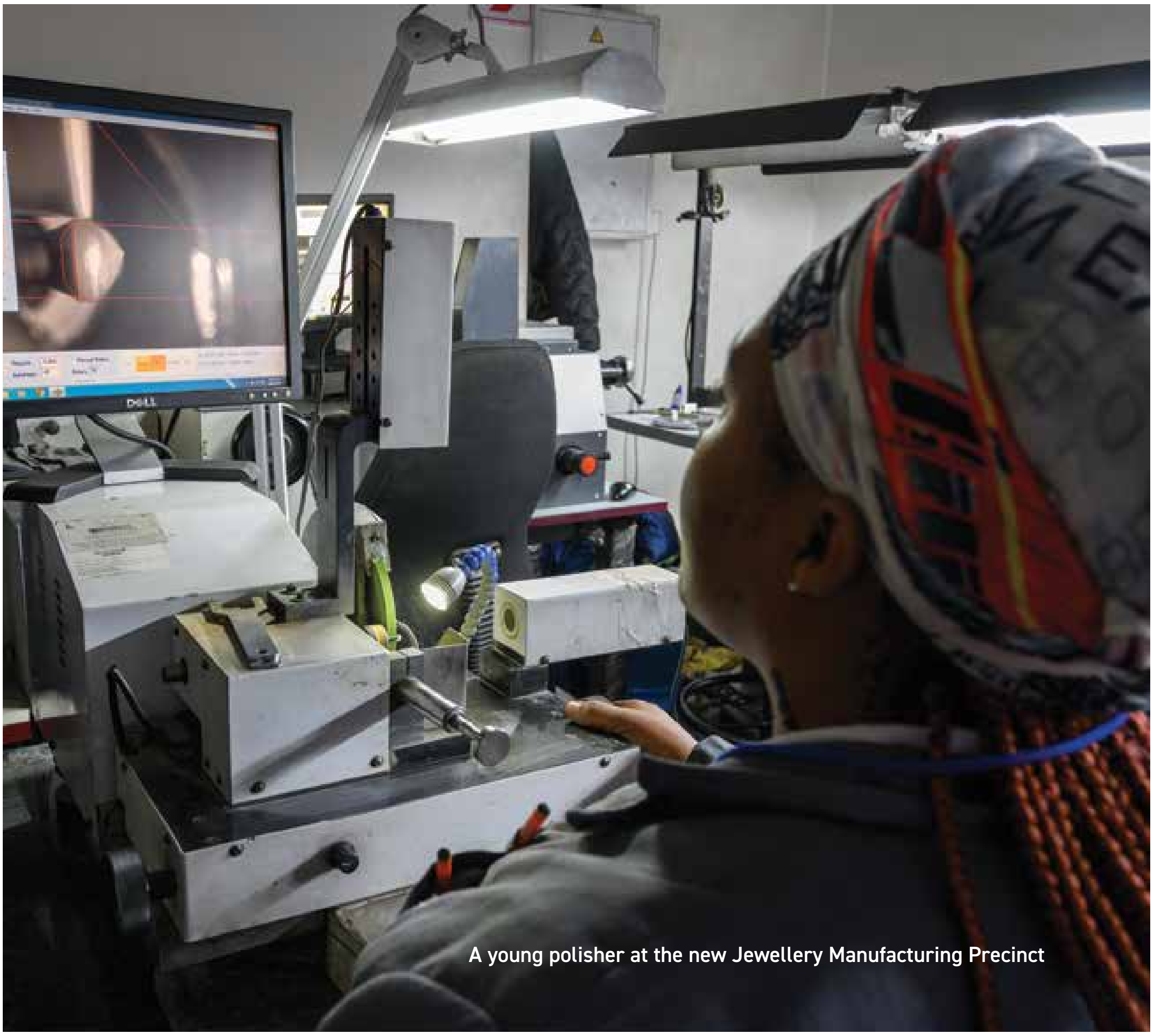
Table 3: Group job creation

Entity/Department	Annual target	Annual actual
Group Human Capital Management	0	79
Holdings (TIRE and Enterprise project management office (EPMO))	7 871 (7 571[1] – TIRE, 300 – EPMO)	10 363 (10 135 – TIRE, 228 – EPMO)
AIDC	4 320	844
TIHMC	240	268
GIDZ	3 170	3 846
Total	**15 601**	**15 400**

[1]Inclusive of the planned 2000 GBS jobs.

Table 4: Jobs by gender

Entity	Target	Actual	Female youth	Male youth	Non-youth	Persons with disabilities (PWDs)	Unallocated	Military veterans (MVs)
Human Capital Management	0	79	22	22	34	1	–	–
Holdings (TIRE and EPMO)	7 871 (7 571[2] – TIRE, 300 – EPMO)	10 363 (10 135 – TIRE, 228 – EPMO)	1 273 (1 270 – TIRE, 3 – EPMO)	1919 (1 903 – TIRE, 16 – EPMO)	2 660 (2 644 – TIRE, 16- EPMO)	40	4 471 (4 278 – TIRE, 193 – EPMO)	–
AIDC	4 320	844	105	123	80	–	536	–
TIHMC	240	268	107	90	71	–	–	–
GIDZ	3 170	3 846	1 528	941	1 374	–	3	–
Total	**15 601**	**15 400**	**3 035**	**3 095**	**4 219**	**41**	**5 010**	**-**


A young polisher at the new Jewellery Manufacturing Precinct

[2]Inclusive of the planned 2000 GBS jobs.

JOBS BY PERMANENT OR **TEMPORARY CATEGORY**

Figure 4: Jobs by permanent or temporary category

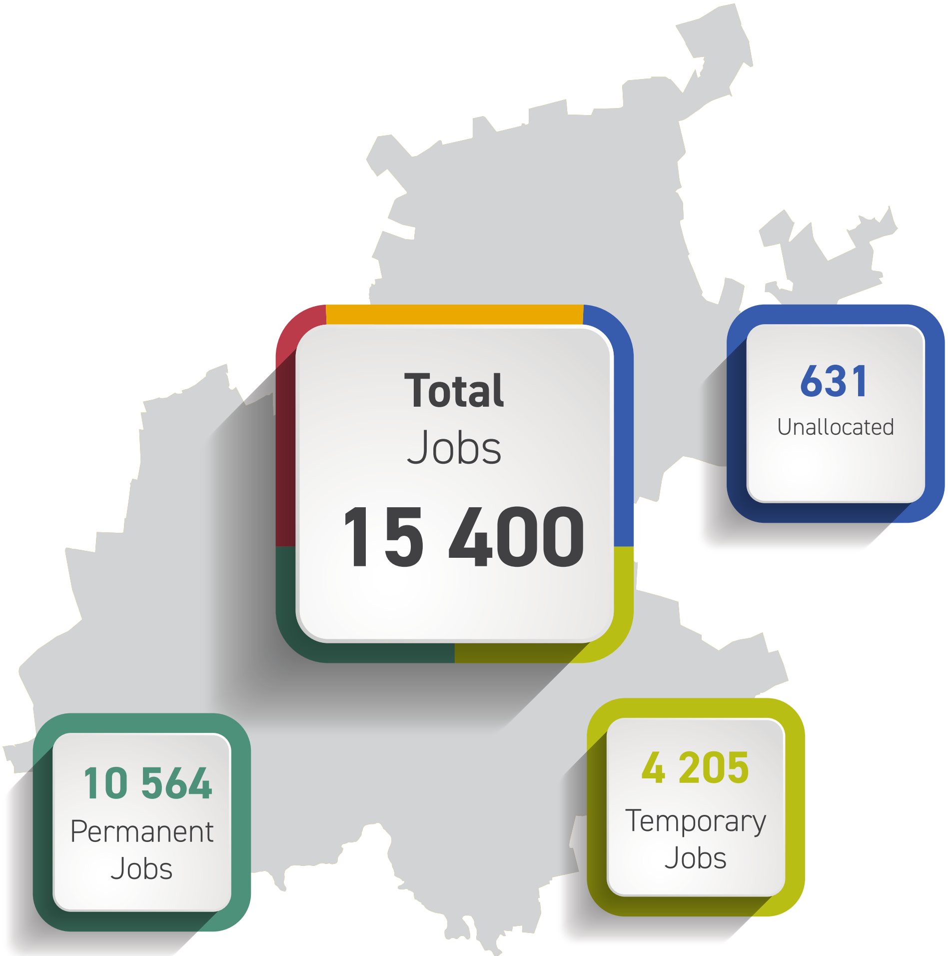


Table 5: Jobs by permanent or temporary category

Entity	Permanent jobs	Temporary jobs	Unallocated by perm/temp category	Total jobs
HC Management	79	–	–	79
Holdings	8 237	2 011	115	10 363
AIDC	260	68	516	844
TIHMC	107	161	–	268
GIDZ	1 881	1 965	–	3 846
Total	**10 564**	**4 205**	**631**	**15 400**

GROUP EXTERNAL **TRAINING REPORT**

Figure 5: Group External training report

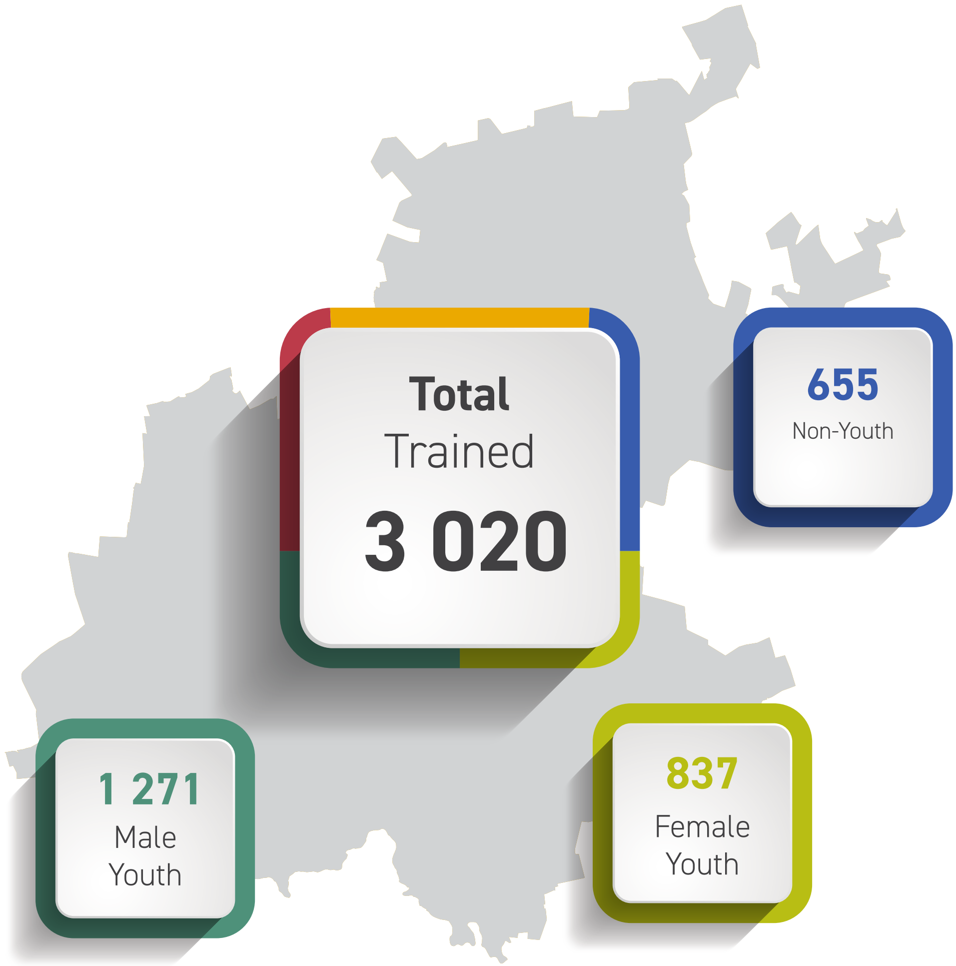


Table 6: Group external training report

Entity	Target	Actual	Female youth	Male youth	Non-youth	PWD	MVs
Holdings	200	257	Not tracked for gender, youth, disability (GeYoDi)				
AIDC	1 850	2 151	586	1 021	544	–	–
TIHMC	420	586	236	240	110	–	–
GIDZ	25	26	15	10	1	–	–
Total	**2 495**	**3 020**	**837**	**1 271**	**655**	**–**	**–**

SERVICE DELIVERY ENVIRONMENT

The GGDA Group planned to deliver on 75 outputs which are generally categorised into the following areas for ease of comprehending the mandate of the institution:

- Trade and investment facilitation
- Infrastructure development
- Skills development
- Sector development
- Enterprise development
- Job creation.

The Group achieved 81% (61 of 75 targets) of its planned outputs, representing a 22% improvement on the 66,2% achieved in the 2021/22FY.

The under-performance in the delivery of infrastructure projects continued to affect the delivery of the jobs negatively and, subsequently, the SMME and beneficiary targets linked to these projects. It is envisaged that progress in the delivery of infrastructure projects will be enhanced as the industrial parks project (Sebokeng 1, Sebokeng 2 and Chamdor) contractors were appointed during quarter four and are set to commence construction in the new financial year.

TRADE AND INVESTMENT FACILITATION

The trade and investment business unit exceeded expectations, facilitating R25,4 billion of the planned R12 billion in FDI and R10 billion of the planned R9 billion in DDI. Trade value exceeded the planned R3,9 billion by R2,5 billion.

These investments successfully facilitated 10 135 jobs, surpassing the target of 7 571 jobs. Challenges were encountered, however, including delays by the investors in confirming and providing testimonials for the assistance provided.

Factors such as the global economic environment, low levels of economic growth, the energy supply shortages and levels of crime were but a few of the factors that had a negative impact on the business unit's operating environment.

INFRASTRUCTURE DEVELOPMENT

Of the 11 infrastructure-related outputs planned by the Group, only three were achieved: the completion of the JMP Southern Precinct construction, the creation of 1 105 construction jobs at ORTIA SEZ and the participation of 26 students in the mentorship programme. There were setbacks in the construction of Phase 3 of the bio-sciences park, the visitor centre and the industrial park programme. Construction resumed during the reporting period, however. The Bio-sciences Park (BioPark) Phase 3 progress was at 65% construction completed and the visitor centre at 15% by the end of the period. During the final month of the financial year, the industrial parks construction contractors were appointed. Notable challenges encountered in the delivery of the projects included:

• BioPark Phase 3

Progress on the main construction works has been slower than anticipated due to the unavailability of construction drawings in certain areas. Adding to the delay, a gap analysis report, which provides detailed information on outstanding documentation from the previous Professional Resource Team (PRT) and the cost implications of reproducing this documentation, has not yet received approval. These challenges have had an impact on the project timeline but have been addressed to ensure the successful completion of construction activities. Further details on this project are provided in the EPMO section below.

• Visitor Centre

Challenges were experienced during the construction process. One of the primary issues was discrepancies in the levels of the slab decking. This resulted in the contractor having to redo the work. The contractor also did not adhere to the specifications for dowelling to the existing slab. To remedy this, the contractor engaged a professional structural engineering firm to devise a remedial solution for the rejected dowelling, which the contractor has accepted. Further details on this project are provided in the EPMO section below.

• Land Parcel E

Owing to contractor non-performance, the project was terminated during the fourth quarter of the reporting period, with the construction progress on the development of the park being at 77% completion.

• Industrial Parks Refurbishment

Contractors for the three industrial parks have been appointed and contracts finalised. They are currently in the process of establishing the site and submitting all the necessary contract documentation, including the construction programme. Refurbishments are set to commence in the first quarter of the 2023/24FY, with an anticipated completion date of September 2023.

- **Bulk Infrastructure development**

Bulk Infrastructure development for ORTIA Precinct 2 and the Springs Precinct was not initiated as funding was not received during the 2022/23FY.

SKILLS DEVELOPMENT

TIHMC Information Communication Technology (ICT) Skills Programme

The annual target was exceeded with the training of 260 unemployed youths in ICT skills, the target having been set at 250. This skills training was achieved through collaboration with partners such as the Gauteng Enterprise Propeller and the Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA). The TIHMC Skills Programme is designed to resolve critical and scarce skills shortages while delivering work-ready individuals who are able to provide robust industry support. Trainees receive high-quality exposure and meaningful experience, which increases their marketability and employability. These training courses take the form of the CoachLab programme, the Graduate Trainee Programme, and the mobile repairer programme.

AIDC Learning Centre

The target of 500 unemployed youths to be trained (automotive skills training details are provided under programme 2 AIDC) was exceeded, with 651unemployed youths having been trained. The targeted 1 150 people employed in the automotive industry to be trained across all AIDC training centres was also exceeded, with 1 275 people being trained. Furthermore, the target of 200 trade assessments to be conducted at the Trade Test Centre (TTC) was also surpassed with 225 assessments having been conducted. The additional intake was enabled through partnerships with Vestroom.

Export Development

The annual target of training was surpassed by training 257 companies on export readiness – the original target was 200. The training sessions were held with partners such as the dtic, the CoJ, the Gauteng Enterprise Propeller (GEP), Your Business Expansion, Absa, and the Circle for Global Women in Business.

ENTERPRISE DEVELOPMENT

Ford and Nissan Incubation Centre

The two incubation centres have 13 incubated companies and they generated R73,3 million against a target of R50 million. The over-achievement is attributed to some incubates working overtime to meet the requirements of the original equipment manufacturer (OEM).

TIHMC Incubation Programme

TIHMC recruited 93 new companies (against the annual target of 80) at the eKasiLabs and took 63 innovations to market. This exceeds the annual target of 52. All other enterprise development targets were achieved except for the graduations target, for which 45% (9 of 20) was realised. Some of the incubated companies were not able to reach their revenue milestones that are used as criterion to determine eligibility to graduate.

ConHill Incubation Programme

The annual target was exceeded by providing market access to 82 tourism SMMEs, two more than the planned target. In addition, 130 participants were hosted in the tourism centre of excellence against the target of 80. The high demand for interventions aimed at mitigating the adverse effects of the pandemic on SMMEs is a direct response to the expressed needs of these businesses. The businesses actively seek rapid response programmes that respond to the challenges of establishing sustainable enterprises amid the pandemic, accessing government support for business recovery in the tourism sector and meeting compliance requirements for operating a tourism business.

These interventions, which included comprehensive training in key business skills such as marketing and sales and customer service, have not only resulted in increased market access and sales but have also surpassed the initial projections for the number of beneficiaries.

As planned, 50 creative businesses were accommodated in the Creative Hub. The incubator and accelerator programmes implemented in the Creative Hub exceeded the target of ten by one. The increase is a result of ConHill's proactive approach in responding to the evolving demands and expectations of the market. By introducing new experiences and aligning them with site activities and national commemorative events, ConHill enhanced visits to the site and catered to a broader audience.

The local products developed by creative SMMEs exceeded the annual target of 200: 240 new products were developed. The over-subscription to the programme was a result of high demand for product development mentorship programmes. This is due to the perceived value of developing new products and opportunities to market access. The programme has proudly established a compelling reputation for delivering results and helping SMMEs achieve their product development goals.

Job Creation

The Group facilitated the creation of 15 400 jobs as follows:

- Trade, investment, and regulatory enablement (TIRE) business unit facilitated the creation of 10 135 jobs against a planned target of 7 571;[3]
- AIDC created 844 jobs against a planned target of 4 320 jobs;
- TIHMC realised the creation of 268 jobs through incubated companies against a planned target of 240 jobs; and
- The GIDZ created 3 846 jobs (1 105 of which were cumulative construction jobs) against a planned target of 3 170.

ORGANISATIONAL ENVIRONMENT

An acting Group CEO was appointed, and his tenure ended in the last week of the reporting period. Major hurdles had to be overcome in the delivery of infrastructure projects, as reported under the EPMO section in programme 1 (Holding company). Additional human resources were employed in the EPMO business unit. In addition, the Primavera system was procured to strengthen the business oversight capacity in the delivery of infrastructure projects.

Programme 2 (AIDC) facilitated indirect jobs facilitated through strategic partnerships. The target was not achieved as it was dependent on the K217 road construction, which is on hold pending an arbitration outcome.

Regrettably, the TIHMC (Programme 3) experienced high attrition rates and the situation will be corrected in the new financial year.

GGDA ICT Governance Framework

GGDA ICT operates within the ICT governance framework and assists the organisation with the delivery of its mandate. The governance framework ensures that ICT supports and enables the GGDA to achieve its strategic objectives. The ICT Forum meets monthly to attend to all ICT strategic and operational issues.

CYBER SECURITY

To improve its position on cyber risks, GGDA ICT conducted a Group-wide cyber risk assessment of all its entities. As a result, recommendations and a roadmap are in place to help the organisation to improve its exposure to cyber risks.

ICT Enterprise Architecture

Although the shared services model has not been formally approved and implemented, GGDA ICT continued to offer common ICT services across the Group in a consolidated platform. The core systems are hosted at the Innovation Hub Data Centre, which is now the Group ICT Data Centre. Core systems hosted at the Innovation Hub Data Centre include:

- Sage 300 ERP (financial suites and human resource (HR) employee self-service);
- Group ICT Service Desk;
- Primavera Project Management; and
- Exclaimer Risk Management System.

[3]Inclusive of the planned 2 000 GBS jobs.

Health, Safety and Environmental Issues

The GGDA is committed to ensuring a safe and healthy workplace for all its employees, visitors and invitees in line with the requirements of the Occupational Health and Safety Act.

The company has ensured that Occupational Health and Safety Committees were established across the Group. These were mandated to carry out the responsibilities of promoting and safeguarding the health and safety of employees. This includes monitoring risks in the workplace, responding to reported incidents and raising awareness and responsibility regarding safety issues among employees.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The GGDA Supply Chain Management department has effected the necessary GGDA Group Preferential Procurement Policy amendments to align them with the 2022 PPPFA Regulations.

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The performance delivery environment of the Group for the 2022/2023 financial year is significantly informed by the strategic positioning of its sole shareholder - the GDED - and its role within this positioning of serving as Gauteng's major institutional driving force of radically transforming, modernising and reindustrialising Gauteng's economy.

The Group aims to attain the following impact:

- Inclusive and sustainable economic growth that stimulates jobs within the GCR.

The summary of performance against outcomes is provided under each programme - performance section below:

Mr Saki Zamxaka
Acting Group Chief Executive Officer

PROGRAMME 1:
GGDA HOLDINGS

The **GGDA** is committed to creating an inclusive and transformed Gauteng economy that is focused on **creating jobs**, developing skills, developing innovative and sustainable enterprises, developing strategic **economic infrastructure**, increasing exports to the continent, and increasing foreign and domestic direct investment.

75%
PERFORMANCE ACHIEVED

10 363
jobs created

R6.4 billion
trade deals facilitated

56
expanding opportunities for GCR companies

R4,8 billion
investment commitments to the Vaal SEZ

52% of the West-Rand SEZ masterplan developed

R97 million
secured towards the pre-designation infrastructure of the Vaal SEZ

257
Gauteng firms assisted with high growth sector-specific training on export readiness

3 investors
secured for the Vaal SEZ

R25.4 billion
FDI facilitated and committed

R10 billion
DDI facilitated and committed

11 engagements held to improve ease of doing business in the GCR

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: GGDA HOLDINGS

Purpose: Provide strategic and operational leadership, support, and transversal business solutions.

Table 7: Achievement of institutional outcomes

TRADE INVESTMENT AND REGULATORY ENABLEMENT					
OUTCOME	**OUTCOME INDICATOR**	**BASELINE**	**FIVE-YEAR TARGET 2019/20FY - 2024/25FY**	**PROGRESS**	**% OF FIVE-YEAR TARGET**
Increased levels of investment facilitated into Gauteng City Region	Rand value of FDI facilitated	R16,0 billion	R51,1 billion	R40,2 billion	79
	Rand value of DDI facilitated	R10,0 billion	R39,8 billion	R27,6 billion	70
Increased domestic and global trade activities from the Gauteng City Region	Number of Gauteng-based enterprises globally competitive	–	750	88	12
	Number of GP enterprises trained on export readiness	1 277	1 050	894	85 The indicator will be tracked on the Ops Plan from 2023/24FY
	Rand value of trade deals	R6,1 billion	R39,9 billion	R13,6 billion	34

Chamdor Automotive Hub

Table 7: Achievement of institutional outcomes (continued)

EPMO					
OUTCOME	**OUTCOME INDICATOR**	**BASELINE**	**FIVE-YEAR TARGET 2019/20FY - 2024/25FY**	**PROGRESS**	**% OF FIVE-YEAR TARGET**
Increased investment and growth in economic infrastructure in Gauteng	Number of strategic economic infrastructure projects delivered TIHMC EB3 construction completed	–	TIHMC EB3 construction completed	The South African National Space Agency as the anchor tenant signed a ten-year lease with the Private Party in May 2022	- The indicator will be removed from 2023/24FY
	Number of strategic economic infrastructure projects delivered TIHMC Bio-Science Park Phase 3	–	TIHMC BioPark Phase 3 construction completed	65%	65
	Number of strategic economic infrastructure projects delivered – ConHill visitor centre	Procurement of construction service provider initiated	ConHill visitor centre construction completed	15%	15
	Revitalised industrial parks into industrial nodes	–	6	0	-
Youth employment rate improved	Construction jobs created as a result of infrastructure projects completed	–	900	228	25
Expansion and sustainability of local business supported	Economically empowered local businesses	–	195	28	14

Table 7: Achievement of institutional outcomes (continued)

SPECIAL ECONOMIC ZONES					
OUTCOME	**OUTCOME INDICATOR**	**BASELINE**	**FIVE-YEAR TARGET 2019/20FY -2024/25FY**	**PROGRESS**	**% OF FIVE-YEAR TARGET**
Increased levels of economic activity through strategic economic infrastructure	Research on re-industrialising Gauteng for the 21st century through Multi-tier SEZ and High Growth Sector Programme	New indicator	One multi-tier SEZ concept note developed	One multi-tier SEZ concept note developed	100
	Operational Vaal Economic Zone	New indicator	Infrastructure development at designated zones	100% Master Plan completed	-
	Lanseria high-tech SEZ investor attraction implemented	New indicator	Investor attraction strategy implemented	Investor attraction strategy not implemented	-
	West Rand SEZ investor attraction strategy implemented	New indicator	Investor attraction strategy implemented	Investor attraction strategy implemented	100
Level of economic activity at West Rand SEZ and Lanseria Smart City	West Rand SEZ developed	New	Infrastructure development at designated zones	50% Master Plan completed	52
	Lanseria Smart City developed	New	Infrastructure development at designated zones	-	-

TIH BioPark Phase 3 construction in progress

SUBPROGRAMME 1: TRADE, INVESTMENT, AND REGULATORY ENABLEMENT

PURPOSE:

- Identify and promote investment opportunities in GCR and subsidiaries.
- Offer value-added facilitation services to investors, easing the cost of doing business in Gauteng.
- Advocate for an investor-friendly regulatory environment.
- Provide support, market access and expansion opportunities to Gauteng enterprises.
- Increase intra-Africa trade.
- Offer business retention services to companies that have invested in Gauteng and support their expansion efforts.

Summary of Annual Performance

TIRE had to achieve 11 output indicators for the 2022/23FY. The unit has achieved ten of its 11 output indicators for the period under review.

Through the activities of the unit, 21 investment projects were successfully facilitated that resulted in a total investment value of R35,4 billion (FDI value of R25,4 billion and DDI of R10 billion) against a planned target of R21 billion (FDI target of R12 billion and DDI target of R9 billion).

The team facilitated trade deals to the value of R6,4 billion against a target of R3,9 billion for the period under review.

Collectively, the trade and investment activities led to the creation of a total of 10 135 jobs consisting of 7 192 new jobs. A further 2 943 jobs were retained through these activities for the period under review.

Sector-specific export readiness training was provided to 257 companies, to prepare them for export opportunities. Of great significance are the strategic partnerships with the private sector to provide a direct matching of opportunities with Gauteng-based enterprises, which underwent training.

The team supported companies with 56 expansion opportunities against a target of 25 for the 2022/23FY.

Investment Attraction and Facilitation

TIRE facilitated 21 projects, worth R35,4 billion. Of these, 12 were FDI projects, amounting to R25,4 billion against a target of R12 billion. Nine DDI projects to the value of R10 billion, against an annual target of R9 billion, were facilitated.

FDI Facilitated Projects

The annual target for FDI facilitation during FY2022/23 was R12 billion and TIRE successfully facilitated R25,4 billion. The FDI projects created 2 121 jobs. Of these, a total of 64 new jobs were created and 1 257 were retained jobs as per the breakdown provided in the table below. Further to this, a total of 800 jobs were reported for a project concluded in FY2021/22.

Table 8: FDI-facilitated projects by jobs created and retained per sector

Sector	Investment value Rm	New jobs			Retained jobs		
		Permanent	Temporary	Total	Permanent	Temporary	Total
ICT	20 212	8	11	19	6	55	61
Automotive	3 385	0	0	–	756	0	756
Transportation and logistics	150	0	0	–	0	0	–
Glass	1 500	0	0	–	0	0	–
Energy	5	0	34	34	318	20	338
Medical	200	0	0	–	0	0	–
Agro-processing	14	9	2	11	90	12	102
Total	**25 466**	**17**	**47**	**64**	**1 170**	**87**	**1 257**

DDI Facilitated

The DDI target relates to those investments that are mobilised from (and funded by) local companies. During the year under review, TIRE facilitated DDI projects to the value of R10 billion from nine companies against an annual target of R9 billion.

The DDI projects generated a total of 1 720 new jobs, 735 jobs were retained and 115 were unallocated to either the permanent or the temporary category per the breakdown below.

Table 9: DDI facilitated by sector

Sector	Investment value Rm	New jobs			Retained jobs		
		Permanent	Temporary	Total	Permanent	Temporary	Total
Energy	800	31	17	48	34	15	49
Construction	8 744		69	69	–	–	–
Manufacturing	157	12	–	12	397	–	397
Chemicals	1	–	–	–	9	14	23
Automotive	300	21	–	21	151	–	151
Manufacture – plastic pipes	150	–	–	–	–	–	115
Financial services	250	290	545	835	–	–	–
Total	**10 015**	**354**	**631**	**985**	**591**	**29**	**735**

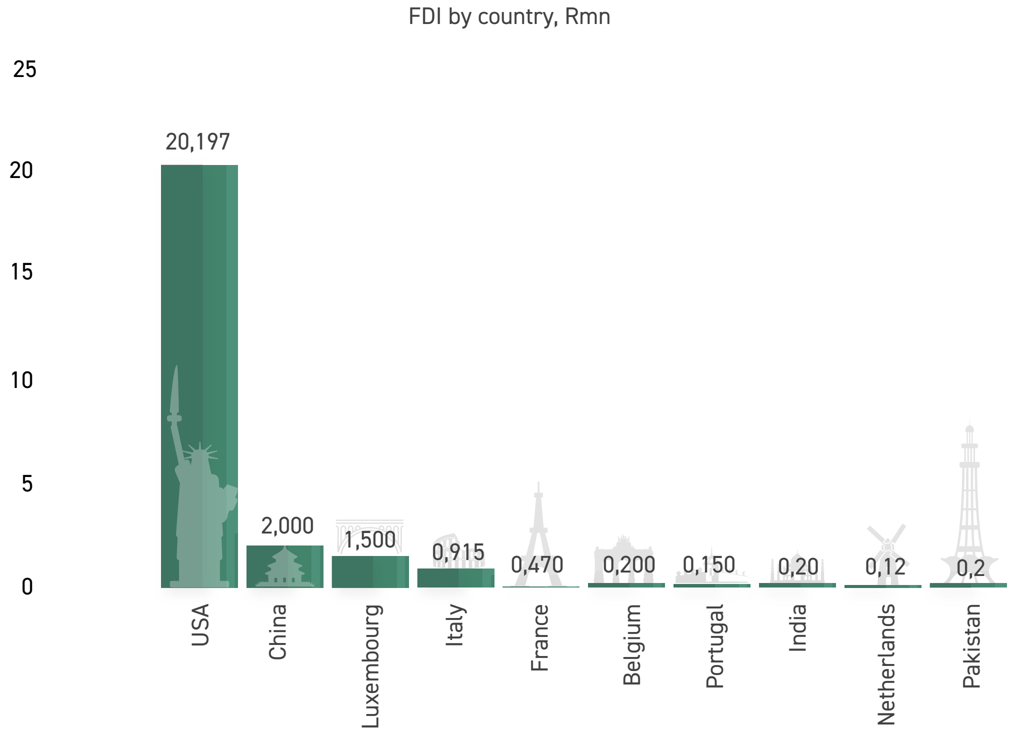
Investment Projects (FDI and DDI) by Source Country

Of the R35,4 billion worth of investment projects facilitated by the GGDA, investments by South African-owned companies accounted for R10,0 billion (28,2%) of total investments. The USA was the main source market of FDI, accounting for R20,1 billion (56,8%) of total investments, and the balance of the investments from China, France and others as indicated in the figure below.

FDI by Country

Of the R25,4 billion worth of FDI facilitated by the GGDA, 79% originated from the USA, China at 8% and Italy at 4% are the most notable investments.

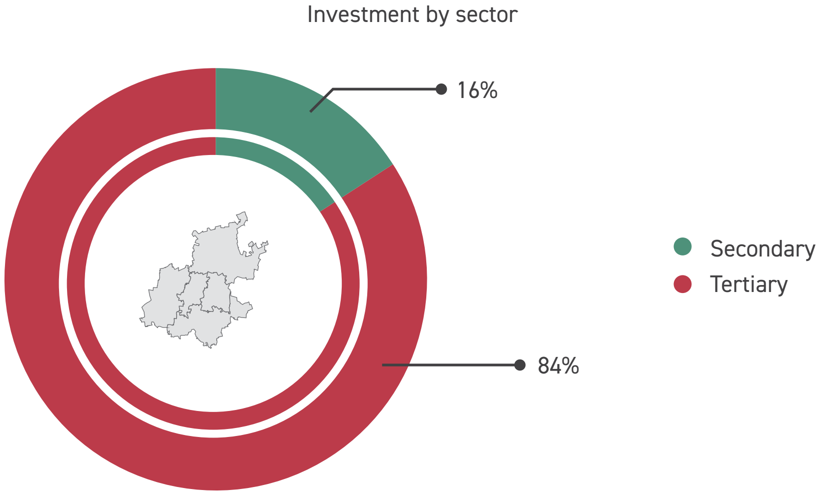
Figure 6: FDI by country



Investment Projects (FDI and DDI) by Sector

The total value of the investments facilitated amounted to R35,4 billion, of which R30 billion (84%) was in the tertiary sector and R5,7 billion (16%) was in the secondary sector, as illustrated in the following figure.

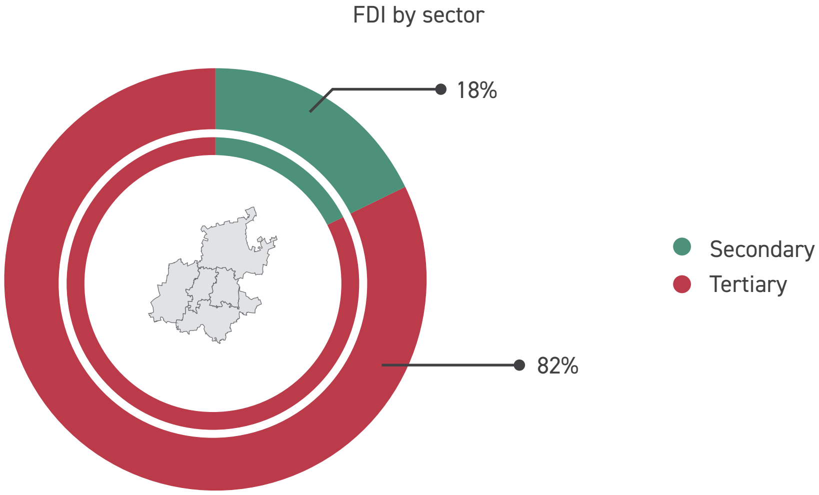
Figure 7: FDI by sector



FDI by Sector

The disaggregation of FDI into economic sectors indicates that an investment value of R20,8 billion (82%) was allocated to the tertiary sector while the secondary sector accounted for R4,6 billion (18%).

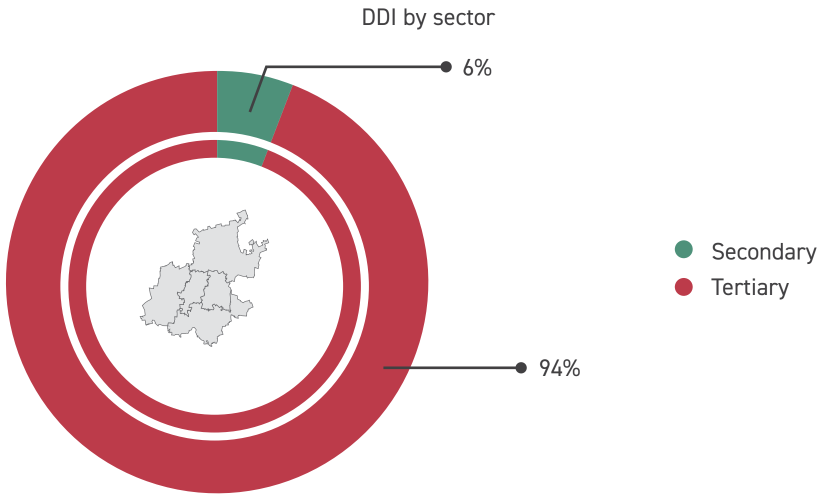
Figure 8: FDI by sector



DDI by Sector

The disaggregated DDI sectoral breakdown indicates that most of the investment projects were in the tertiary sector (94%) and 6% in the secondary sector. It is worth noting that 86% of these investments were in the construction sector, followed by the energy sector at 8%.

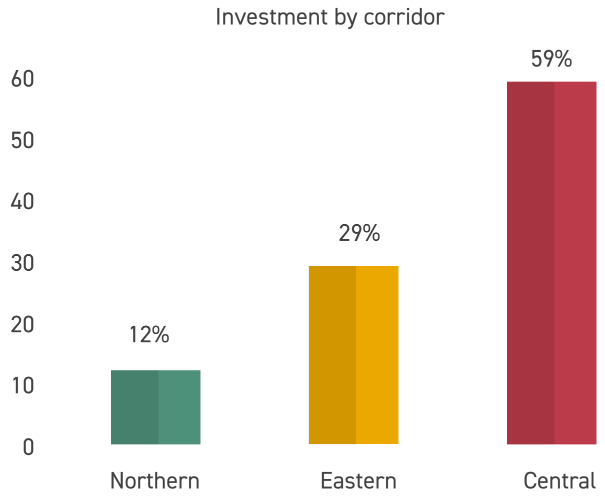
Figure 9: DDI by sector



Investment Projects (FDI and DDI) by Corridor

A significant portion, amounting to 59% of the investments, was projects located within the central corridor, followed by the Eastern corridor at 29% and the Northern corridors at 12%.

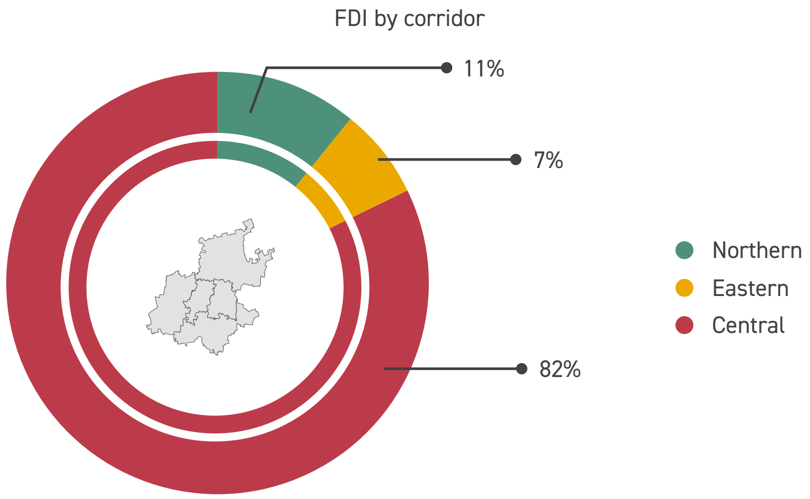
Figure 10: FDI and DDI investment by corridor



FDI by Corridor

The distribution of FDI by corridor indicates that the Central corridor received the bulk of the FDI, accounting for approximately R20,4 billion (82%) of the total FDIs facilitated; the Northern Corridor received 11% of FDI and the Eastern Corridor 7%. This is illustrated below.

Figure 11: FDI by corridor



DDI by Corridor

The DDI was achieved in three of the five economic development corridors of the GCR. The investments are attributed as follows; Eastern Corridor at R8,5 billion (85%), Northern Corridor at R1,3 billion (13%) and the Western corridor at R200 million (2%).

Figure 12: DDI by corridor

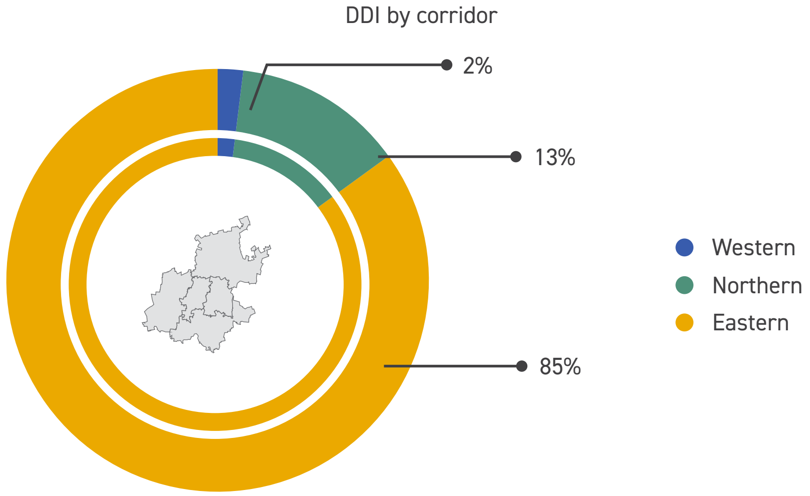
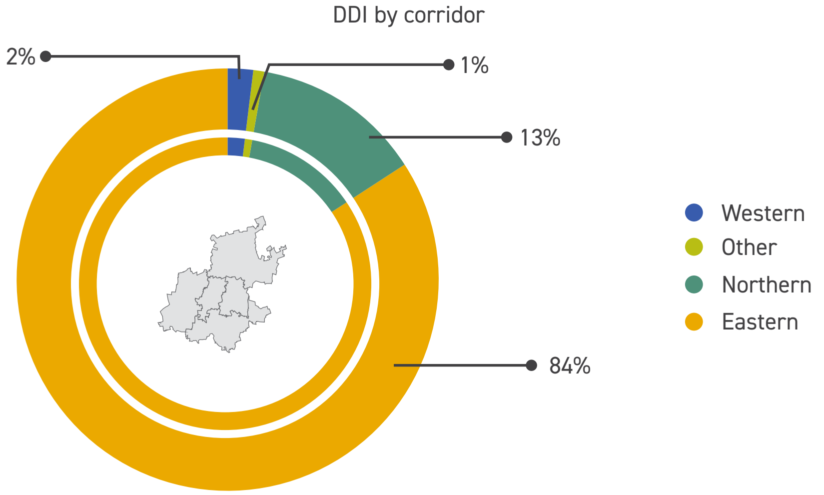


Figure 13: DDI by corridor



Trade facilitation and Export Development

TIRE's strategic focus areas, as they relate to trade facilitation, are intended to help Gauteng companies to expand through trade and export activities. TIRE's objective is to assist companies to access new markets and to provide training opportunities to companies so that they may become export ready. The GGDA's AfCFTA roadmap focuses on identifying anchor countries in key regions where Gauteng companies are supported to help them expand.

The team was instrumental in reviewing the Global Export Passport Programme (GEPP), which is the blueprint for export readiness training led by the dtic. Open Trade Gate Sweden, a company that supports developing countries to export to Sweden and the European union, capacitated GGDA staff members with skills that will enable them to conduct the training.

To ensure that Gauteng exporters understand how to access new markets, the team facilitated market-specific export readiness webinars. The focus of the webinars was to prepare and enable Gauteng based companies to explore opportunities in the European market. Industry players also participated in the webinars.

The facilitated trade and expansion projects created 6 272 jobs, of which 6 084 were permanent and 188 temporary jobs. The Global Business Services sector contributed 5 770 permanent jobs.

Table 10: Trade and expansion projects – job retention and creation

Sector	New jobs			Retained jobs		
	Permanent	Temporary	Total	Permanent	Temporary	Total
GBS	5 051	–	5 051	719	–	719
Logistics	–	–	–	22	1	23
Rail	106	186	292	184	–	184
Pharmaceutical	–	–	–	2	1	3
Total	**5 157**	**186**	**5 343**	**927**	**2**	**929**

Rand Value of Trade Deals Facilitated

During the period under review, 14 projects were facilitated with a total trade value of R6,4 billion. Key contributing sectors were rail, logistics, and global business services, which contributed R2,7 billion, and R597 million respectively. The total value of trade deals facilitated exceeded the set target of R3,9 billion. The table below outlines all the trade deals facilitated, including the values and destination markets, during the year under review.

Table 11: Trade deals

Sector	Export value (Rm)	Destination market
Agro-processing	26,00	DRC, Zambia, Tanzania, Kenya, Namibia, Botswana, Mozambique, and Zimbabwe
Transport (rail)	2 743,00	Angola, Mozambique, Namibia, Botswana, Spain, Brazil, and Zambia
Energy	123,00	Mozambique, Zimbabwe, and DRC
Business Processing Services	596,60	USA, UK, Canada, and Australia,
Manufacturing	193,00	DRC, Zambia, Botswana, Kenya, Namibia, Zimbabwe, Swaziland, Mauritius, Mozambique, Tanzania, and Spain
Logistics	2 709,30	Mozambique, Zimbabwe, and DRC
Pharmaceutical	1,00	Brazil, Germany, Switzerland and Austria
Total	**6 392 422 000,00**	**21**

The trade team unlocked additional channels that provided access to trade financial instruments. Engagements with key stakeholders such as the Export Credit Insurance Corporation have been critical in ensuring that enterprises are well equipped with information relating to political and commercial risk insurance.

Export readiness training

One of the objectives of the programme is to diversify the export basket and introduce emerging small- and medium-sized companies to accessing foreign markets. This is undertaken in partnership with the dtic, export councils, municipalities, and industry players. The training is sector-specific, allowing it to focus on the unique challenges and opportunities that are key to exporting to various regions.

The training provided included elements such as standards and certifications, how to apply for and use the grants provided by regional programmes such as AGOA and EU trade programmes. Finally, companies are supported with trade data to support their decisions, which is done through the GGDA business intelligence unit, the dtic, Afreximbank, business chambers and industry associations.

Training for this financial year focused on the following sectors:

- Agro-processing
- Finance sector
- ICT and energy
- Business processing services
- Creative Economy
- Multi-sectoral (EU) markets.

A total of 257 companies were trained during the 2022/23FY.

Business Retention, Expansion, and Aftercare

During the period under review, various companies were helped to facilitate their investor enquiries for retention and expansion. The challenges and issues raised were attended to and resolved with GGDA's partner institutions and stakeholders. Numerous business visits at or site visits were undertaken to provide further aftercare service support to businesses through establishing company needs, challenges and interventions. The business retention, expansion and aftercare projects realised 22 retained jobs during the year under review.

Number of Expanding Opportunities for GCR companies

In total, 18 companies were assisted with 56 expansion opportunities across the continent and the globe. The opportunities were identified through new and existing strategic partnerships. Expansion into new markets happens when GCR based companies establish networks with government, business chambers and private-sector players in targeted locations with a view to sell their goods and/or services. The trade and export development team supports the expansion of small, medium, and large companies by identifying the opportunities, providing market-related information for companies to make informed decisions, and by providing platforms for business-to-business linkages and networking. Companies in the following sectors and destination markets were supported to enable them to expand:

Table 12: Expansion opportunities facilitated

	Sector	Country	Opportunities
1.	Agro-processing	DRC, Zambia, Namibia, Botswana, Mozambique, Zimbabwe	Export main trade commodities such as maize, oil and sugar, processed fruit juice, wine, coffee, and cereals
2.	Manufacturing	Mauritius, Mozambique, Zambia, Namibia, Swaziland, Kenya, Zimbabwe, Tanzania, Kenya, Botswana, DRC, Spain, Malawi	Steel, including rail products, auto parts, cosmetics, furniture
3.	ICT	Zambia, Namibia	Solutions, equipment, and platforms
4.	BPS	USA, UK, Canada, Australia	BPO services
5.	Finance	DRC	Trade finance
6.	Energy	Mozambique, Zimbabwe, DRC	Components and electrical systems and services, i.e., management solutions, back-up, and UPS solutions
7.	Construction	DRC, Nigeria	Construction of residential and commercial projects, road-bridge constructions
8.	Pharmaceutical	Angola, Brazil, Germany, Switzerland, Austria	Skin-care solutions, medicinal supplies, and products, including cannabis
9.	Transport	DRC, Mozambique, Zimbabwe, Angola, Namibia, Botswana, Spain, Brazil, Zambia	Rail services, road maintenance, road construction services, incentives

Most of the expansion opportunities took place through joint ventures for the period under review. Agents were also appointed by GCR based companies to distribute products as part of the trade deals. The AfCFTA roadmap is proving to have the ability to create real value, which requires private partnerships (over and above existing partnerships) that are mainly entered into with GGDA's counterparts and foreign economic representatives based in South African embassies throughout the continent.

Investment Retention Programme

The GGDA recognises the importance of an investment retention programme as a tool to support and ignite the province's economic growth and create a conducive business environment for businesses located in Gauteng. The investment retention programme is to ensure intra-provincial collaboration and alignment, strengthen GGDA's capacity to implement investor retention and aftercare programmes and develop a sustainable process and mechanisms for enhancing investor servicing. The following were actioned during the period under review:

- Relations were strengthened with various municipalities offering investor services and a collaboration framework was established with them.
- A coordination blueprint was developed to support the investment retention programme.
- Corridor Champions were nominated.
- A customer relationship management tool, HubSpot, was piloted and used increasingly to record and track progress in resolving issues encountered by investors in Gauteng. Some 359 companies have been onboarded on the HubSpot and 124 enquiries were resolved.

Several companies were identified as 'at-risk companies' and required challenges they were experiencing to be identified and for solutions to be fast-tracked. Some 35 companies from the five corridors were supported in partnership with key partner stakeholders through various interventions and/or facilitation that sought to resolve the obstacles that companies faced, and to ensure that they remain invested in GCR. The issues identified included: electricity, land, water and water-use licences, billing, unfair competition, service delivery, logistics, steel pricing, competition, procurement processes and community unrest.

investSA Gauteng One-stop Shop (OSS)

To improve investor attractiveness and expedite any regulatory bottlenecks associated with setting up a business in South Africa, the GGDA launched the investSA Gauteng OSS in 2018, part of an initiative led by the Department of Trade, Industry and Competition (the dtic) to coordinate the establishment of the National One-Stop Shops to support investors and exporters with critical functions following an integrated approach in responding to concerns regarding the ease of doing business in South Africa. The investSA Gauteng OSS supports investors in exploring opportunities in Gauteng by providing them with information, facilitation and aftercare. The investSA Gauteng OSS initiative is part of the government's drive to lower the cost of doing business. It is the centre which brings strategic partners that are key to servicing investors and manages a network of key stakeholders through memoranda of understanding (MOU). These partners include local, provincial and national departments and agencies. The objective is to centralise and fast-track investor services by integrating national, provincial and local services. The OSS is a regulatory enablement and investor issue management facility (a meeting place with investors; hosting business delegations or investors; hosting thought leadership or engagement sessions).

The queries processed through the investSA Gauteng OSS were dealt with in partnership with the following partners, but were not limited to:

- Visa facilitation service through the Visa Facilitation Service (VFS) Centre;
- Immigration services through the Department of Home Affairs (DHA);
- Tax-related services through the South African Revenue Service (SARS);
- Company registration through Companies and Intellectual Property Commission (CIPC);
- Various incentives through the dtic;
- Municipal permits and bulk services through various municipalities (City of Ekurhuleni, City of Johannesburg (CoJ), City of Tshwane (CoT));
- Environmental Impact Assessment (EIA) through the Department of Agriculture and Rural Development (GDARD);
- Energy supply services through Eskom;
- SMME funding through the GEP.

The investSA Gauteng OSS received a total number of 1 229 enquiries, of which 1 187 enquiries were successfully resolved. The role of the OSS was to facilitate and fast-track investor issues and bottlenecks impeding various investments with all the relevant partners.

Automotive Industry Development Central Hub and Conference Centre

SUBPROGRAMME 2: EPMO

PURPOSE:

1. To accelerate delivery of key Economic Infrastructure Projects through project development and partnerships in support of the GPG Ten-Pillar Programme (aimed to achieve the strategic goals of TMR) and GGT2030.
2. To provide Project Management Technical Support for implementing Economic Infrastructure Projects.
3. To support the implementation of Catalytic Economic Infrastructure Projects for the SEZ and the Industrial Parks programmes.
4. Facilitate job creation by implementing Catalytic Economic Infrastructure Projects (unskilled and semi-skilled).
5. To act as the custodian and authority for building standards and regulations within the Group.

BioPark Phase 3 construction

BioPark Phase 3 is an extension to the existing BioPark phases 1 and 2, constructed on Land Parcel 13 – opposite phases 1 and 2. This phase is specifically aimed at accommodating advanced biomanufacturing activities that seek to grow the bio-economy in Gauteng. The building is estimated to be 8 000 m2, and it will include basement parking to meet municipal requirements.

A new PRT replacement was appointed on 18 March 2022 to review and adopt the existing project designs by the terminated PRT. The new PRT conducted assessments on the status of the completed works prior to the suspensions and arrived at a particular cost estimate for the remedial works which had to be undertaken prior to commencement of construction works that would complete the project.

During the review stages undertaken by the new PRT, it was discovered that there were significant deficiencies in the basement 1 slab which was designed by the previous PRT (under design). The new PRT also prepared a gap analysis report that detailed all the outstanding documentation from the previous PRT and the costs related to the reproduction of the documentation for that. The contractor commenced with remedial works from 9 April 2022 and completed these on 31 August 2022. The slab needed to be strengthened and this strengthening requirement attracted additional costs to the project and a variation order had to be raised. The strengthening of the basement 1 slab commenced on 9 October 2022 and was completed in February 2023.

The project was at the stage of 65% construction completed at the end of the financial year. Construction is anticipated to be practically completed to a revised date of 15 December 2023.

ConHill Visitor Centre

ConHill is a site of awareness that is dedicated to remembering our nation's history and the struggle for liberation. The site was developed to serve as a human rights precinct and world-class heritage tourist attraction that contributes to tourism growth for the province. ConHill is recognised as one of the top iconic landmark sites in Gauteng and it plans to establish the new visitor centre as the gateway to tourism in the province. The visitor centre will expand its dimensions to house The Museum and Archive of the Constitution as an anchor attraction. This will serve as an iconic tourism demand-generator that will significantly and positively affect visits to and spending in the province. The scope of work includes further development of the ConHill visitor centre and the conference centre. The work comprises the construction of a multi-storey building on an existing basement parking facility.

The ConHill visitor centre construction target for the financial year was set to achieve an 80% completion rate, but 15% construction progress was attained by the end of the financial year.

The site was formally handed over to the contractor on 16 May 2022. Following the site handover, contract adjustments for both the contractor and the respective professional service providers were effected to cater for the cost escalations since 2018 (the time of tender advertisement) and these escalations amounted to R17,2 million (i.e., R15,9 million for the contractor and R1,3 million to the PRT).

The contractor used the month of June 2022 for site establishments and actual construction work commenced on 1 July 2022; with an estimated 15 months to practical completion.

Several challenges were encountered on the project which contributed to additional delays on the project. These included the fact that the formwork for the first deck had been completed with discrepancies between levels of the existing slab and the new one. This led to the contractor having to redo the work. Progress was further delayed due to the contractor's not progressing with concrete works to columns from the upper ground to the first floor as they erroneously believed that they required the setting out of details from the structural engineer before proceeding. This, however, was not required as once columns are cast at the lowest level, work can proceed on the basis of starter bars, so there is no need for setting out details.

The initial practical completion date of 17 August 2023 will not be met due to challenges experienced on site.

Township Industrial Hubs Rehabilitated

The Township Enterprise Programme is an intervention that sets out to meet the objective of the Township Economies Revitalisation Strategy and it is principally informed by the need to implement an industrial development path characterised by increasing participation of relegated township regions within the GCR. The Gauteng province has several existing industrial hubs that are currently in very poor condition and, for this reason, do not attract investors for potential investment growth and job creation. The GGDA is conducting an audit of all the existing industrial hubs in the province and conducting conditional assessments to determine the costs to be incurred for the remedial works that will seek to gradually rehabilitate these hubs. GGDA partnered with the Development Bank of South Africa (DBSA) to develop an accelerated procurement strategy to assist with implementing the refurbishments of the four hubs identified for the financial year.

There were delays because of non-responsiveness to tenders (March 2022 and July 2022) to source turnkey solution contractors. Consequently, both partners opted to abort the previous turnkey solution procurement strategy and revert to the conventional procurement method.

In September 2022, the DBSA appointed PRTs, who conducted conditional assessments and developed estimated costs for the rehabilitation of three of the hubs (Sebokeng Ext 1, Sebokeng Ext 2 and Chamdor).

The DBSA sourced and finally appointed three contractors in February 2023 and handed over the sites as indicated below:

- Sebokeng 1 – 4 April 2023
- Sebokeng 2 – 4 April 2023
- Chamdor – 20 March 2023.

The anticipated completion date for the three industrial parks is 28 September 2023.

Construction Jobs Created and Sub-Contractors Benefiting from Construction

A total of 228 construction jobs were created, with 24 local contractors benefiting from sub-contracting. The targets for jobs and sub-contracting were, however, not met as the earmarked infrastructure projects intended to create opportunities did not move at the planned pace.

Table 13: Construction jobs created and number of sub-contractors: industrial parks projects

Project	Number of jobs	Number of sub-contractors
BioPark Phase 3	189	15
ConHill People's park	21	3
ConHill Visitor centre	18	6
Total	**228**	**24**

SUBPROGRAMME 3: SPECIAL ECONOMIC ZONES

PURPOSE:

Through the SEZ programme, the GGDA is developing SEZs in the GCR as a tool to:

- Reindustrialise Gauteng for the 21st century by boosting manufacturing, increasing exports and employment, and adding momentum towards turning GCR into a single, multi-tier and integrated SEZ.
- Promote industrial agglomeration in the GCR.
- Build the required enabling industrial infrastructure to support SEZs in the GCR.
- Anchor new economic clusters guided by economic regional planning and economic inclusion.
- Mobilise investment in the GCR in identified high-growth sectors.

Vaal SEZ

The objective of the Vaal SEZ is to develop a multi-sector, multi-site SEZ in the Vaal Region (Sedibeng District) with the aim of regenerating the area, supporting new economic activity, and building on the historic competitive strengths and skills base of the area. In addition, the objective is to build a socially cohesive society based on sustained economic growth that results in the creation and retention of quality jobs. The key component of this strategy aims to capture the vast economic development opportunities provided by the following sectors:

- The hydrogen economy, making the Vaal the pre-eminent Hydrogen Valley and Centre of Innovation for the decarbonisation of industry (reindustrialisation through the green economy).
- Agriculture and Agro-processing, with a strong focus on attracting activities in the value chains of cannabis and hemp.
- Revitalising the logistics infrastructure to enable supply into and from the SEZ sites.
- The Blue Economy and activities related to the use of the Vaal River and the Vaal Dam.

The Vaal SEZ is expected to have a substantial impact on employment opportunities in the region and the contribution to the gross domestic product. During the construction period in Phase 1, the project is expected to create about 4 302 direct jobs and 1 305 indirect jobs. An additional 5 902 direct jobs will be created during the operation stage.

Percentage of Comprehensive Vaal SEZ Master Plan Completed

The first step towards the development of the SEZ is to compile an approvable Master Plan to attain gazetted designation status. The target for the 2021/22FY was to complete five out of the nine sections and ensure that the Master Plan was 100% complete by the end of the 2022/23FY. This target was achieved: the Vaal SEZ Master Plan was completed, reviewed, and approved by the GGDA Board Sub-committee for Infrastructure, Trade and investments (20 September 2022), the GGDA Group Board (30 September) and the Member of Executive Council (MEC) (12 December 2022). Completion of the Master Plan made possible the process of applying for the designation licence for the Vaal SEZ.

Rand Value of Signed Firm Investment Commitments to Vaal SEZ and Number of Investors Secured

This target referred to the implementation of the investment attraction strategy for the SEZ with the aim of securing R2 billion worth of investments for the SEZ. Three investment commitment letters were received from Mitochondria Energy (Pty) (R750 million at the start of the project, achieving R3,5 billion over five years), Bluedrop Energy (R1,1 billion) and Mark Capital/Aselson (R150 million).

Mitochondria Energy Systems was established in 2018 to develop and market hydrogen-based energy technologies. The company will locate its Solid Oxide Fuel Cell (SOFC) assembly plant called Project Phoenix in the Emfuleni site of the Vaal SEZ. This is expected to be followed by establishment of the Supply Chain Manufacturing (SCM) facilities in a Hydrogen Valley Innovation Hub. Technical work, legal work, marketing work, supplier work packages and the architectural concept design final inception report have been concluded. It is expected that 400 direct jobs will be created in the SOFC assembly plant itself, these jobs will be mainly technical in nature.

Bluedrop Energy is a 100% Black-owned South African company that will specialise in the manufacturing of Composite LPG Gas Cylinders, the trading in and distributing of LPG Gas, and the bulk importation of petrochemical products. They will be located in the Heidelberg x 24 site of the Vaal SEZ. The project is expected to have the following impact on the creation of jobs:

- Manufacturing direct: 57
- Manufacturing indirect: 40
- Construction: 180
- Distribution: 450

Mark Capital has secured an agreement with Aselson according to which they will invest in, establish, construct and operate a two-way radio manufacturing and distribution facility in the Vaal Region. This flagship project will be the first comprehensive two-way radio manufacturing facility based in South Africa with the support of an international OEM and it will support the supply of two-way radios to the rest of the African continent. It is expected that this enterprise will create 62 full-time jobs. They will be located in the Langlaagte Land Parcel in Lesedi.

The Vaal SEZ Project Management Unit (PMU) will continue with providing support to the three investors to ensure that the investment commitments evolve to timely lease agreements or operating investors. It is also a priority of the Vaal SEZ to continue interacting with or supporting the current potential investors to ensure that they eventually locate themselves within the SEZ. The availability of firm investment commitments together with the Master Plan will increase the chances of a successful designation licence application.

Designation Licences Applications Submitted to dtic

According to section 23(1) of the SEZ Act, the national government, a provincial government, a municipality, a public entity, a municipal entity or a public-private partnership, acting alone or jointly, may apply to the Minister of the dtic in the form and manner prescribed for a specific area to be designated as a SEZ. In the case of the Vaal SEZ, the three levels of government will jointly apply for the Vaal Region to be designated as a SEZ with the aim of obtaining a designation licence. For this to happen, the Vaal SEZ will have to demonstrate that the designation of the Vaal Region as an SEZ will further the national government's industrial development objectives. In addition, the Vaal SEZ will be expected to demonstrate that there is sufficient access to finance and expertise for the development, operation, management and administration of the SEZ and submit to the Minister a comprehensive feasibility study. The target for this financial year is to submit one designation licence application for the Vaal SEZ to the dtic. Following approval by the Group Board, both the Master Plan and the designation application were submitted to the MEC (approved on 12 December 2022) and subsequently submitted to the dtic on 31 March 2023. However, further processing of this application awaits the completion of the Township Establishment and EIAs on the land parcels proposed to be designated which are under way.

Rand Value Secured Towards the Pre-Designation Infrastructure of the Vaal SEZ

The Vaal SEZ has to date secured land parcels with a gross area of 3 000 ha across the three local municipalities of the district, including Rand Water, who have also made land available for leasing to the Vaal SEZ. To enable the SEZ establishment, a variety of infrastructure projects (water, sanitation, electricity, roads, etc) need to be undertaken to develop the SEZ sites. The estimated budget needed for this to happen in the 2022/23FY was R76 million. The implementation of bulk infrastructure projects was delayed due to a delay in securing the necessary funding for the projects. However, Township Establishment and Integrated Security System were prioritised with the available PMU funds and both tender publications were published on 21 October and closed on 21 November 2022. A service provider has been appointed for the EIA and Township Establishment, and the integrated Security System is undergoing the Bid Adjudication Committee (BAC) process. An amount of R60 million that had been allocated to the refurbishment of industrial parks was reallocated for the bulk funding requirements of the Vaal SEZ. An additional R25 million was reallocated internally, bringing the total available funds for bulk infrastructure to R85 million, excluding PMU funds (R12 million) that were already available.

West Rand SEZ

Extending over 4 000 km², the West Rand District is located in the western part of Gauteng province.

Comprising of three local municipalities (i.e., Merafong City, Mogale City and Rand West), the district is surrounded by the Bojanala District Municipality to the north, the City of Tshwane to the north-east, the City of Johannesburg to the east and the Sedibeng District Municipality to the south-east.

The South African government seeks to transform the economy into a globally competitive industrial economy, built on the full potential of all citizens and regions. The NDP outlines a long-term development path towards a prosperous and successful economy characterised by high levels of economic growth, employment generation and an equitable society.

Concurrently, the Industrial Policy Action Plan (IPAP) outline the government's industrial agenda for the critical job drivers, prioritised industrial sectors and a range of interventions required to accelerate economic growth, create jobs and fight poverty and under-development. One of the critical tools for accelerating the country's industrial development agenda is the SEZ programme. If established, it is envisaged that the West Rand District SEZ will help to create much-needed jobs in the region. In addition, the SEZ will drive the reindustrialisation of the region by facilitating the establishment of clusters potentially in the following industrial sectors:

- Industrial agro-processing: this includes cannabis linked to the establishment of new wholesale food market facilities in the West Rand.
- Green energy (mainly green hydrogen): this sector provides the opportunity for the region to be at the centre of this fast-evolving sector, where large-scale solar farms can be established to generate renewable energy, with the potential of being financed through export off-takes.
- Bus manufacturing: this would be linked to the existing Busmark manufacturing plant investment located in the region.

Percentage of the Comprehensive West Rand SEZ Master Plan Developed

GGT2030 puts SEZs at the centre of industrialisation, spatial structuring, job creation, competitiveness, and overall economic development. GGT2030 also points out that the realisation of the West Rand SEZ must be fast-tracked.

The first step towards the development of the SEZ is to compile a comprehensive Master Plan as well as a business case, that will be used to inform application to attain gazetted designation status. The Master Plan will include the specific locational challenges and opportunities requiring infrastructure development in line with accelerated economic, industrial, spatial, social, ecological transformation and transport integration. The Master Plan will serve as an inter-governmental and inter-sectoral planning and implementation tool towards the inclusive growth, development and implementation of infrastructure plans, the focal point of which will be to establish and operate a viable SEZ in the Western Corridor of the province.

The Master Plan's inception with the appointed service provider was on 1 December 2022 and the project period is 10 months, ending on 30 September 2023. Part of the Master Plan work entailed determining which land is suitable for which sectors before any in-depth engagements with stakeholders, such as investors, can be undertaken.

Against the annual target of 50% of the comprehensive West Rand SEZ Master Plan developed, 52% of the Master Plan was developed. The expenditure for the period under review was R1 366 013,37 against a budget of R3 million.

The 52%, which is weighted and aggregated, is broken down as follows:

- 25% Management tasks
- 100% Appointment and inception
- 79% SEZ feasibility study and business case
- 64% Architectural designs, land use management, and infrastructure plan
- 42% Stakeholder management and community empowerment plan
- 17% Marketing, communication, and branding management plan
- 33% Project management and transactional advisory implementation plan.

Land Lease Arrangements

The PMU worked to secure alternative land due to the lack of progress in the donation process by the mining company (originally agreed to donate 11 199 ha).

The Rand West Municipality has earmarked four land parcels to be donated to the WRSEZ PMU. A council resolution to donate one of those land parcels was passed on 22 February 2023.

A draft lease agreement on Portion 47 between the Rand West Municipality and the GDED has been drafted and is awaiting signature.

The Mogale City Municipality also plans to pass a resolution through the municipal council to donate additional land parcels to the PMU. By the end of March 2023, Mogale City Municipality was waiting to go to council and the land item 'land' was on the agenda.

Stakeholder Engagements

A total of 71 local and international stakeholder engagements took place during the year under review, with the following outcomes realised:

- Land availability for the establishment of the WRSEZ;
- Building strategic alliances and partnerships with key public and private stakeholders (e.g., municipalities, TEDA, GDARD, industrial parks, War Room SEZ workstream, technical advisors, investors, embassies);
- Integration of key stakeholders into the WRSEZ;
- Integration of WRSEZ into the Integrated Government Relations (IGR) and international relations structure; and
- Potential investment opportunities.

MARKETING AND COMMUNICATIONS

During the 2022/23FY the following strategic stakeholder engagement and marketing campaigns were implemented by the GGDA Group.

• Human Rights Festival

The Human Rights Festival brought together a variety of non-government and social justice organisations over three-day programme promoting exhibitions, films, poetry, theatre, and live performances by Gauteng artists. The festival is one of strategic programmes developed by the ConHill to re-ignite the creative sector in Gauteng. The festival was held from 19 to 21 March 2022.

• Chamdor Automotive Hub

The Automotive Hub was officially launched by Premier Panyaza Lesufi on 27 October 2022. The Chamdor Automotive Hub is part of the additional Automotive Enterprise Hubs to be established by the AIDC and GPG. The Automotive Hub operates as a state-of-the-art automotive repair Centre with training facility; equipped with state-of-the-art equipment.

• Basha Uhuru Freedom Festival

The creative festival lead by ConHill commemorated its 10-year anniversary. Basha Uhuru is a signature event of ConHill Museum and National Heritage site and offers Gauteng creatives a platform to trade, engage and promote the business in the Gauteng creative sector. The Basha Uhuru Freedom Festival was founded in 2012 to immortalise the memory of the youth who fought for their right to choose in the Soweto 1976 Uprising, affording youth of today the freedom to create. The creative festival took place from 25 October to 29 October 2022 at ConHill. In the 2022/23 financial year Basha Uhuru welcomed supporting partners Brand South Africa; Gauteng Tourism; Joburg Tourism, Hollywood Foundation, and the Gauteng Province's Department of Economic Development.

• SA – EU CEO Dialogue

The CEO Dialogue is a strategic partnership programme between the GGDA and the House of Ambrosetti. The strategic stakeholder engagement that provides a platform for African and European CEO's and leaders to share economic and business experience and knowledge took place in Johannesburg on 10 -11 November 2022.

• Finland Visit to Gauteng Province

Premier Lesufi held a trade and investment bilateral meeting with the Finnish Minister for International Development Co-operation and Foreign Trade, Mr Ville Skinnari, on the 16th of November 2022. The objective of the bilateral engagement was to strengthen trade relations with the Finnish government. The GGDA was instrumental in presenting the Trade and Investment relations with Finland and the potential opportunities for strengthened trade relations. Since 2016, total trade between South Africa and Finland has amounted to R37.9 billion worth of goods and services. Between 2016 - 2021 South Africa exported R4.6 billion worth of goods and services to Finland. Over the same period the GCR exported R1.5 billion worth of goods and services to Finland, accounting for 32,7% of goods and services exported from South Africa to Finland.

• Germany Africa Business Summit

The GGDA participated in the exhibition and sponsored a panel discussion on Gauteng SEZs in the German-Africa Business Summit that took place on 2 December 2022. The aim of participating in the Business Summit was to promote Gauteng as an attractive trade and investment destination for German businesses. Since 2016, total trade between South Africa and Germany has amounted to R1340,2 billion worth of goods and services. Between 2016 and 2021 South Africa exported R622,2 billion worth of goods and services to the Germany. Over the same period inbound goods and services imported from the Germany amounted to R717,9 billion and over the past 6 years South Africa has a trade deficit of approximately R-95,7 billion. It was therefore imperative to also showcase in the exhibition trade opportunities and business matchmaking.

- **OR Tambo SEZ Hosting of the Belgium King and Launch of the Pluczenik Building**

To strengthen economic and trade relations, the OR Tambo SEZ hosted the Belgium King Philippe for a walkabout of the OR Tambo SEZ JMP on 24 March 2023. The visit further included the opening of the new Pluczenik South Africa offices situated at the OR Tambo SEZ JMP. The visit by the King enabled the OR Tambo SEZ to strategically position itself as the country's first JMP located within an air freight logistics hub. OR Tambo SEZ development of the JMP that will be launched in 2023/24 financial year is important to the mineral beneficiation sector and the required support of technical skills proficiency in jewellery and diamond beneficiation.

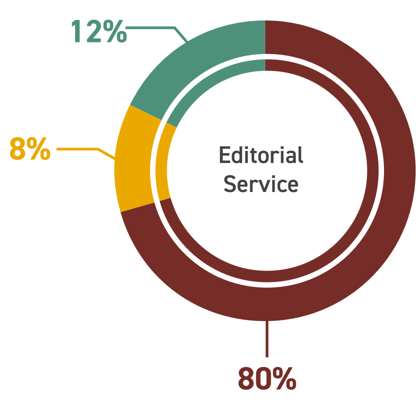
- **Black Business Quarterly Awards**

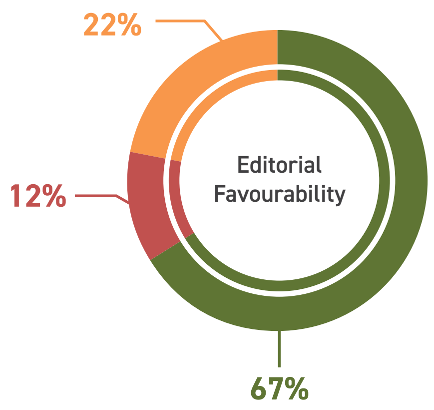
GGDA was a strategic business sponsor of the Black Business Quarterly Awards on 24 March 2023. The Black Business Quarterly (BBQ) Awards recognise champions of transformation. The Awards encourage and promote sustainable black business and transformation by recognising good corporate governance, leadership, and achievement. The above mandate of the BBQ is aligned to the GGDA as one of the core functions is to provide platforms to showcase and promote Black business excellence. One of the AIDC graduate and founder of Batyi Automotive Component Supply (BACS) Lindisipho Batyi was nominated into the Awards by AIDC and subsequently won the New and Innovative Business of the Year category. BACS will graduate from the AIDC incubation programme in the 2023/24 financial year.

MEDIA PERFORMANCE FOR THE PERIOD

OVERVIEW

Figure 14: Editorial Service and Favourability





Editorial Service	Clip Count	%
Print	48	80%
Broadcast	5	8%
Online	7	12%
	60	

Editorial Favourability	Clip Count	%
Positive	40	67%
Negative	0	0%
Mixed	7	12%
Neutral	13	22%
	60	

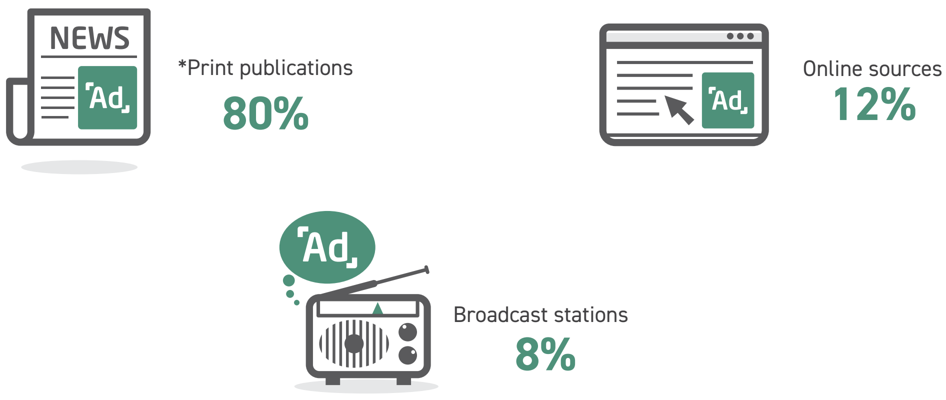
Top Media	Clip Count	AVE
CNBC Africa	3	R 1 041 950
Top Women Leaders	2	R 260 542
Rising Sun (Chatsworth)	2	R 127 665
Opportunity	2	R 120 682
Pretoria News	2	R 120 620

Top Journalist	Clip Count	AVE
Norman Masungwini, TEBOGO LETSIE	6	R 453 084
Sarah Cornwell	1	R 33 093
Manna Maurice	1	R 17 693
Lavhelesani Mainganye	1	R 61 524
Kevin Titchie, SUPPLIED	1	R 30 350

During the reporting period, the GGDA garnered 60 media mentions. The coverage included direct references to the agency.

EDITORIAL SERVICES SHARE OF MEDIA

Figure 15: Editorial Services Share of Media



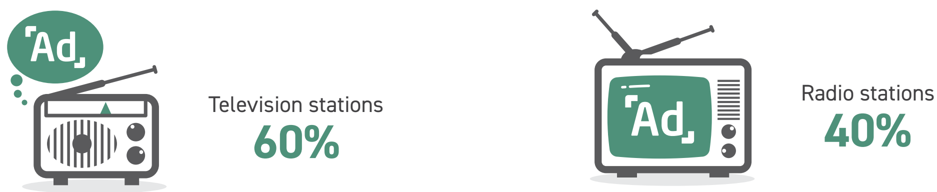
This exposure amounted to an advertising value equivalent (AVE) of R4 196 310,30.

COVERAGE BY MEDIUM

Figure 16: Coverage by Medium

BROADCAST COVERAGE

Figure 17: Broadcast Coverage



CNBC Africa was the primary broadcast source, with three broadcast recordings, followed by Rainbow FM 90.7 and You FM, each contributing one recording. The majority of the coverage (60%) came from paid stations, while commercial and community content each comprised 20%.

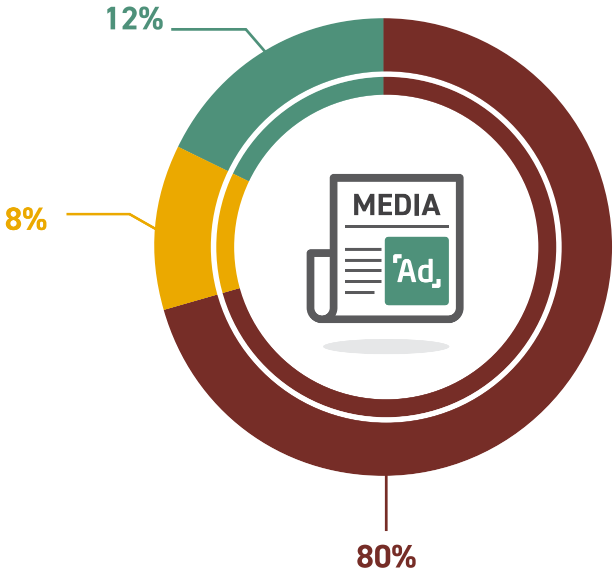
National media sources within South Africa delivered the majority of the coverage, representing 60%. This was followed by community-reach publications in KZN, which accounted for 17%.

City Press produced the highest volume of coverage, contributing six media pieces mentioning the GGDA.

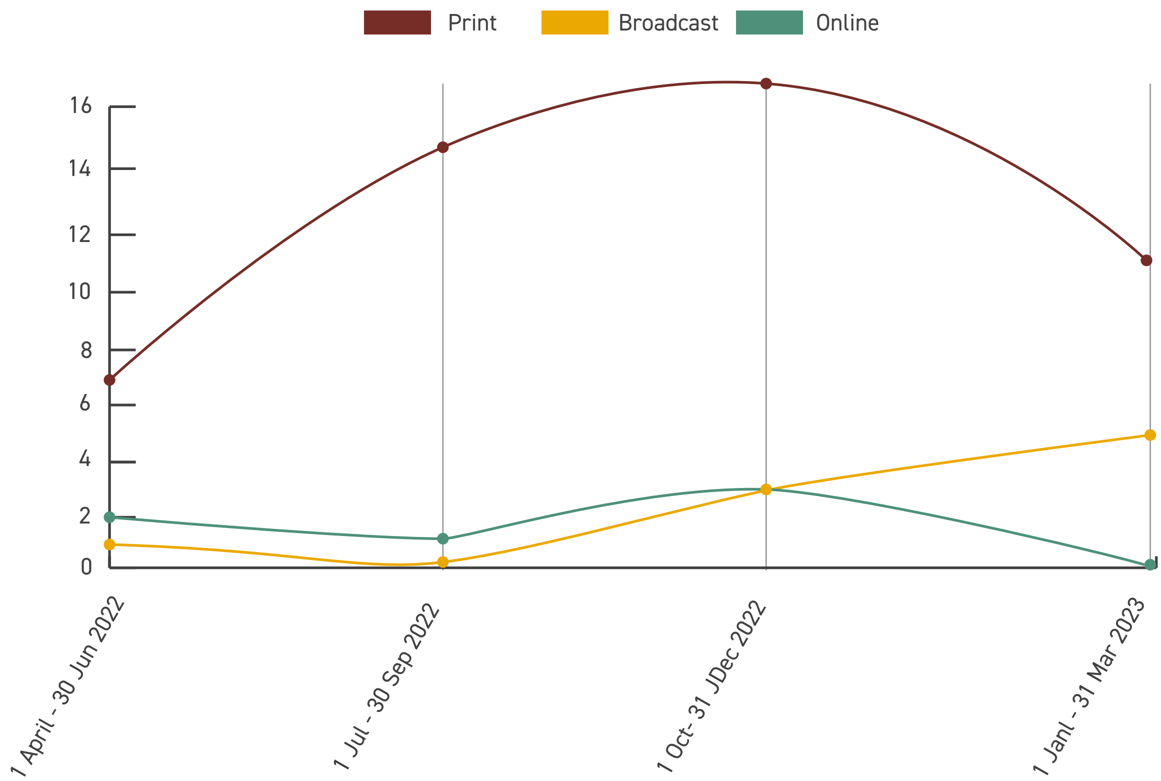
DIVISION OF SERVICE: GGDA

Figure 18: Metadata Volumes by Service

Statistical analysis report of metadata volumes, by service, showing one periods' movement and design.



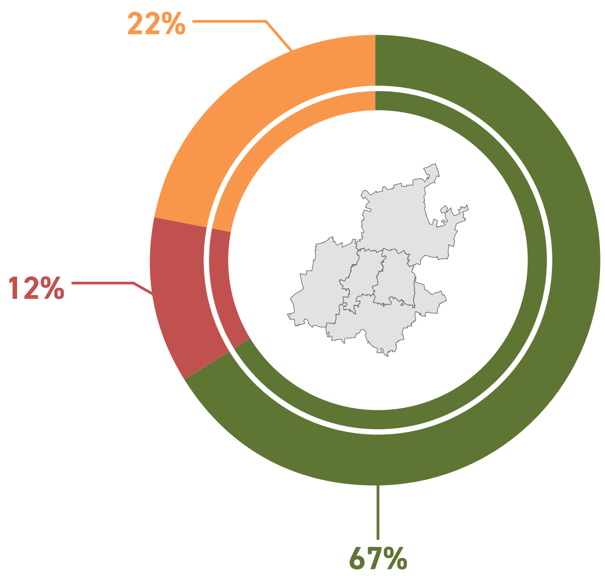
1 April 2022 - 31 March 2023	Clip Count	%
Print	48	80%
Broadcast	5	8%
Online	7	12%
	60	



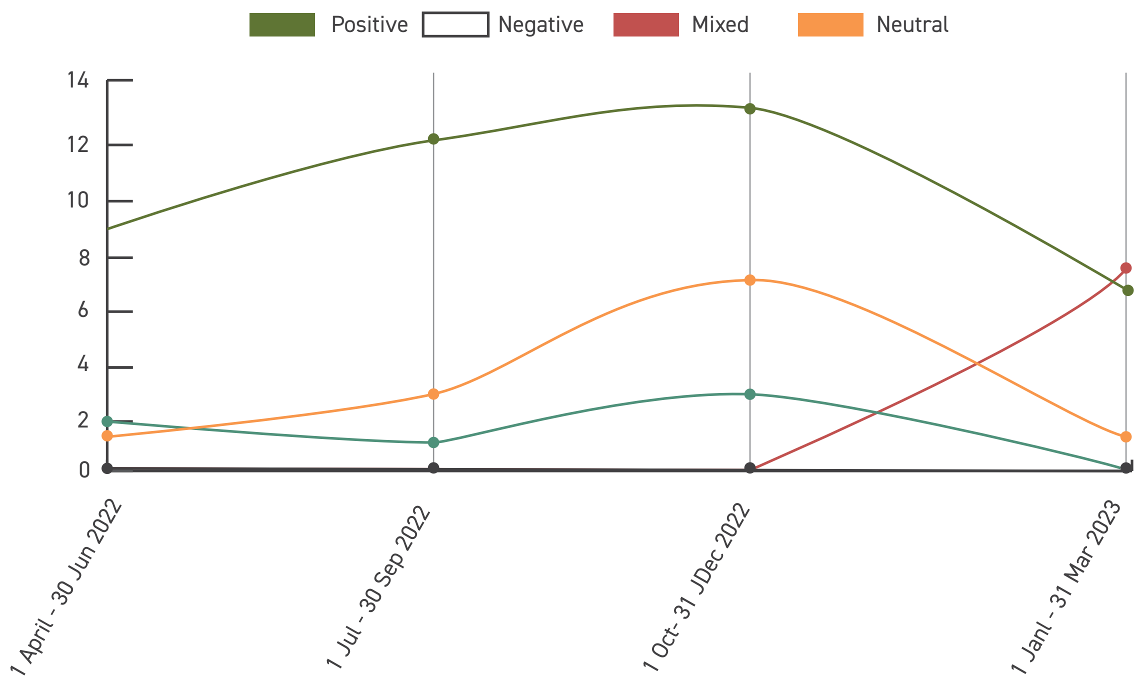
DIVISION OF FAVOURABILITY: GGDA

Figure 19: Metadata Volumes by Favourability

Statistical analysis report of metadata volumes, by favourability, showing one periods' movement and design.



1 April 2022 - 31 March 2023	
Positive	40
Negative	0
Mixed	7
Neutral	13
	60



TOP MEDIA

Table 14: Top Media Sources by Service

The top media sources for each service, as well as the clip count and AVE.

Print	Clip Count	AVE
Top Women Leaders	2	R 260 542
Rising Sun (Chatsworth)	2	R 127 665
Opportunity	2	R 120 682
Pretoria News	2	R 120 620
Leadership	2	R 117 291
Government Publications: Vuk'Uzenzele	2	R 112 394
Rising Sun (North Coast)	2	R 95 383
Rising Sun (Merebank)	2	R 73 643
Estate Living	2	R 71 170
Business Update	2	R 55 621
City Press (Free State)	1	R 75 514
Southern Africa's Travel News	1	R 33 093
Transform SA	1	R 31 560
Rekord (Pretoria West)	1	R 17 693
Automobil	1	R 8 495

Broadcast	Clip Count	AVE
CNBC Africa	3	R 1 041 950
You FM	1	R 38 083
Rainbow FM 90.7	1	R 7 493

Online	Clip Count	AVE
Bizcommunity	3	R 53 069
IOL	1	R 44 301
Mining Weekly	1	R 35 814
The Innovation Hub	1	R 25 258
Engineering News	1	R 22 871
ABR (Automotive Business Review)	1	R 7 961
News24	1	R 6 956

BYLINE

Table 15: Top Journalists by Clip Count

The top journalists, by clip count, as well as AVE and sentiment.

	Clip Count	AVE
Norman Masungwini, TEBOGO LETSIE	**6**	**R 453 084**
City Press (First Edition)	1	R 453 084
City Press (Eastern Cape)	1	R 453 084
City Press (Free State)	1	R 453 084
City Press (KZN)	1	R 453 084
City Press (Second Edition)	1	R 453 084
City Press (Western Cape)	1	R 453 084

	Clip Count	AVE
Sarah Cornwell	**1**	**R 33 093**
Southern Africa's Travel News	1	R 33 093

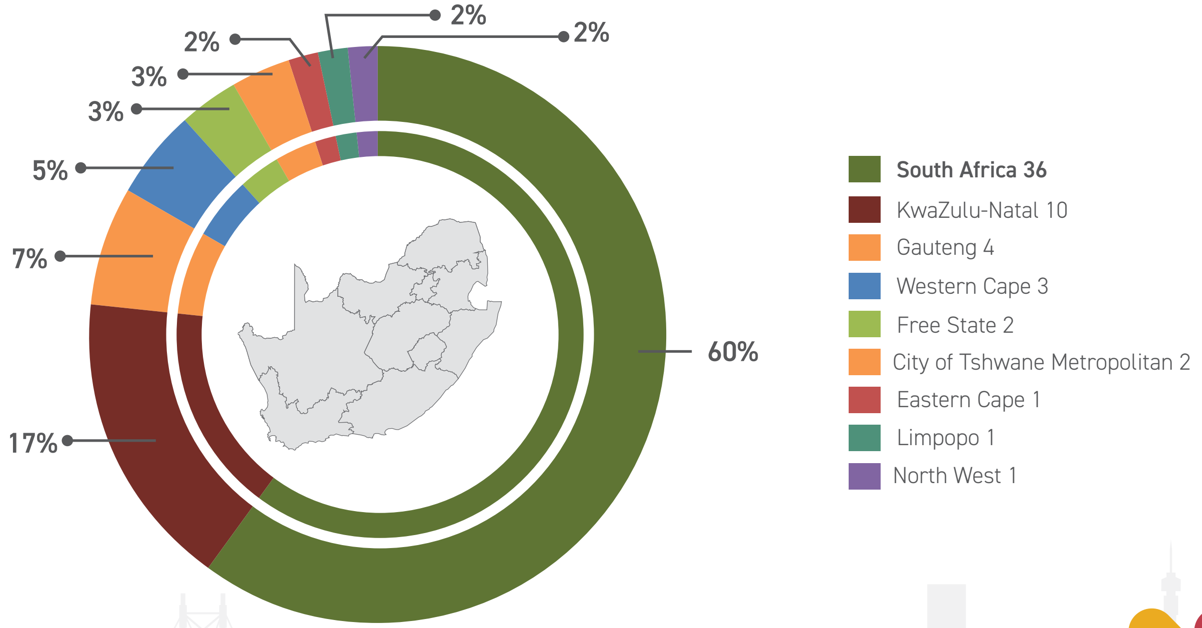
	Clip Count	AVE
Manna Maurice	**1**	**R 17 693**
Rekord (Pretoria West)	1	R 17 693

	Clip Count	AVE
Levhelesani Mainganye	**1**	**R 61 524**
Rekord (Pretoria West)	1	R 61 524

REGION

Figure 20: Breakdown of Coverage by Region

Below serves as a breakdown of coverage according to region.



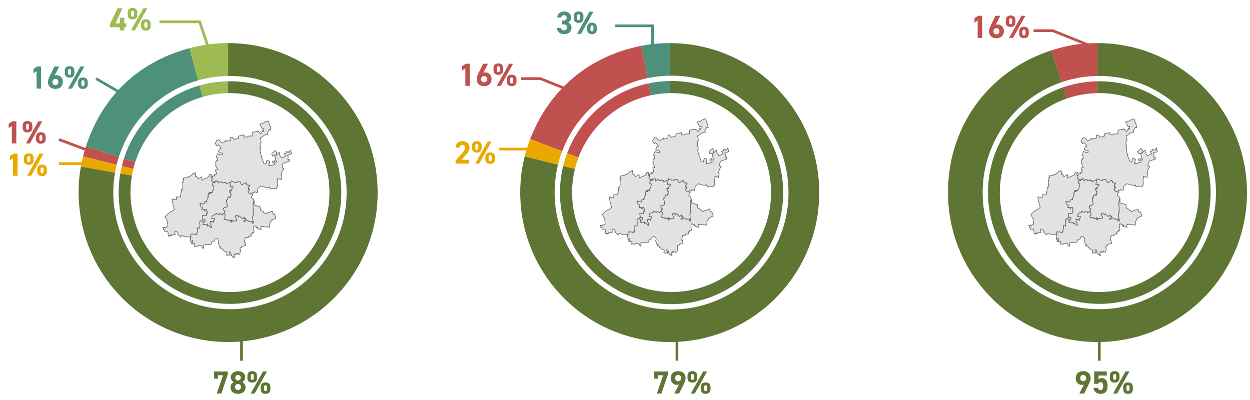
CONTENT CLOUD

Figure 21: Keywords, Themes and Trends within the Media Coverage

The most frequently used keywords indicate themes and trends within the media coverage.

MEDIA DIVISION: SUBSIDIARIES

Figure 22: Total Clip Count, AVE, and Estimated Circulation for Each Identified Entity

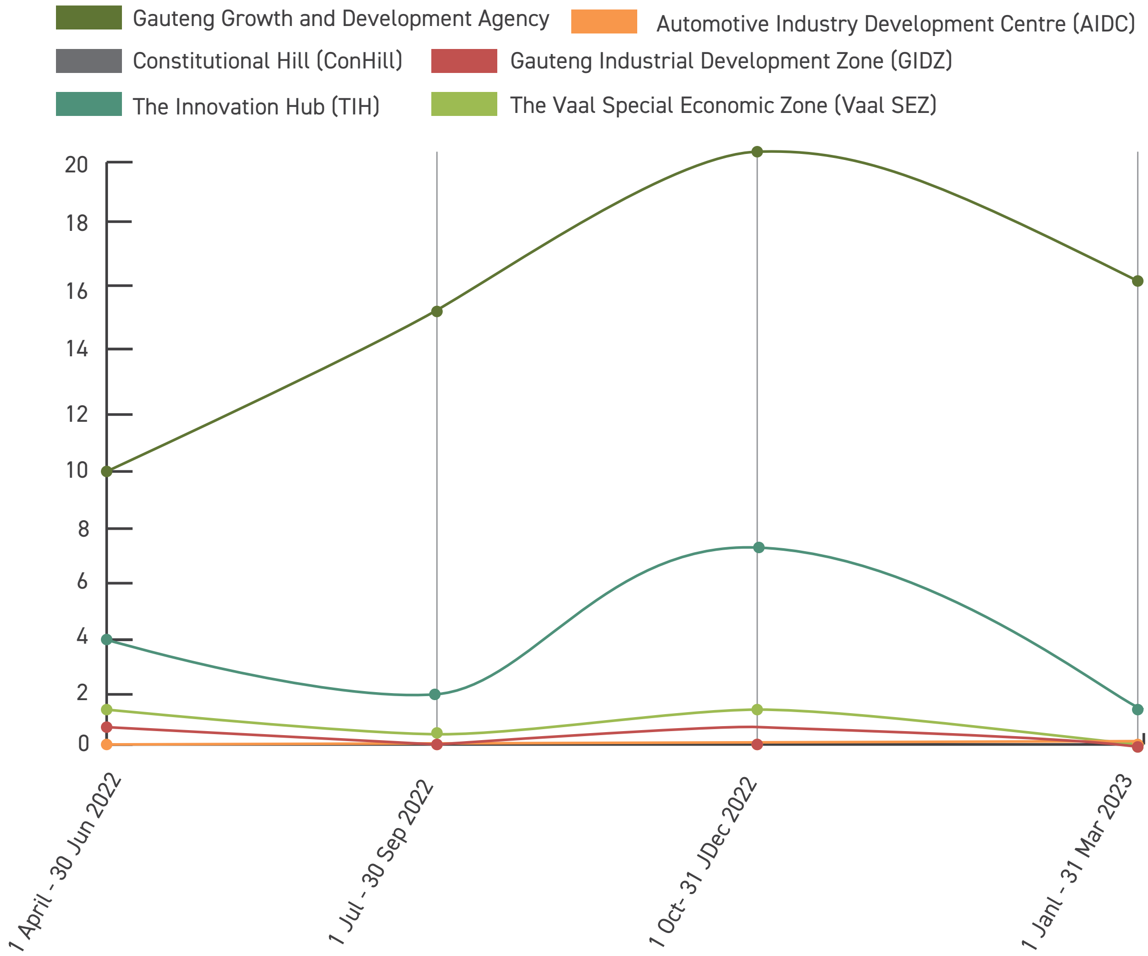


	Total Clips	Total AVE	Estimated Circulation
GAUTENG GROWTH AND DEVELOPMENT AGENCY	**60** 78%	**R 4 196 310** 79%	**30 946 954** 95%
Automotive Industry Development Centre (aidc)	**1** 1%	**R 8 495** 0%	**10 00** 0%
CONSTITUTION HILL	**1** 1%	**R 95 437** 2%	**15 000** 0%
GAUTENG IDZ INDUSTRIAL DEVELOPMENT ZONE	**0** 0%	**RO** 0%	**0** 0%
THE INNOVATION HUB	**12** 16%	**R 833 726** 16%	**1 473 522** 5%
vaal special economic zone	3 4%	**R 155 390** 3%	**10 929** 0%

PEAK ANALYSIS: SUBSIDIARIES

Figure 23: Peaks Analysis in Media Coverage

The peaks experienced in media coverage are represented in the time-delineated graph below.



The GGDA received 60 media mentions, with a mostly positive sentiment recorded as 67%. Notably, 18% of the positive media attention given to the GGDA included references to the annual South Africa Global Business Services (GBS) Investor Conference and BPE-SA Alchemy Awards.

Of the coverage, 57% delved into the seven reasons why South Africa holds a prominent position in the GBS sector, while the remaining coverage focused on the announcement of the 2022 BPESA Alchemy Awards winners.

Media pieces centred on Nonceba Hlengani, the owner of Zuru Skincare collection. These accounted for 13% of the positive media share. It was noted that Hlengani received assistance from the GGDA in marketing her business through posters and flyers. This support aligns with the agency's aim of helping businesses unlock investment and expansion opportunities. Business Update reported on Project Phoenix, a Hydrogen Fuel Cell manufacturing facility set to be located in the Hydrogen Valley. The sentiment was overwhelmingly positive, with pledges of support and participation from the community.

On 6 March 2023, the Saulsville community engaged with the Provincial Economic Development Department on topics discussed during the 2023 State of the Province Address (SOPA). Rekord reported that the session, held at the Saulsville community library, saw Tasneem Motara, the Gauteng Economic Development Member of the Executive Council (MEC), along with the GGDA, the Gambling Board, the Liquor Board, the Enterprise Propeller, and the Tourism Authority engaging with the community.

AUTOMOTIVE INDUSTRY DEVELOPMENT CENTRE (AIDC)

The AIDC generated one media mention for the monitoring period. With 100% of the media coverage attached to a neutral media sentiment.

Automobil published an article which reported that the Chamdor Automotive Hub was officially opened on 27 October 2022. It was noted that AIDC, developed the concept for an automotive aftermarket hub for Chamdor to address barriers to entry into the automotive aftermarket sector for small, medium, and micro enterprises (SMMEs).

CONSTITUTION HILL (CONHILL)

ConHill generated one media mention for the monitoring period. With 100% of the media coverage attached to a neutral media sentiment.
An article published by South African Business included a special feature section on the Provinces of South Africa, which highlighted the key sectors, infrastructure, and notable tourism assets per province. ConHill was named as one of Gauteng's notable tourism assets.

GAUTENG INDUSTRIAL DEVELOPMENT ZONE (GIDZ)

The GIDZ did not generate any media traction during the year.

PEAK ANALYSIS: SUBSIDIARIES

THE INNOVATION HUB

TIHMC generated 12 media mentions for the monitoring period. A positive sentiment accounted for 42% of the coverage generated for the agency. This included reports that TIHMC's Digital Economy Unit, together with its shareholder, the GDED, hosted an event on 31 March 2023, where innovators had the opportunity to demonstrate their innovation developments. It was further noted that TIHMC, together with the US Consulate General, embarked on a project in March 2022 to launch a Trade-Investment Framework aimed at "fostering an equitable partnership and collaboration between the two governments". In attendance at the event, a delegation from the US Consulate General was taken through a tour around TIH's facilities.

On 17 June 2022, TIHMC, AfriNurse, Afrocentric Group, and mLab hosted its first Hackathon event at TIHMC's Conference Venue in Lynwood. It was noted that 70 participants took part in the even where they had the chance to develop innovative, gamechanging ideas for modernising the [nursing] industry.

Government Publications: Vuk`Uzenzele featured an article following the story of Kgaogelo Letse be laontse Selacoe, founder of All Day Jam, an agroprocessing company. He explained that he presented his business plan to TIHMC and through them he was enrolled in the eKasiLab programme in Sebokeng, which gave him financial business support and innovation skills.
Neutral media mentions accounted for 58% of the overall media share and included mere mentions of GGDA as a wholly owned subsidiary of the Gauteng Provincial Government.

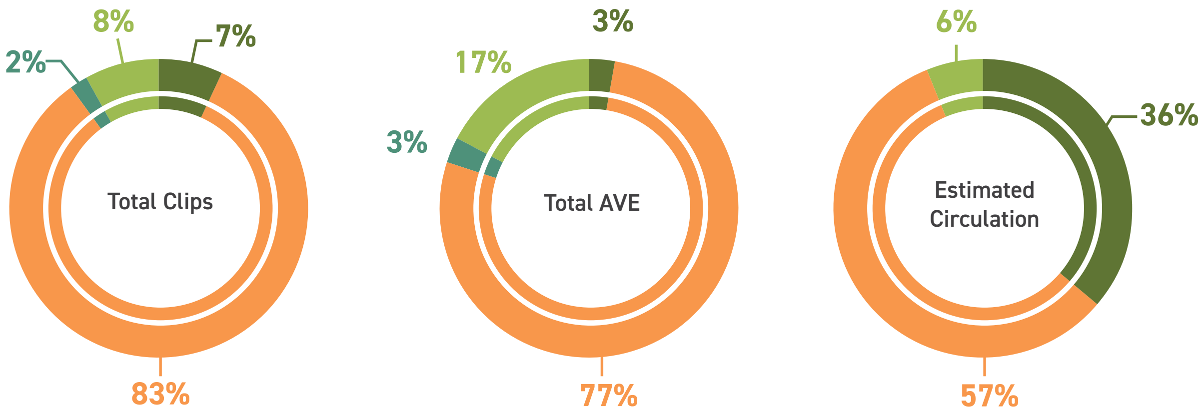
THE VAAL SPECIAL ECONOMIC ZONE

The Vaal SEZ generated three media mentions for the monitoring period. With 67% of the media coverage attached to a neutral media sentiment. This coverage included mere mentions of the Vaal SEZ.

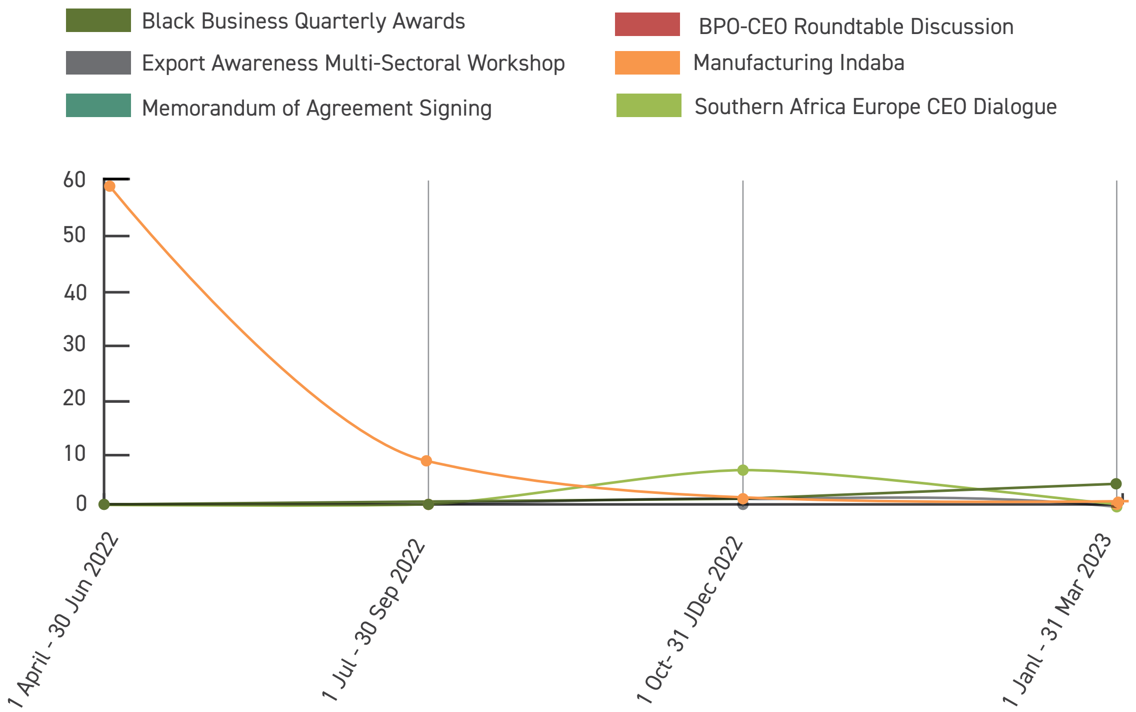
Positive coverage accounted for 33% overall. This is derived from reports that a Community Outreach Programme, that was held on 12 April 2022. It was stated that the Vaal SEZ development would facilitate the establishment of Project Phoenix, a Hydrogen Fuel Cell manufacturing facility, to be located in the Hydrogen Valley, earmarked for the Emfuleni Local Municipal region.

MEDIA DIVISION: EVENTS

Figure 24: Total Clip Count, AVE, and Estimated Circulation for Each Identified Entity



	Total Clips	Total AVE	Estimated Circulation
Black Business Quarterly Awards	**6** 7%	**R 110 386** 3%	**5 342 203** 36%
BPO-CEO Roundtable Discussion	**0** 0%	**R 0** 0%	**0** 0%
Export Awareness Multi-Sectoral Workshop	**0** 0%	**R 0** 0%	**0** 0%
Manufacturing Indaba	**73** 83%	**R 2 860 561** 77%	**8 499 274** 57%
Memorandum of Agreement Signing	**2** 2%	**R 120 682** 3%	**4 929** 0%
Southern Africa Europe CEO Dialogue	**7** 8%	**R 617 909** 17%	**956 321** 6%



BLACK BUSINESS QUARTERLY AWARDS

The Black Business Quarterly (BBQ) Awards generated six media mentions for the monitoring period. With 100% of the media coverage attached to a neutral media sentiment. This coverage did not include mentions made of the GGDA.

100% of the coverage generated for the event, reported that Charmaine Mabuza, CEO of ITHUBA Group, won the 'Business Woman of the Year' Award at the 19th annual BBQ Awards, held at Emperors Palace in Johannesburg on 24 March 2023. This coverage focused on Mabuza's achievements and was published by iAfrica, My Pressportal, The South African, as well as three editions of Son.

PEAK ANALYSIS

MANUFACTURING INDABA

The Manufacturing Indaba secured 73 media mentions during the evaluation period. All the coverage expressed a neutral sentiment, devoid of references to the GGDA. The event, which took place at the Sandton Convention Centre from 21 to 22 June 2022, aimed to bolster manufacturing growth in Africa.

Much of the media spotlight revolved around infrastructure challenges. As reported in six editions of City Press, the manufacturing sector faced scrutiny at the Indaba held in Sandton, Johannesburg. The sector, under both internal and external pressures, was shown to be under strain in the second quarter of 2022 as per the latest Absa Manufacturing Survey. Tips Executive Director, Saul Levin, argued that South Africa's economy was overly reliant on minerals, calling for swifter action from President Cyril Ramaphosa to grow sectors like manufacturing.

MEMORANDUM OF AGREEMENT SIGNING

Two media mentions referred to the Memorandum of Agreement signing between the Vaal Special Economic Zone (SEZ), the North-West University, and the Vaal University of Technology. 100% of this coverage derived from articles published by Opportunity, titled 'Reigniting the birthplace of industrialisation in South Africa' and 'Reindustrialising the Vaal region'. It was noted that the Vaal SEZ was in the process of concluding a Memorandum of Understanding (MoU) between the Vaal SEZ, North-West University Vaal Campus, and the Vaal University of Technology. It was noted that the Vaal SEZ aimed to "build on what has come before, leveraging the strong steel sector legacy of years gone by, and the existing businesses that still work hard to deliver quality products". The article stated that the Vaal SEZ Programme, was housed within the GGDA.

PEAK ANALYSIS

SOUTHERN AFRICA EUROPE CEO DIALOGUE

The Southern Africa Europe CEO Dialogue generated seven media mentions for the monitoring period. With 71%% of the media coverage attached to a neutral media sentiment. This coverage did not include mentions made of the GGDA.

A total of 29% of the coverage generated for the dialogue was assigned a favourable sentiment. The ninth editions of the Southern Africa Europe CEO Dialogue took place in Johannesburg on 10 and 11 November 2022. Bizcommunity reported that the event was hosted by The European House, in collaboration with the Gauteng Province, the GGDA, and several international public and private stakeholders.

On 10 November 2022, Motara addressed the dialogue and said that Gauteng remained a leading investment destination in the continent.

GGGA HOLDINGS ANNUAL PERFORMANCE REPORT, 2022/23

PROGRAMME 1: GGDA HOLDINGS – ORIGINALLY TABLED APP

Table 16: Outcomes, outputs, output indicators, targets, and actual achievements - Originally Tabled APP

Programme 1: GGDA Holdings – Originally tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Sub-Programme 1: Trade, Investment and Regulatory Enablement (TIRE)					
Increase in trade balance with African countries improved	Promotion of intra-Africa trade Opportunities for economic engagement, networking, and trade across the continent and beyond for SMMEs and businesses Africa	% increase of GCR trade balance with African countries	-	-	
Sub-Programme 2: Enterprise Project Management Office (EPMO)					
Increase investment in infrastructure	ConHill visitor centre	% of the ConHill visitor centre project completed	0%	0%	
	TIHMC Bio-Science Park Phase 3 Project	% of the TIHMC Bio-Science Park Phase 3 Project completed	48%	48%	
	Rehabilitated Industrial Hubs	Number of Industrial Hubs rehabilitated	–	0	
	Enhanced skills development and training	Number of job opportunities created through Expanded Public Works Programme (EPWP) (Infrastructure Sector)	–	0	

	Planned annual target 2022/23FY	Actual achievement 2022/23FY at 30 September 2022	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
	3%	0%	-3%	This was an annual target due for reporting at year end	The output Indicator was removed from the APP and replaced with the output indicator 'Rand value of trade deals facilitated'
	80%	15%	-65%	The site was handed over on the 16 May 2022 as opposed to the initial planned date of 22 February. The delays were due to the contract adjustments which were finalised on 13 June 2022 and followed by the contractor's non-compliance, which led to work stoppages and construction only commencing in August 22	The quarterly targets were adjusted to zero and the delivery of the target annualised. The annual target of 80% remained unchanged
	100%	55%	-45%	Construction recommenced from 9 April 2022 with remedial works which were required as the site was dormant from 2019. Actual construction works commenced only on 1 September 2022 upon completion of the remedial works Furthermore, the concrete assessment report determined that one slab was under-designed by the previous PRT, which necessitated the development of an updated remedial works programme to include the duration of the slab strengthening	The quarterly targets were adjusted to zero and the delivery of the target annualised to account for the additional time required for the remedial works. The annual target of 100% remained unchanged.
	7	0	-7	This was an annual target due for reporting at year end	A decision was made to focus on the prior year's identified industrial parks, i.e., Sebokeng 1, Sebokeng 2 and the Chamdor industrial parks and to reallocate the budget to the Vaal SEZ project funding requirements
	300	126	-174	Delays in the commencement of key projects (ConHill visitor centre, Bio-Science Park Phase 3 and the Industrial Hubs) led to the slow intake of job- seekers into these projects	The output indicator was modified to remove the reference to EPWP as the projects linked to this indicator are not registered EPWP projects

PROGRAMME 1: GGDA HOLDINGS – ORIGINALLY TABLED APP

Table 16: Outcomes, outputs, output indicators, targets, and actual achievements - Originally Tabled APP (continued)

Programme 1: GGDA Holdings – Originally tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Sub-Programme 3: Special Economic Zones (SEZs)					
Revitalised and modernised economy through corridor-focused economic development	Secured investors for the Vaal SEZ	Rand value of signed firm investment commitments to the Vaal SEZ	–	–	
	Designation of the Vaal SEZ by the dtic	Number of designation licence permits awarded to the Vaal SEZ	–	–	
	Infrastructure projects	Rand value of infrastructure projects implemented to advance the Vaal SEZ	–	–	
	Tshwane Automotive SEZ (TASEZ) investor attraction	Tshwane Automotive SEZ investor attraction strategy implemented	–	Investor attraction strategy implemented	


Automotive Supplier Park -Rosslyn

	Planned annual target 2022/23FY	Actual achievement 2022/23FY at 30 September 2022	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
	R2,0 billion	R4,6 billion	+R2,6 billion	The implementation of the investor attraction strategy resulted in two investment commitments	The quarter target was erroneously stated as R2 million instead of R2 billion and was due for reporting in both Q2 and Q4. The error was corrected to align with the annual target due for reporting at year end
	1	0	-1	The Master Plan and Designation Application were submitted and approved by the GGDA Board only on 30 September 2022	The output indicator was amended to 'Number of designation licence applications submitted to the dtic' as the decision to award the licence is outside the control of the Vaal SEZ
	R170 million	R0	–R170 million	Pre-designation activities and bulk infrastructure projects were not implemented due to insufficient funds.	The downward revision of the target to R76 million was necessitated by the shortfall in funding The output indicator was also annualised and rephrased to 'Rand value secured towards the pre-designation infrastructure of the Vaal SEZ'
	Investor attraction strategy not implemented	Investor attraction strategy not implemented	Investor attraction strategy not developed and not implemented	The planned target was set for reporting at the end of quarter three	The target was annualised The TASEZ investment attraction strategy was not developed as the TASEZ entity will develop its own strategy for the Phase 2. The strategy development is dependent on matters such as security of energy supply and whether land-related matters are resolved

PROGRAMME 1: GGDA HOLDINGS – RE-TABLED APP

Table 17: Outcomes, outputs, output indicators, targets, and actual achievements - Re-tabled APP

Programme 1: GGDA Holdings – Re-tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Sub-Programme 1: Trade, Investment and Regulatory Enablement (TIRE)					
Increased levels of investments facilitated into GCR	Investments and job creation in the GCR	Rand value of FDI facilitated and committed, including high-growth sectors	R2,9 billion	R9,30 billion	
		Rand value of FDI attracted and aggregated in the GCR	–	–	
		Rand value of DDI facilitated and committed, including infrastructure projects	R2,6 billion	R10,18 billion	
		Rand value of DDI attracted and aggregated in the GCR	–	–	
		Number of engagements to improve ease of doing business in the GCR	–	–	
		Number of jobs created through investments facilitated	–	4 865	
		Number of jobs retained through investments facilitated	–	3 408	
		Number of jobs created through GBS sector, including township hubs	–	3 546	
Increased domestic and global trade activities from GCR	Trade in goods and services within Africa	Rand value of trade deals facilitated	R925 million	R4,54 billion	
		Number of Gauteng firms helped with high-growth sector-specific training on export readiness	104	204	
		Number of expanding opportunities for GCR companies	–	26	

	Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
	R12,0 billion	R25,4 billion	+R13,4 billion	The target was exceeded as a result of the data centre investment valued at USD1 billion
	R8,0 billion	R48,3 billion	+R40,3 billion	As this was a new target, it appears that the target was understated in the absence of baseline data. Many more investments were recorded in the province than projected
	R9,0 billion	R10,0 billion	+R1,0 billion	The target was exceeded mainly as a result of a property development facilitation valued at R5,5 billion
	R71,0 billion	R227,2 billion	+R156,2 billion	As this was a new target, it appears that the target was understated in the absence of baseline data. Many more investments were recorded in the province than projected
	8	11	+3	Strategic partners and stakeholders required that the GGDA host engagements with key role-players to improve ease of doing business
	5 360	7 192	+1 832	The jobs were derived from and linked to the investments successfully facilitated, targets which were exceeded for both FDI and DDI, hence the jobs targets were also exceeded
	2 211	2 943	+732	This target was realised and exceeded in several companies that were previously provided with business retention and aftercare services
	2 000	5 051	+3 051	Partnership with BPeSA enabled the target to be exceeded. The target was also exceeded due to the global competitiveness of the Gauteng-based companies and the increased demand for the industry offerings
	R3,9 billion	R6,4 billion	+R2,5 billion	A significant trade value was recorded due to lucrative deals clinched and aggressive expansion plans by Gauteng-based companies that were assisted
	200	257	+57	Strategic partners required that the GGDA participate in the export readiness training of Gauteng- based companies
	25	56	+31	Companies had multiple expansion opportunities into the continent and across the globe. Based on their areas of focus, companies were introduced to multiple opportunities, the bulk of them in sub-Saharan Africa

PROGRAMME 1: GGDA HOLDINGS – RE-TABLED APP

Table 17: Outcomes, outputs, output indicators, targets, and actual achievements - Re-tabled APP (continued)

Programme 1: GGDA Holdings – Re-tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Sub-Programme 2: Enterprise Project Management Office (EPMO)					
Increased levels of economic activity through strategic economic infrastructure	ConHill visitor centre	Percentage of ConHill visitor centre project completed	0%	0%	
	TIHMC Bio-Science Park Phase 3 project	% Of the TIHMC bio-Science Park Phase 3 project completed	48%	48%	
	Rehabilitated Industrial Hubs	Number of Industrial Hubs rehabilitated	–	0	
	Enhanced skills development and training	Number of jobs created from EPMO construction projects	–	0	
	Economically empowered local contractors	Number of local contractors benefiting from sub-contracting	–	4	

Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
80%	15%	-65%	Site progress is lagging according to the programme plan due to discrepancies in slab levels which led to the contractor having to redo the decking The dowels to tie in the new slab to the existing slab were not in accordance with the technical requirements and were rejected by the structural engineer These challenges delayed the pouring of concrete onto the slab. The remedial work for the rejected dowelling is slowing down progress on site Additional delay of issuing structural drawings for the 1st floor by the Principal Agent to the contractor Notification of delay has been submitted by the contractor; this notification of delay was occasioned by the rainfall and can be quantified into an extension of time claim only once the event that give rise to it has ceased
100%	65%	-35%	Slow progress on the main construction works due to the unavailability of construction drawings in certain areas, the non-approval of the basement 1 slab strengthening, inclement weather and the ongoing loadshedding. These contributed to delays on the project and affected the progress on site The non-approval of the basement 1 slab strengthening The non-approval of the gap analysis report that was compiled by the new PRT and details all the outstanding documentation from the previous PRT and the cost to reproduce the documentation
3	0	-3	The delays were as a result of the previous two non-responsive tenders (Turnkey Solution Procurement Strategy) Further delays were due to the development and approvals of tender documents which took longer than anticipated.
300	228	-72	Delays in the start of actual construction of key projects (ConHill VC, Biopark Phase 3 and the Industrial Hubs) led to under-performance in this indicator
60	24	-36	Respective main contractors appointing sub-contractors and concluding sub-contracts agreements without evidence On the visitor centre project, concrete works are ongoing, thus minimal sub-contracting opportunities were created Appointment of contractors for the industrial parks was finalised only at the end of March 2023

PROGRAMME 1: GGDA HOLDINGS – RE-TABLED APP

Table 17: Outcomes, outputs, output indicators, targets, and actual achievements - Re-tabled APP (continued)

Programme 1: GGDA Holdings – Re-tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Sub-Programme 3: Special Economic Zones (SEZs)					
Increased levels of economic activity through strategic economic infrastructure	Comprehensive Vaal SEZ Master Plan	% of comprehensive Vaal SEZ Master Plan completed	Project management unit established	55%	
	Secured investors for the Vaal SEZ	Rand value of signed firm investment commitments to the Vaal SEZ	-	-	
		Number of investors secured	-	-	
	Designation licence permit	Number of designation licence applications submitted to the dtic	-	-	
	Infrastructure projects	Rand value secured towards the pre-designation infrastructure of the Vaal SEZ	-	-	
	West Rand SEZ investor attraction strategy	West Rand SEZ investor attraction strategy implemented	-	Investor attraction strategy not implemented	
	Tshwane Automotive SEZ (TASEZ) investor attraction strategy	TASEZ investor attraction strategy implemented	-	Investor attraction strategy not implemented	
	West Rand SEZ Master Plan developed	% of the comprehensive West Rand SEZ Master Plan developed	-	-	


BioPark Phase 1 and Phase 2

	Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
	100%	100%	–	–
	R2,0 billion	R4,8 billion	+R2,8 billion	Target has been met and exceeded as commitment values received were higher than expected
	3	3	–	–
	1	1	–	–
	R76 million	R97 million	+R21 million	Target of R76m was based on the request for the R60m reallocation. It was not anticipated that a further R25m would be approved and reallocated internally towards the SEZ
	Investor attraction strategy implemented	Investor attraction strategy implemented	–	–
	Investor attraction strategy implemented	Investor attraction strategy not implemented	Investor attraction strategy not implemented	The TASEZ investment attraction strategy was not developed as the TASEZ entity will develop its own strategy for the phase 2. The strategy development is dependent on issues such as security of energy supply and land- related matters being resolved
	50%	52%	+2%	Project delivered per agreed timelines and tasks with the service provider; calculated weighted average of the delivered tasks is 52%

LINKING PERFORMANCE WITH BUDGETS

Table 18: Linking performance with budgets

Programme/activity/objective	2021/22FY			2022/23FY		
	Budget	Actual expenditure	(Over)/ under expenditure	Budget	Actual expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	167 759	151 728	16 031	196 642	191 298	5 344
TIRE	9 772	4 690	5 082	12 899	11 476	1 423
EPMO	164 151	50 548	113 603	197 243	85 757	111 486
Business Intelligence	4 896	4 299	597	2 900	4 121	(1 221)
SEZs	–	–	–	93 028	5 497	87 531
Total	**346 578**	**211 265**	**135 313**	**502 712**	**298 149**	**204 563**

BioPark Phase 3

The contractor commenced work in April 2022 after suspension of the project and the original remedial works have been completed. However, it was discovered that there were significant deficiencies in the basement 1 slab, which was designed by the previous PRT. The contractor has commenced with the strengthening of the basement 1 slab.

Loadshedding delays and its impact on the crane operations have also affected the progress onsite. A standby generator has been procured for the project. The provisional practical completion date is August 2023.

ConHill Visitor Centre

Following the site handover, the project experienced several challenges which caused delays on the project. The challenges experienced include discrepancies in the levels of the slab decking, which resulted in the contractor having to redo the work; non-adherence to specifications for dowelling to the existing slab, and late issuing of structural drawings for the first floor by the Principal Agent to the contractor. The initial practical completion date was 17 August 2023; however, with the delays experienced on the project, it has now been extended to the fourth quarter of the new financial year.

SEZs

Expenditure incurred mainly relates to the operationalisation of the PMU of the SEZs and development of Master Plans for the Vaal SEZ and the West Rand SEZ.

The budget of R93 million mainly relates to the Vaal SEZ allocation. The key planned project for the period under review was for the design and installation of the perimeter clear view fence for the Vaal SEZ within the Lesedi Local Municipality.

The contractor for the project could not be appointed by year end due to delays in the procurement processes.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

EPMO INFRASTRUCTURE PROJECTS

Refurbishment of the 3 prior year industrial parks will commence during the first quarter of the new financial year and effort will be made to ensure adherence to contracted timelines. To ensure timeous delivery of the following year industrial parks, it is envisaged that PRTs will be appointed during the second quarter and for contractors to be on site during the fourth quarter. Panel of professional service providers will be concluded during the following year and such a panel will ease the delays encountered in the delivery of infrastructure projects.

ConHill Visitor Centre 600 seater conference and exhibition facility under construction

Mr Andile Africa
Chief Executive Officer:
Automotive Industry Development Centre

PROGRAMME 2:
AUTOMOTIVE INDUSTRY DEVELOPMENT CENTRE (AIDC)

The **AIDC** was established as a support centre to strengthen global competitiveness in the **local automotive industry** and to **bolster** the position of **Gauteng** as an automotive industry **destination of choice.**

86%

PERFORMANCE ACHIEVED

R2.1 million revenue generated by SMME's operating in the township's hubs

74 Township SMMEs upskilled in the automotive sector

R73.3 million revenue generated by SMMEs operating in the incubation

46% average improvement for **32 companies** participating in the efficiency programme

One component manufacture attracted to the **Automotive Supplier Park (ASP)**

10 Gauteng taxi ranks sites identified

56 new SMME's supported at Gauteng taxi ranks

651 unemployed people trained

1 275 Workforce upskilled/ reskilled

225 Candidate artisans assessed and declared competent

328 Jobs created in the automotive value chain

Table 19: AIDC achievement of outcomes

Outcomes	Outcome indicators	Baseline	Five-year targets 2019/20FY - 2024/25FY	Progress	% of five-year target
Enhanced transformation in the economy	Number of incubates recruited and graduated from the incubation programmes	13	20	17	85
	Revenue generated by 13 SMMEs operating within the AIDC Incubation Programmes to increase localization from 40% to 60% by 2035	R45 000 000	R150 000 000	R139 350 000	93
Develop the township economy	Additional hubs in the townships	2	1	1	100
	Number of township SMMEs upskilled in the automotive sector	6	80	49	61
Enhance skills development and training	Number of individuals reskilled and upskilled	3 000	15 000	7 605	51
	Number of trade test assessments conducted	120	520	500	96
Improved productivity	Number of companies in the automotive value chain supported with achieving world-class manufacturing standards (regional and national)	30 in Gauteng	150 in Gauteng only (national impact TBA)	119	79
Improved level of economic activity through strategic economic infrastructure	Develop Rosslyn into the automotive city	R12 billion investment leveraged into the designated region	R30 billion investment leveraged into the designated region	R177 million	1 To be removed in 23/24
	Assembly plant disassembly knockdown (DKD) to support regional market optimised for Africa vehicle production completed in partnership with Gauteng Infrastructure Funding Agency (GIFA)	N/A	2 500 DKD kits delivered to the OEM through export and assembly into African countries	–	– Tracked on the operational plan in 23/24
Accelerated job creation, upskilling for employability and skills development in the automotive industry	Unemployed individuals placed into employment based on pre-agreement with employers	-	-	-	Outcome combined with number of jobs created
	Number of jobs created	200	1 300	615	47%

Unemployed Youths Trained in Automotive Skills

The programme aims to train unemployed persons to acquire technical and non-technical automotive skills in technical training in order to improve their chances of employability.

A total of 651 unemployed youths were trained against the target of 500. Of these youths, 282 were females and 369 were males. This over-achievement was based on the additional training at the Winterveldt Hub and learning centre, where they underwent training in spray painting and basic welding.

Table 20: Training programmes for unemployed persons

Type of training	Annual total	Q1	Q2	Q3	Q4
Retail Readiness Programme	91	91			
Retail and wholesale distribution	18	18			
Introduction to automotive industry	109	38	71		
Fest technical training	91		91		
Basic welding and safety	107			41	66
Basic industrial electrician training	3			3	
Basic and safety training Hub4Africa	12			12	
Spray painting	108			71	37
Basic mechanic	90				90
Panel beating	22				22
	651	**147**	**162**	**127**	**215**

Workforce Upskilling/Reskilling within Automotive Sector to Ensure Job Retention

The project objective is to upskill or reskill those who are already employed to acquire technical and non-technical automotive skills for job sustainability and retention. This target is achieved through support provided to SMMEs and partnerships with OEMs.

During the period under review, 1 275 workforce persons were trained against the target of 1 150. Of these, 256 were females and 497 were males under the age of 35. The over-achievement is due to positive outcomes from mitigation actions implemented in quarter three to ensure the annual target would be achieved.

Table 21: Workforce trained by programme

#	Programme	No. of people trained
1	Nissan Incubation Centre	86
2	Ford Incubation Centre	220
3	Township Hubs	14
4	Efficiency Programme[1]	289
5	Skills Development and Training	666
	Total	**1 275**

Table 22: Type of training conducted

Training	Annual total	Q1	Q2	Q3	Q4
5S	13	13			
5S and 7 wastes	6		6		
5S Training and presentation skills	17	17			
Automotive Component Manufacturing Assembly (ACMA) NQF2	29		15		14
Activity board awareness	10				10
Assembler training	33				33
Barrel leakage	3				3
Basic Kaizen training	149	11	64	66	8
Basic Kia 7 waste and 5S	33		20	13	
Blow off	3				3
Central feeding system	1				1
Demasking	4				4
DSTR training	11		11		
Engineering drawing	10				10
Festo LX-Industry 4.0	117				117
Finance training	4			4	
First aid	9		9		
Forklift training	9				9
German house	5			5	
GIBBS SMME technical training	5			5	
Health and Safety code of conduct	7		7		
HR awareness	1				1
HR code of conduct	15		15		
Induction	8	8			
Introduction to industry 4R	23			23	
ISO 9001: 2015 Quality Management System (QMS) awareness training	40	17	8		15
KM0205 – Workplace safety	16				16
Leadership training	26			26	
Management assignment training	1		1		
Managers training for automotive learnership	12				12
M.Sc. Health and Safety training	56				56
Nissan marketing team training	19			19	
Nissan Nivos training	10				10
Nissan safety training	40			13	27
Nissan security and safety training	0				
Nissan Streat training	9			9	
Nissan training	32			22	10
Nissan welder	1			1	
Operations management	34	34			
Operator training	14				14
Outside space – one point lesson	8	8			

Training	Annual total	Q1	Q2	Q3	Q4
Polishing	1				1
Pro Serve safety training	26				26
Problem-solving	7				7
Proper handling of glasses and utensils	4			4	
Safety and health training	7				7
Safety in the workplace	170	81	89		
Safety slips, trips and falls	6			6	
SANA training	10				10
Small Enterprise Development Agency (SEDA) Automotive Technology Centre (Satec) training	6			6	
Safety, Health, Environment and Quality induction	14		14		
Shopfloor management	14			5	9
Shopfloor management	36		36		
Simulator	2		2		
Training in Quality Management System (TIQMS)	12				12
TNC basic mechanic	13				13
Total productivity maintenance (TPM) introduction	35	10			25
Vestrom recognition of prior learning (RPL) programme	31		14	17	
Workplace safety/industrial safety	12				12
Communication with impact P2	17				17
Workplace safety	10				10
	1 275	**186**	**311**	**243**	**522**

Note: Non-technical trainings such as HR awareness/Code of conduct/Induction/Finance were predominantly for Incubated companies and are part of the holistic (not necessarily production specific) training requirements of an organisation

Ford Incubation Centre Smme3

Candidate Artisans Assessed and Declared Competent at AIDC Trade Test Centre

The TTC was established to facilitate trade certification, leading to accredited trade test assessments. A noticeable gap persists in the formalisation of skills in the automotive and associated industries. This gap can be reduced through the Artisan RPL assessment – recognising prior experience of individuals working in trade industries without formal qualification(s).

The TTC accommodates apprentices and learners who have completed their qualifications, enabling them to undergo trade tests under section 26D of the Trade Test Regulations. Once an applicant's suitability for a trade test is determined, they proceed to a trade test at a TTC accredited by the Manufacturing, Engineering and Related Services SETA, the Quality Council for Trades and Occupations and the National Artisan Moderation Body. The AIDC TTC's accredited areas include diesel mechanic, spray painter, boilermaker, mechanical fitter, fitter and turner, auto-electrician, auto body repairer and welder.

225 actual assessments conducted

200 annual assessment target

Table 23: Trade testing of artisans

Trades	Annual total	Q1	Q2	Q3	Q4
Boilermaker	136	19	21	20	76
Auto-electrician	21	0	21	0	0
Fitter and turner	20	11	7	0	2
Mechanical fitter	31	14	12	3	2
Welder	17	12	5	0	0
	225	**56**	**66**	**23**	**80**

Job Created in the Automotive Value Chain

The project aims to place unemployed youths into employability at the OEMs, manufacturing companies and AIDC programmes.

The annual target of 320 jobs to be created was achieved, with an annual actual of 328 jobs created. The over-achievement was due to unplanned recruitment from AIDC graduated incubates. Of the 328 jobs created by the AIDC, 105 were created for females and 223 created for males.

Table 24: Jobs created by programme

No.	Programme	No. of persons
1	Incubation Centre	41
2	Township Hubs	68
3	Motherson	90
4	SEDD	120*
5	Skills and Development	9
	Total	**328**

* Job placements at host companies done through the Resolution Circle partnership

Indirect Jobs Facilitated Through Strategic Partnerships

The objective of this project is to generate new indirect jobs through strategic partnerships (ASP Tenants, GEP partnership, TAC projects, Townships Hubs, CoT) to reduce unemployment in the auto sector and in Gauteng generally.

Against a target of 4 000 indirect jobs to be created, the AIDC facilitated the creation of only 553 indirect jobs via ASP Tenants. Achievement of the full target, which is tied to the Tshwane Automotive City K217 road construction project in the Northern Corridor, has been delayed due to a pause in the project pending the outcome of arbitration.

Electric Vehicle (EV) Charging Points Installed

The project aims to obtain funding from private or public-sector financing institutions for the rollout of EV infrastructure, such as charging stations at strategic locations.

AIDC was able to secure the necessary MOUs (Gridcars/Lebone) in the third quarter. This enabled the functional deployment of charging stations. Unfortunately, despite multiple efforts to secure funding, the projects remain unfunded and could not be realised for the following reasons:

- The uncertain and low-growth forecast for the domestic New EV (NEV) market does not support financing with any form of repayment or loan structure. The types of financing currently available require repayment structures that cannot be responsibly or reasonably guaranteed.
- The delays in the dtic's White Paper offered no reprieve in this regard, as general uncertainty persists about incentives or subsidies for NEVs, or phase-out dates for internal combustion engines. These measures are crucial in countries where the uptake of NEVs has made charging infrastructure commercially viable.

As a result, no charging stations were installed in the 2022/23FY. Charging infrastructure remains a central part of the AIDC strategy.

Component Manufacturers Attracted to the ASP

The project aims to track the attraction and establishment of component manufacturers to the ASP.

During the financial year period, the AIDC managed to attract one component manufacturer against the target of one. The Tier 2 supplier, Bantu Automotive Coatings (Pty) Ltd is a sub-components manufacturer for the Tier 1 supplier, Faurecia, which is also based in the ASP. The Tier 2 supplier signed a three-year lease, which commenced on 1 May 2022.

Secure Funding to Support Interventions that Improve Sustainability of SMMEs

The project aims to secure funding to enhance SMME development and sustainability.

During the period under review, the target of R2 million was achieved through a partnership with SEDA, which supports the development of auto SMMEs. AIDC submitted a business plan to SEDA so that SMMEs at the AIDC Ford and Nissan Incubators could receive adequate support.

The grant approval letter was received from SEDA on 23 June 2022. The grant approval provides R2 250 000 worth of funding to support and develop SMME shared services (such as finance and HR) at Ford and Nissan Incubators. AIDC and SEDA entered into a Memorandum of Agreement in this regard.

AIDC Ford Incubation Centre

Supplier and Enterprise Development

The supplier efficiency programme enhances the manufacturing competitiveness of Gauteng's automotive supplier base. It includes sub-categorised, tailored interventions for component suppliers, designed to overcome growth and global competitiveness barriers. All interventions apply 'lean' manufacturing principles typically found in industrial engineering. The interventions range from two months to three years, depending on the level and nature of the assistance provided.

Interventions Offered by the Supplier Efficiency Programme

- **TPM:** TPM originated in Japan in 1937 as a method to improve machine availability through better use of maintenance and production resources. Seen as a component of world-class manufacturing, its goal is to reduce the cost of production and limit downtime at factories.

- **JICA Kaizen/continuous improvement:** The skills and knowledge of Kaizen are provided by Japanese experts to trainees through improving productivity and the quality of goods of local suppliers.

- **Cleaner production:** This programme is designed to mitigate the impact of rising utility costs and reduce the automotive industry's carbon emission footprint.

- **Quality management systems:** This programme aims to help companies to become ISO 9001 and IATF 16 949 compliant.

- **Lean manufacturing cluster programme:** This programme aims to use lean manufacturing to create a competitive edge. It implements an economically viable and sustainable model for technical assistance to improve the quality, efficiency and competitiveness of suppliers in the automotive industry.

- **Rapid process improvement workshop:** This initiative focuses on continuous improvement, seeking to enhance product or service quality and the efficiency of processes without significant investment.

- **TPM excellence award:** This globally recognised organisational intervention model is rolled out by the AIDC – a major accolade in manufacturing. With AIDC's support, Autoliv SA became the first automotive and second South African company to receive the award. The AIDC is the first South African company to acquire the expertise for TPM support, training and implementation, elevating companies to excellence award level.

During the reporting period, 30 companies enrolled in the programme and a 46% improvement average (across all companies) was achieved against a target of 30%. The lean manufacturing intervention was the most requested by companies.

Automotive Supplier Park Factory

Table 25: Supplier efficiency projects for 2022/23

Company	Programme	Project intervention	
ALP Africa (Pty) Ltd	Lean Manufacturing	Reduction in total work content at the Nissan Line	
B Engineering (Pty) Ltd	Lean Manufacturing	Improve time taken to retrieve parts from stores	
Butyl Seal (Pty) Ltd	Lean Manufacturing	Improved cycle time	
Data Abstraction (Pty) Ltd	Lean Manufacturing	Improve throughput time	
		Baseline 4S score	
Delberg Engineering (Pty) Ltd	Lean Manufacturing	Reduce set-up time	
Excellence Motor Trimmers (EMT)	Lean Manufacturing	Reduction in number of leather burns per month	
		Reduction in number of panels replaced due to incorrect stitching	
Faurecia Interior Systems (Pty) Ltd	Lean Manufacturing	Increase in output	
Feltex Automotive Trim (Pty) Ltd	Lean Manufacturing	Process elimination	
Frys Metals (Pty) Ltd	Lean Manufacturing	Baseline 4S score	
		Improve cycle time	
G&W Mineral Resources (Pty) Ltd	Total Productive Maintenance	Reduction in downtime	
		Reduction in scrap (tons)	
		Improve equipment availability	
Ikukeng Automotive Engineering (PTY) Ltd	Lean Manufacturing	Average time spent offloading the truck	
JN Chamberlain	Lean Manufacturing	Improve changeover time	
Leloko Transport (Pty) Ltd	Quality Management System	QMS compliance improvement	
Lwams Africa Group	Quality Management System	QMS compliance improvement	
Mammoth Technologies (Pty) Ltd	Lean Manufacturing	Improve the service time of the Storeman	
Marking Engineering	Lean Manufacturing	Reduction in searching time	
		Increased available floor space	
Naicker Toolmakers (Pty) Ltd	Lean Manufacturing	Increase in output	
Nakana Automotive Co. (Pty) Ltd	Quality Management System	QMS compliance improvement	
Ndivho Automotive Services (Pty) Ltd	Quality Management System	QMS compliance improvement	
Nomtech Automotive	Lean Manufacturing	Improve cycle time	
NTCS Engineering (Pty) Ltd	Quality Management System	QMS compliance improvement	
OMI3DEngineering (Pty) Ltd	Quality Management System	QMS compliance improvement	
Premier Mats & Accessories (Pty) Ltd	Lean Manufacturing	Improve Cycle Time	
Prevail Engineering (Pty) Ltd	Lean Manufacturing	Improve baseline assessment 4S score	
		Improve lead time	
SA PowerCoaters	Lean Manufacturing / QMS	Reduce searching time	
		Reduce coating powder cost loss	
Sana Automotive Manufacture (Pty) Ltd	Quality Management System	QMS compliance improvement	
Serame	Lean Manufacturing	Reducte cycle time	
		Increase available floor space	
Supreme Spring	Total Productive Maintenance	Improved downtime	
		Improved downtime	
TI Automotive	Lean Manufacturing	Reduce labelling cost	

	Unit of measure	Before	After	Efficiency improvement %	Average efficiency improvement %	Report figure %
	Minutes	11,77	10,09	14,27	14,27	14,27
	Minutes	10,00	1,00	90,00	90,00	90,00
	Seconds	1 020,00	480,00	52,94	52,94	52,94
	Days	5,00	1,00	80,00	57,25	57,25
	%	52%	86,5%	34,50		
	Minutes	10,50	6,67	36,48	36,48	36,47
	Rejects/month	12,00	3,00	75,00	81,73	81,73%
	Rejects/month	52,00	6,00	88,46		
	Jobs/ hour	24,00	35,00	45,83	45,83	45,83
	Rands/cycle	44,00	0,00	100,00	100,00	100,00
	%	48,5%	57,5%	9,00	32,28	32,28
	Minutes	45,00	20,00	55,56		
	Hrs/shift	2,00	1,00	50,00	38,00	38,00
	Rejects/ month	10,44	6,35	39,18		
	Hrs/month	14,02	17,50	24,82		
	Hrs/truck	3,12	1,92	38,46	38,46	38,46
	Minutes	5,23	4,15	20,65	20,65	20,65
	%	0,24	0,35	0,11	11,08	11,08
	%	0,23	0,50	0,28	27,60	27,60
	Minutes	2,50	1,50	40,00	40,00	40,00
	Seconds	600,00	20,00	96,67	51,65	51,60
	Square metres	42,20	45,0	6,64		
	Jobs/day	230,00	320,00	39,13	39,13	39,13
	%	0,51	0,91	0,402	40,22	40,22
	%	0,26	0,95	0,691	69,13	69,13
	Seconds	58,00	46,00	20,69	20,69	20,69
	%	0,35	0,60	0,26	25,80	25,80
	%	0,51	0,98	0,47	46,96	46,96
	Minutes	89,00	57,61	35,27	35,27	35,27
	%	0,57	0,65	7,50	49,84	49,84
	Minutes	51,50	4,03	92,17		
	Minutes	228	49,20	78,42	82,96	82,96
	Rands	6 000,00	750,00	87,50		
	%	0,51	0,99	48,26	48,26	48,26
	Seconds	456,00	333,00	26,97	40,39	40,39
	Square metres	97,07	149,30	53,81		
	Hours	64,24	59,70	7,07	37,65	37,66
	Hours	3,18	1,01	68,24		
	Rands	1,00	0,20	80,00	80,00	80,00

Table 26: Supplier efficiency projects for 2022/23 (continued)

Company	Programme	Project intervention	
Xhaulted	Lean Manufacturing	Improve lead time	
Xuba Compounders (Pty) Ltd	Total Productive Maintenance	Improve average downtime	

Incubation Centres at Ford and Nissan

In line with the Gauteng province's objectives, the overarching objective of the B-BBEE supplier facility is to create decent jobs by creating self-sustainable new business incubations in the automotive sector. This directly impacts automotive manufacturers, as assistance is provided to them to attain internationally competitive costs for the supply of components. This will in turn reduce the cost of manufacturing their vehicles in the province and, therefore, the country. The project aims to build transformative partnerships with the private sector in mainstreaming Black-owned companies. Businesses that operate within the incubators, intend to facilitate transformation in the auto sector.

During the financial period the incubates at the two incubation programmes generated a combined revenue of R73,3 million

AIDC Trade Test Centre

Ford incubation centre

The Ford incubation centre has maintained its five incubates at the facility. One incubate graduated in March 2023. The facility is fully operational and, on average, has produced between 400 and 450 units per day—generating an annual revenue of R49 755 130.

AIDC Ford Incubation Centre SMME

	Unit of measure	Before	After	Efficiency improvement %	Average efficiency improvement %	Report figure %
	Hours	11,00	8,00	27,27	27,27	27,27
	Hours	652,70	413,10	36,71	36,71	36,71
				Average efficiency	**46,00**	**46,00**

Table 27: Ford operational incubates

No.	Company name	Start date	Commodities	Turnover 1 April 2022 to 31 March 2023 (Rm)	Employees
1	Nomtec Automotive	2015	HVAC	15 048 267	68
2	Batyi Automotive Component Supply BACS (Pty) Ltd t/a BACS – Lindisipho Nicholson Batyi	2017	Bumpers	25 615 949	94
3	Motsau Technologies Automotive Assemblies (Pty) Ltd t/a MoTec Automotive – Nicholas Motsau Phiri	2017	Body shops welded assemblies	4 634 278	0
4	Ikukeng Automotive Engineering IAE (Pty) Ltd – Thabang Fredrick Moeketsi	2017	Logistics	3 022 095	9
5	Tshetu Automotive Supplier (Pty) Ltd	2022	Headliner	1 434 541	30
Total				**49 755 130**	**201**

AIDC Ford Incubation Centre SMME

Nissan Incubation Centre

During the period under review the Nissan incubation centre maintained the eight incubates. It produced between 180 and 200 units per day, and recorded revenue generation at R23 577 958 for 22/23FY.

Table 28: Nissan operational incubates

	Company name	Start date	Commodities	Turnover 1 April 2022 to 31 March 2023 (Rm)	Employees
1	Riverside (Pty) Ltd	April 2017	Kitting	1 676 631	0
2	OMI 3D Engineering (Pty) Ltd	April 2017	CAD Design Studio	1 433 449	1
3	Nakana Automotive Company (Pty) Ltd	April 2017	Quality inspection and rework	3 421 402	12
4	Letago Automotive Manufactures (Pty) Ltd	April 2017	Bumper assembly	2 427 039	8
5	KHL Automotive Technologies (Pty) Ltd	April 2017	Stillage manufacture and repair – main plant	2 860 227	0
6	Ndivho Automotive Services (Pty) Ltd	April 2017	Tyre and wheel assembly	4 743 490	21
7	Sana Automotive Manufacturer (Pty) Ltd	March 2019	Stillage manufacture and repair – stamping plant	4 348 956	23
8	Agile Industrial Systems	March 2019	Headliner, door trim and dashboard panel sequencing and assembly	2 666 764	8
Total				**23 577 958**	**73**

SMMEs Upskilled in Automotive Sector

This project strives to train and mentor SMMEs from the Winterveldt, Chamdor, and other township areas to grow their businesses into accredited entities for quality vehicle repairs. The operation's impact is assessed by monitoring the active SMMEs in the hub.

During the review period, 74 SMMEs were upskilled against a target of 70, enhancing their market access, trade activities, and self-sustainability.

The SMMEs were upskilled in Basic Management system, Quality Management System, Lean Production, Spray Painting and Mechanical works.

Rand Value Generated by SMMEs Operating Within AIDC Township Hubs

This project aims to train and mentor SMMEs from the township hubs, enabling business growth with the requisite accreditations for quality vehicle repairs. The AIDC continues to monitor their self-sustainability through revenue generated in spray painting, body repairs, mechanical repair, and panel beating.

During the review period, the combined turnover of the township automotive hubs was R2 159 166,88 surpassing the target of R1 500 000 by 44% due to operationalisation of the Chamdor hub, which support 12 SMMEs.

Toyota SA Motors – Taxi Model

Within the Gauteng context, the Public-Private Growth Initiative (PPGI) collaborates with GPG to run action labs for five of the ten high-growth sectors identified by the Growing Gauteng Together 2030 (GGT2030) plan. The focus remains on Private Sector Participation in these sectors in the township economies, with efforts to stimulate growth and demonstrate public-private partnership benefits.

The GDED and PPGI have conceptualised a programme management office approach for GGT2023's apex economic initiatives, with special for PPGI's and organised business' role in rallying private sector support for rapid expansion of high-growth sectors.

During the year under review, the AIDC identified ten taxi ranks, meeting the target set, and supported 56 SMMEs within Gauteng, surpassing the targeted 50 SMMEs.

Table 29: SMMEs supported per taxi association

No.	Taxi association	Number of SMMEs supported
1	Nigel Taxi Association	–
2	Atteridgeville and Saulsville Taxi Association	–
3	Boseka Boaja Taxi Association	10
4	Mamelodi Amalgamated Taxi Association	19
5	Johannesburg Community Taxi Association	–
6	Hammaskraal Taxi Association	5
7	Temba Taxi Association	5
8	Southwestern United Taxi Association	17
9	Johannesburg Inter-township Association	–
10	Pretoria Long Distance Taxi Association	–

AIDC Ford Incubation Centre SMME

PROGRAMME 2: AIDC – ORIGINALLY TABLED APP

Table 30: Outcomes, outputs, output indicators, targets, and actual achievements - originally tabled APP

Programme 2: AIDC – originally tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
High-growth priority sectors SMME and township enterprise empowerment	Upskilling unemployed and employment individuals	Number of unemployed youths trained in the automotive skills in collaboration with Tshepo one million	150	1 190	
		Number of people assessed at the Trade Test Centre to formalise their skills, so they are classified as artisans which unlocks better job opportunities	60	89	
	Facilitate investment towards the development of EV infrastructure. Globally competitive SMMEs	Rand value of investment mobilised for development of EV infrastructure	New	New	
High-growth priority sectors SMME and township enterprise empowerment	Globally competitive SMMEs	Number of single component manufacturing lines established in the GCR automotive sector	New	New	
	Incubation programme to provide skill and jobs	Number of new incubates at TASEZ and ASP to increase black participation in the automotive value chain	New	New	
		Revenue generated by 13 SMMEs operating within the AIDC Incubation Programmes to increase localisation from 40% to 60% by 2035	New	R45 million	
	Market access or trade activities by Historically disadvantaged SMMEs	Rand value of fleet management on CoT contract set aside for Historically disadvantaged SMMEs	New	R15,20 million	
High-growth priority sectors SMME and township enterprise empowerment		Number of new SMMEs created at Gauteng taxi ranks	New	15	

	Planned annual target 2022/23FY	Actual achievement 2022/23FY at 30 September 2022	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations	Reasons for revisions to the outputs, output indicators, and annual targets
	500	312	-188	Although the mid-year target was achieved, revision was on the rephrasing of the key performance indicator (KPI)	The indicator was rephrased to focus on automotive training rather than the collaboration with Tshepo 1million
	200	112	-88	Mid-year target was achieved, revision was on the rephrasing of the kpi	The indicator has been rephrased to focus on the actual output rather than activities
	R5 million	R0	-R5 million	This was an annual target planned to be delivered in quarter 4 only	Relegated to the Ops plan as it is a process/Activity-based KPI – it does not measure the actual output "Support auto industry towards full adoption of EVs by consumers"
	1	1	0	-	The AIDC does not establish manufacturing companies but rather attracts them to the ASP. The indicator was rephrased in line with the ASP deliverable
	12	0	-12	This was an annual target planned to be delivered in quarter 4 only	Ford Motor Company South Africa deferred their initial commitment to support 30 incubatees in the remainder of the MTSF hence the output indicator was removed from the APP
	R50 million	R34,1 million	-R15,9 million	Mid-year target was achieved, revision was on the rephrasing of the kpi	The output indicator was rephrased to focus on revenue generated by incubatees
	R40 million	R8 557 000	-R31 443 000	The CoT did not allocate vehicles for repairs since the beginning of the financial year which affected the volumes and revenue generated by the township-based SMMEs	The output indicator was removed due to CoT not allocating vehicles to SMMEs during the 2022/23FY
	50	27	-23	Mid-year target was achieved, revision was on the rephrasing of the KPI	The output indicator was rephrased as the AIDC does not create SMMEs but can only provide support to the existing SMMEs

PROGRAMME 2: AIDC – RE-TABLED APP

Table 31: Outcomes, outputs, output indicators, targets, and actual achievements - re-tabled APP

Programme 2 AIDC: Re-tabled APP				
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**
Enhanced skills development and training	Upskilling unemployed and employed individuals	Number of unemployed youths trained in automotive skills	236	1 189
		Number of workforce upskilled/ reskilled in the automotive sector to ensure retention of jobs	769	–
		Number of candidate artisans who are assessed and declared competent at the AIDC Trade Test Centre	60	92
Enhanced skills development and training	Job opportunities created through AIDC programmes	Number of jobs created in the automotive value chain	New	213
		Number of indirect jobs facilitated through strategic partnerships	New	267
Increased localisation of component manufacturing	Facilitate investment towards the localisation of component manufacturing	Number of component manufacturers attracted to the Automotive Supplier Park	New	New
Improved SMMEs productivity in the automotive sector	Globally competitive SMMEs	Secure funding to support interventions that improve sustainability of SMMEs	New	New
		Average % of productivity improvement in companies intervened with the efficiency improvement programme	46,33%	41,98%
		Revenue generated by SMMEs operating within the AIDC Incubation Programmes	New	R60,15 million
Improved market access or trade activities by township-based SMMEs	Market access or trade activities by historically disadvantaged SMMEs	Number of township SMMEs upskilled in the automotive sector	New	New
		Rand value generated by SMMEs operating within the AIDC Township Hubs	R81 407,78	R290 067,00
		Number of new SMMEs supported at Gauteng taxi ranks	New	15
		Number of Gauteng taxi rank sites identified for the Toyota SA partnership project	New	4
Improved levels of economic activity through strategic economic infrastructure	Support auto industry towards full adoption of EVs by consumers	Number of EV charging points installed	New	New

	Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
	500	651	+151	The over achievement was a result of demand for training from unemployed youth at the Winterveldt hub
	1 150	1 275	+125	The over-achievement is as a result of the additional training scheduled in the latter part of the financial year to mitigate the earlier shortfall
	200	225	+25	An additional 50 New candidates from the Vestrom partnership were assessed
	320	328	+8	Additional jobs created by the graduated incubate, resulted in higher job numbers
	4 000	553	–3 447	Delivery of this target is directly linked to the Tshwane Automotive City projects, which are dependent on the K217 road construction, which is on hold pending the arbitration outcome
	1	1	–	–
	R2,0 million	R2,25 million	+R250 000	R2,25 million was secured from SEDA to support the development of SMMEs
	30%	46%	+16%	Six companies achieved efficiency between 60% - 100%, which contributed to the increased average
	R50,0 million	R73,3 million	+R23,3 million	The over-achievement is due to some incubates working overtime to meet the requirements of the OEM which resulted in the increase of revenue income
	70	74	+4	Additional SMMEs upskilled due to a higher interest by SMMEs on the Productivity SA development programme
	R1,5 million	R2 159 166	+R659 166	Additional revenue generated by SMMEs at the Chamdor hub
	50	56	+6	Additional SMMEs signed from Mamelodi Taxi Association (MATA)
	10	10	–	–
	10	0	–10	Constraints in SCM process (unsolicited bid/single source) to work with GRIDCARS as the leading partner in the rollout of EV charging points

LINKING PERFORMANCE TO BUDGETS

Table 31: Linking performance to budgets, by programme, activity or objective

	2021/22FY			2022/23FY		
Programme/activity/ objective	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industry Development	44 711	40 120	4 591	49 714	46 244	3 470
Operations	133, 835	112 455	21 380	135 559	106 942	28 617
M&E and Risk	2 614	2 319	295	3 309	3 081	228
Business Development	9 438	7 778	1 660	7 294	8 075	(871)
Management	3 489	7 339	(3 850)	2 921	3 512	(591)
Finance	27 137	18 853	8 284	30 912	34 610	(3 698)
Human Resources	6 148	6 879	(731)	8 380	7 271	1 109
Total	**227 638**	**195 743**	**31 895**	**238 089**	**209 735**	**28 354**

REASONS FOR OVER/UNDER EXPENDITURE

2021/2022

The overall variance for the 2021/22FY expenditure indicates savings of R20,4 million. However, re-allocations were done during the financial year due to the reprioritisation of certain programmes, and the budget was cut.

2022/2023

The overall variance for the 2022/FY year expenditure indicates savings of R28,3 million. However, the expenditure amount is declared as commitment amount, as most tenders awarded at the year-end have been finalised and contracted to the service provider. AIDC will apply for budget rollover for the funds to be utilised in the next financial period.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

AIDC had a total of 14 targets for the reporting period (April 2022 to March 2023) and managed to fully achieve 12 targets and two were not achieved. This translates into overall performance of 86%. Reasons in underperformance were for noted, and lessons learned will be implemented to improve performance in the next reporting cycle.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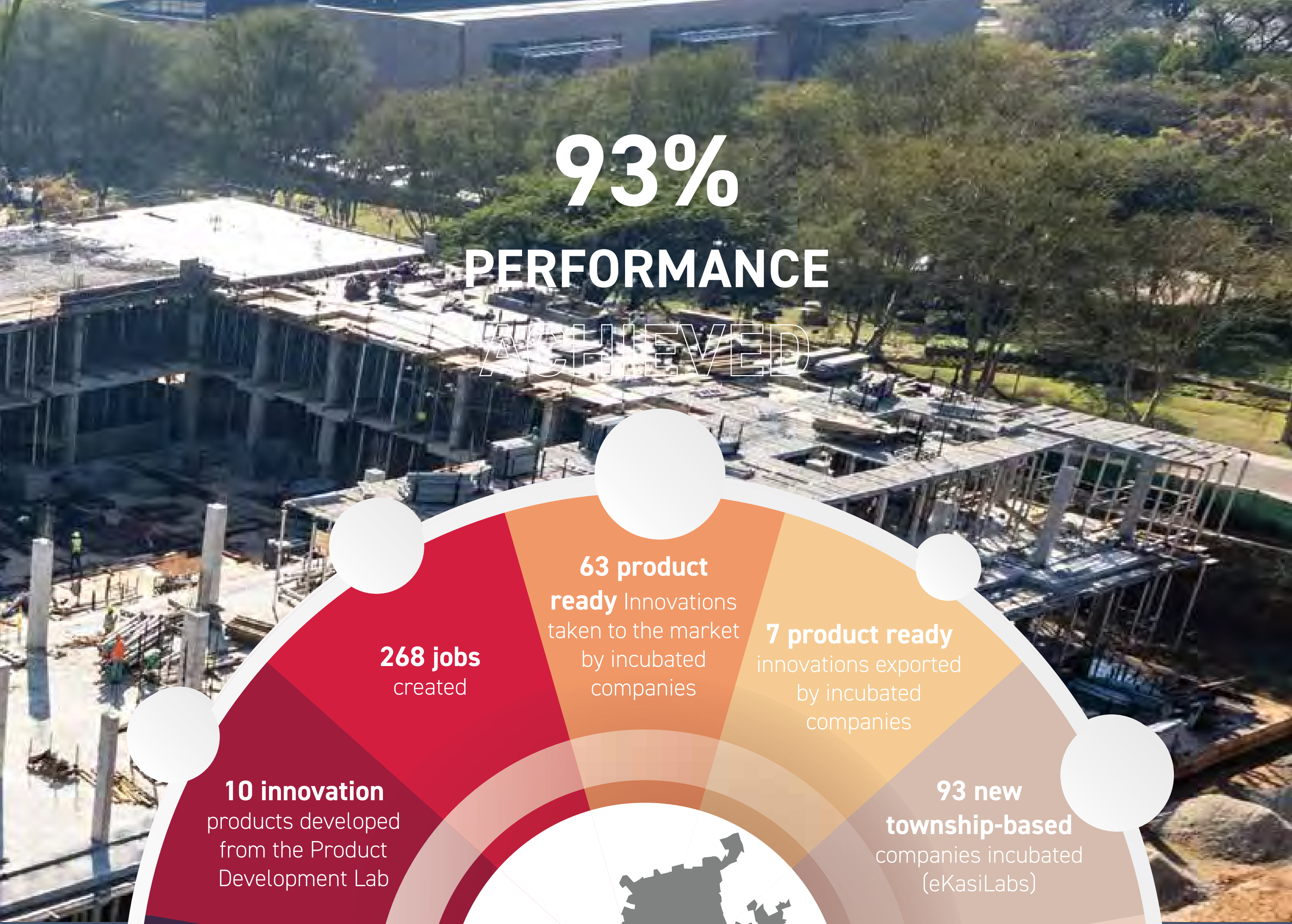
Ms Nothile Mpisi
Acting Chief Executive Officer:
The Innovation Hub Management Company

PROGRAMME 3:
THE INNOVATION HUB MANAGEMENT COMPANY (TIHMC)

TIHMC promotes economic development and competitiveness of Gauteng through fostering innovation and **entrepreneurship**, offering programmes in the bio-economy, smart industries and green economy. It operates a range of enterprise development, **skills development** and innovation enabling programmes.



93%

PERFORMANCE ACHIEVED

63 product ready Innovations taken to the market by incubated companies

7 product ready innovations exported by incubated companies

93 new township-based companies incubated (eKasiLabs)

260 youths trained in ICT skills

34 companies established by mobile repairers

1 Product Development Lab established

1 Business Incubation Accelerator project implemented

9 Demand-led Innovations (OpenIX) projects contracted to address service delivery challenges

75 Intellectual Property (IP) applications filed

10 innovation products developed from the Product Development Lab

268 jobs created

PURPOSE

TIHMC is the provincial innovation agency responsible for the conceptualisation, implementation and support of innovation and incubation programmes in the GCR. Its mandate includes the full development and operations of TIHMC.

In implementing its mandate, TIHMC focuses on:

- Boosting economic development, competitiveness, and sustainability;
- Initiating cluster formation in the green economy, bio-economy and digital economy;
- Creating new business opportunities in Gauteng province;
- Promoting the culture of innovation and competitiveness;
- Fostering entrepreneurship and incubating new innovative companies;
- Identifying and implementing relevant innovations;
- Providing attractive spaces and accommodation for emerging knowledge companies; and
- Augmenting the synergy between industry, government and academic and research institutions.

ACHIEVEMENT OF INSTITUTIONAL OUTCOMES

Table 32: TIHMC achievement of outcomes

Outcome	Outcome indicators	Baseline	Five-year target 2019/20FY - 2024/25FY	Progress	% of five-year target
Increased levels of economic activity through strategic economic infrastructure	Number of new and upgraded TIHMC facilities	–	3	4	133
Enhanced collaboration to foster innovation and leverage resources	Number of collaborations fostered through innovative platforms	35	61	46	75
Enhanced transformation in the economy	Number of innovative assistances offered through enterprise development	670	1 045	751	72
	Number of employment opportunities created through TIHMC programmes	–	1 109	472	43
Enhanced skills development and training	Number of youths trained and developed	856	1 040	468	45


AgriBuilding

OUTCOME 1: INCREASED LEVELS OF ECONOMIC ACTIVITY THROUGH STRATEGIC ECONOMIC INFRASTRUCTURE

Product Development Labs Established

The Product Development Lab (PDL), based at Constitutional Hill in Braamfontein, is set to be operational during the 2023/24FY. It will provide product development and manufacturing services to innovators in the digital economy sector, ensuring that solutions are reliable, secure, and production-ready (from proof of concept to fully functioning products and services). It is envisaged that the establishment of this PDL infrastructure will:

- stimulate the pipeline for incubation programmes and enhance commercialisation;
- accelerate technological development;
- build innovation capacity by equipping individuals with the requisite skill sets to build innovative solutions;
- lead to technology advancement; and
- improve local production.

Manufacturing Facilities Established

The eKasiLabs Programme, aimed at promoting innovation and entrepreneurship in townships, established a second manufacturing facility in Tsakane, Brakpan. Aligned with the Township Revitalisation Programme TMR, this programme provides incubated and new companies with a conducive environment for innovation—strengthening TIHMC's value proposition. The site for this new eKasiLabs facility was secured through a partnership with the Ekurhuleni Metropolitan Municipality. Offering strategic infrastructure for primarily furniture manufacturing in the eKasiLabs and ICT product development, the facility was opened 7 February 2023, with a dedicated human resource appointed to oversee the facility.

The programme has a pipeline of activities scheduled to bolster brand awareness and establish the eKasi Labs programme's presence in Tsakane through an Entrepreneurship and Innovation Activation event. The activation was planned for 21 April 2023 and targeted youth entrepreneurs and innovators in the community, creating a pipeline for incubation of companies into the programme—maintaining TIHMC's eKasiLabs corporate identity.

OUTCOME 2: ENHANCED COLLABORATION TO FOSTER INNOVATION AND LEVERAGE RESOURCES

Demand-led innovations (OpenIX) Projects Contracted to Overcome Service Delivery Challenges

Established by TIHMC, the OpenIX supports the Gauteng Innovation and Knowledge Economy Strategy. It has evolved into a recognised platform for private companies, the provincial departments, municipalities, and state-owned companies in Gauteng to engage researchers and entrepreneurs. Since its establishment in late 2012, OpenIX has executed various open innovation challenges from industry and the government, and has identified numerous potential solutions from researchers, entrepreneurs and corporates processes while maintaining its focus on provincial transformation and industrialisation goals. Underlining TIHMC's mandate, the platform fosters innovation through collaboration. In the year under review, TIHMC successfully piloted nine projects that responded to service delivery challenges, surpassing the target of eight. The table below summarises the pilot projects that were contracted during the financial year:

Table 33: Open Innovation projects by Startups and SMMEs contracted to government

No.	Client	Company	Project description	Project value
1	City of Tshwane	SmartVein (Pty) Ltd	The use of high-resolution and advanced spectroscopy-based technology as a decision support tool for preventing pothole formation on the tarred urban road network	225 000,00
2	City of Tshwane	GrooveTech (Pty) Ltd	Low-cost polymer-modified bitumen to seal cracks effectively and help prevent the formation of potholes. This end-to-end solution will help the City of Tshwane Metropolitan Municipality (CoT) to deal with plastic waste effectively and efficiently while producing low-cost, high-quality road maintenance materials	225 000,00
3	City of Tshwane	Sky Vantage (Pty) Ltd	Unifying E-waste Model Proposal, the approach makes use of manual disassembling means, tied together with a technology that can crush e-waste onsite or offsite, this to prepare reserves for localised reserve extraction by means of floatation through third parties	225 000,00
4	Eikenhof Farm (GDARD)	Sizophila Electrical and Projects	Installation of photovoltaic solar panels to an existing infrastructure at Eikenhof farm to secure energy supply worth additional 15kWh of electricity to total the energy supply to 30kWh for the entire farm Commencement Date: 30 September 2022	300 000,00
5	Swartkop, Motsegofadiwa and Tikello primary schools	OneLine Project Solutions	The use of ultra-violet treatment and chlorine dosing as a water purification solution Commencement date: 30 September 2022	396 520,00
6	Tarlton Agri-Park (GDARD)	Wetility	15 kW Solar PV system to power the Tarlton Agri-Park with 55 MWh annual consumption. Commencement date: 30 September 2022	R420 306,08
7	Westonaria Agri-Park (GDARD)	Linbul Engineering	Installation of a 15 kW Solar PV system to support every electrical component on the Westonaria Agri-park such borehole pump, farmhouse, irrigation system and additional flood lighting for night Commencement date: 30 September 2022	R502 550,00
8	City of Tshwane	Hunadi Cycles Projects	Hunadi bicycles are linked to a software that has a sophisticated data capturing system which will help with quantitative analysis of the project: customers, rides and financial data. This data will be available to the CoT. The goal is to show the impact of an integrated transportation system using bicycles and a management system	R93 300,00
9	City of Tshwane	Zambezi Analytics	The pilot project is focused on a cost-effective remote water quality monitoring system to predict water quality instantly without going through the traditional laboratory analysis process. Instead of analysing physical samples, the technology uses machine learning models to predict water chemistry from affordable, basic, and reliable water quality parameters that can be easily measured and accessed online. The pilot project will take place in CoT	R218 105,19

Number OpenIX Projects Contracted with Industry

Beyond conducting pilot projects to respond to service delivery challenges, TIHMC explores the piloting of innovations for industry. During the review period, TIHMC met its target of contracting three innovations for industry. Pilots were contracted with industry partners in the health, ICT and green economy. These included SMMEs and startups that are composed of NPOs, NGOs, NPCs, PLCs, charities, and social and educational entities. Below, the table below summarises the pilot projects that were contracted to resolve industry challenges:

Table 34: Open Innovation projects by start-up/SMME contracted to industry

No.	Client	Company	Project description	Project value
1	Green Riders	Jinjer Solutions (Pty) Ltd	An operating system for merchants (currently restaurants) to run their day-to-day activities with a machine learning algorithm, with the purpose of learning patterns from each transaction and being able to predict future demand	R253 000,00
2	Adelaide Tambo School[1]	Nkidi Manufacturing	The development of toilets for people living with disabilities with the assistance of electronics and machine learning components Commencement Date: 30 September 2022	R60 000,00
3	Baroka Funerals	Eco-ba	Eco-ba is a portable and easy to install eco-friendly wash basin that functions where there is no access to a piped water network. It comes with a built-in tap and a five to ten litre water storage and purification system that cleans used water. Water is recycled back to the water storage, where it is re-used to wash hands again. The pilot project will take place at Soshanguve in Tshwane	R54 208,80

Research and Development (R&D) for Establishment of Gauteng Regional Innovation District

During the review period, TIHMC aimed to research the creation of the Gauteng Regional Innovation District, detailing the characteristics an innovation district should embody. Given the province's status as the economic hub in the southern African region, with its diverse economic activities in various sectors across all corridors, it draws numerous multinational corporations, human capital and finance and hosts six SEZs. This provides a strong foundation for establishing innovation districts against the backdrop of a robust R&D base.

An innovation district represents an emerging pattern of human settlement that integrates work, housing, and recreation. It seeks to create optimal conditions for economic growth, the emergence and growth of SMMEs and the expansion of established business, all of which significantly contribute to the regional economy.

In the 2022/23FY, TIHMC conducted a research study into the Gauteng Innovation District in consultation with the GDED, considering the existing socio-economic conditions of the province. The next step involves further studies to transform the areas surrounding TIHMC and the six SEZs into innovation districts.

OUTCOME 3: ENHANCED TRANSFORMATION IN THE ECONOMY

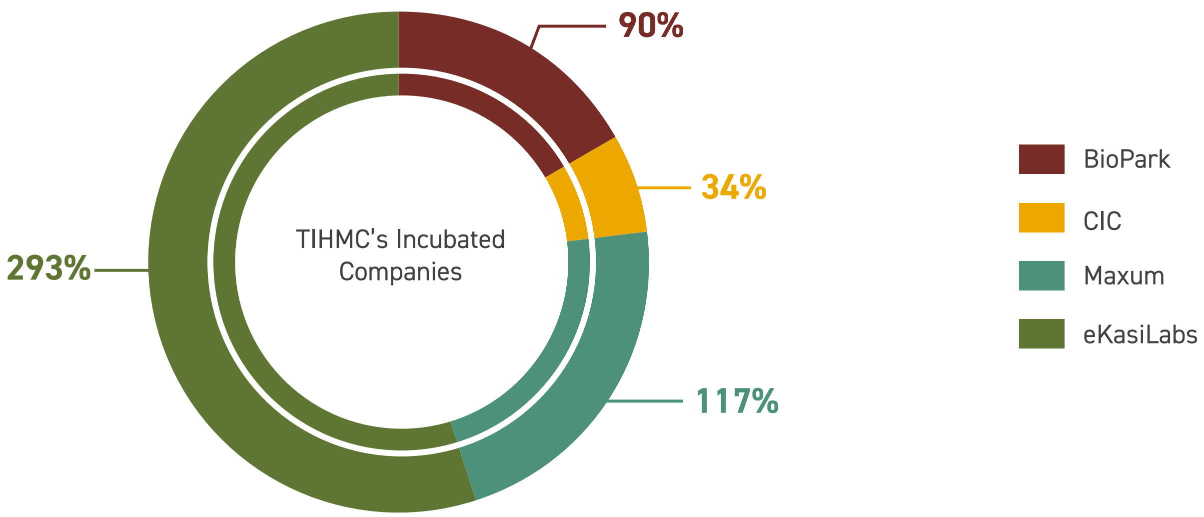
Incubation Programmes

TIHMC's enterprise development programmes, which include the Maxum, Climate Innovation Centre SA (CIC), eKasiLabs, and BioPark incubators, offer incubation support to entrepreneurs. The goal is to foster sustainable businesses and, in the short term, increase the number of commercialised innovations in TIHMC's targeted sectors. The ambition is to enable entrepreneurs to create knowledge-based jobs and to contribute positively to Gauteng province's economy.

During the review period, the Maxum, CIC, eKasiLabs, and the BioPark business incubation programmes were the platforms for activity, offering support to foster the development and growth of these incubated companies. At present, 534 companies are incubated across the different incubation programmes (depicted in the figure below), typically having participated in the programme for four years. In the 22/23FY, a total of 126 companies were incubated - 93 companies were recruited under the eKasiLabs programme, nine were from CIC, 11 from Maxum, and 13 from the BioPark. The key sectors that the incubation programme focuses on are smart industries, bio-economy and green economy.

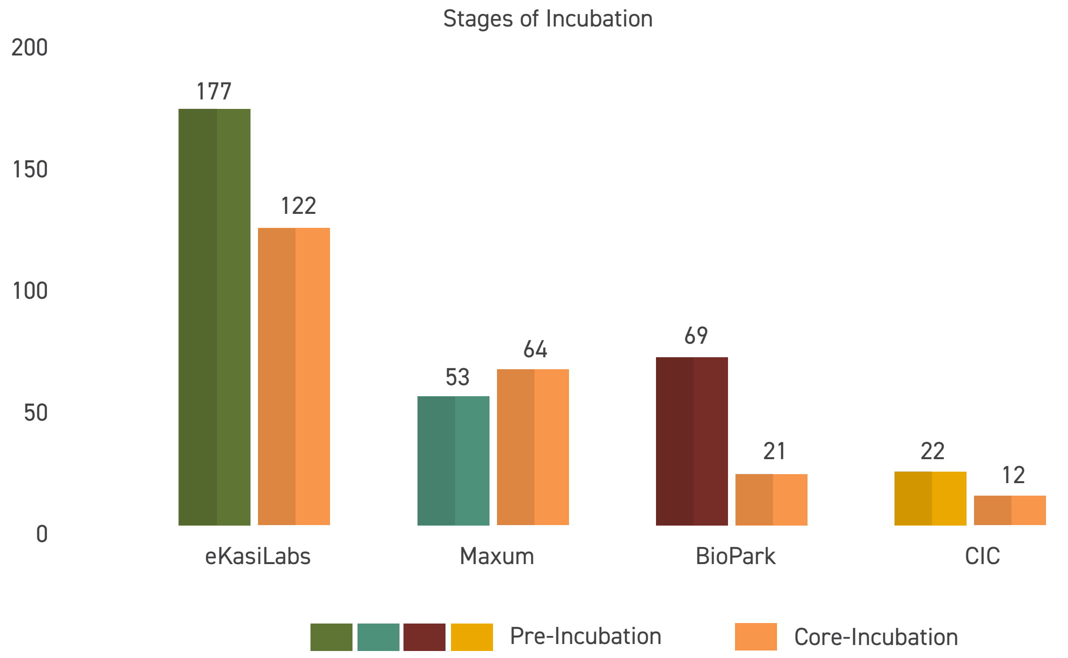
[1] NPO

Figure 25: Total number of companies incubated per incubation programme



The TIHMC incubation programme is delivered via three phases of incubation: factory (pre-incubation), core incubation and alumni (once graduated from the programme). The figure below provides the total number of incubated companies per phase.

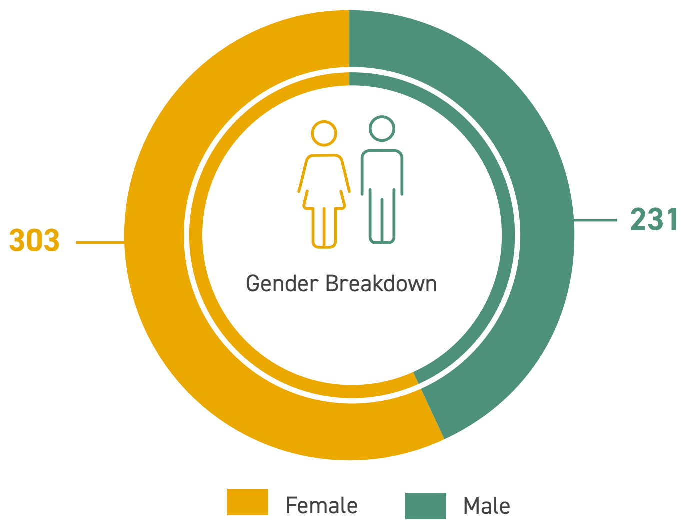
Figure 26: Number of incubated companies by phase



The organisation continued with the implementation of its incubation programme through its service offerings of mentorship, SSP funding, strategic linkages, business development and skills training. The underlying results are seen in the revenue generated by incubated companies by the end of the fourth quarter to the sum of R40 212 478.

TIHMC's focus on providing incubation support to previously disadvantages members of society is depicted in the gender classification noted below.

Figure 27: Gender breakdown of incubated companies



TIHMC's key priority sectors focus on the green economy, bio-economy and digital economy. In the four figures below, the key sectors being focused on per incubation programme are represented.

Figure 28: BioPark Sectors

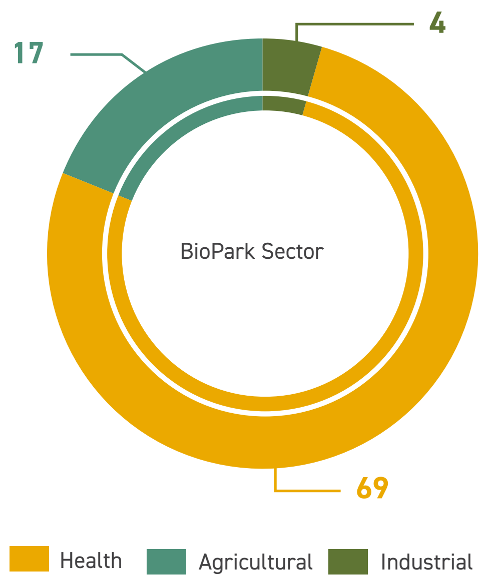


Figure 29: CIC Sectors

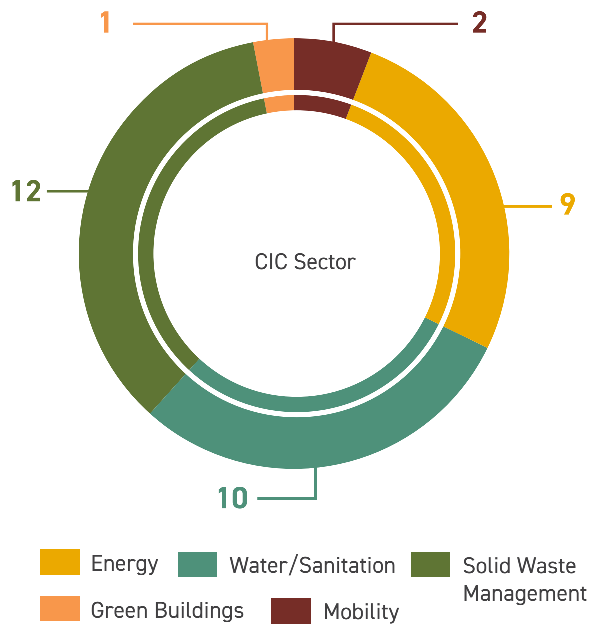


Figure 30: eKasiLabs Sectors

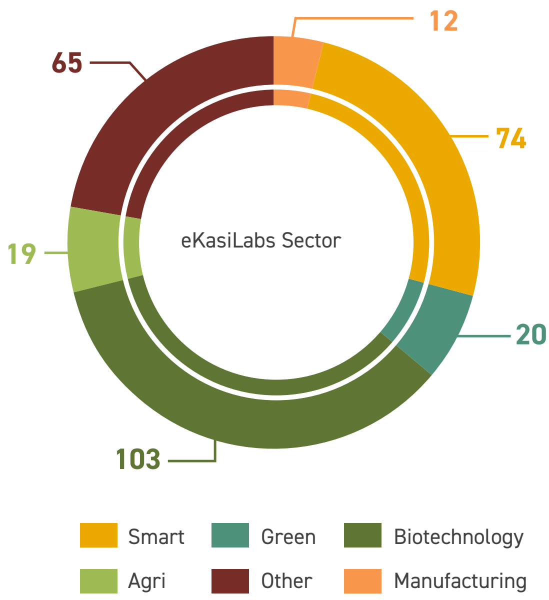
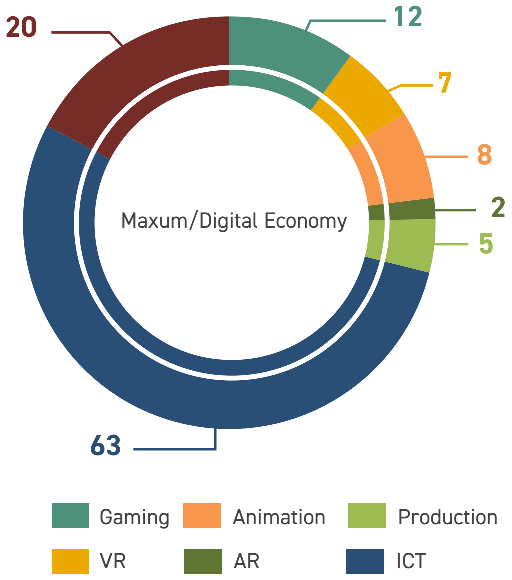


Figure 31: Digital Economy/Maxum Sectors



Intellectual Property (IP) Applications Filed

Creators and innovators worldwide use IP to translate their ideas into assets. These properties create economic and social benefits that improve the lives of people everywhere. TIHMC offers free IP support to its cohort of incubated companies to assist them in protecting their ideas. During the review period, the institution planned to have its incubated companies file 60 IP applications, with companies being offered the opportunity to file various classes. By the end of the financial year, 75 applications had been filed – surpassing the target of 60.

Innovation Products Developed from the PDL

The overall objective of the PDL is to provide product development as a service to innovators, where solutions will be developed from proof of concept to fully functioning products and services. The PDL is located at the TIHMC Park Precinct and will test reliability, readiness, and security of solutions before they are deployed into production. It is envisaged that the establishment of this PDL infrastructure will:

- stimulate pipeline for incubation programmes and enhance commercialisation;
- accelerate technological development;
- build innovation capacity by equipping individuals with the requisite skill sets to build innovative solutions;
- lead towards technology advancement; and
- improve local production.

The Innovation Centre

Ten companies were identified for assistance through the PDL. Further details are provided below.

Table 35: New and existing companies identified for assistance through the PDL

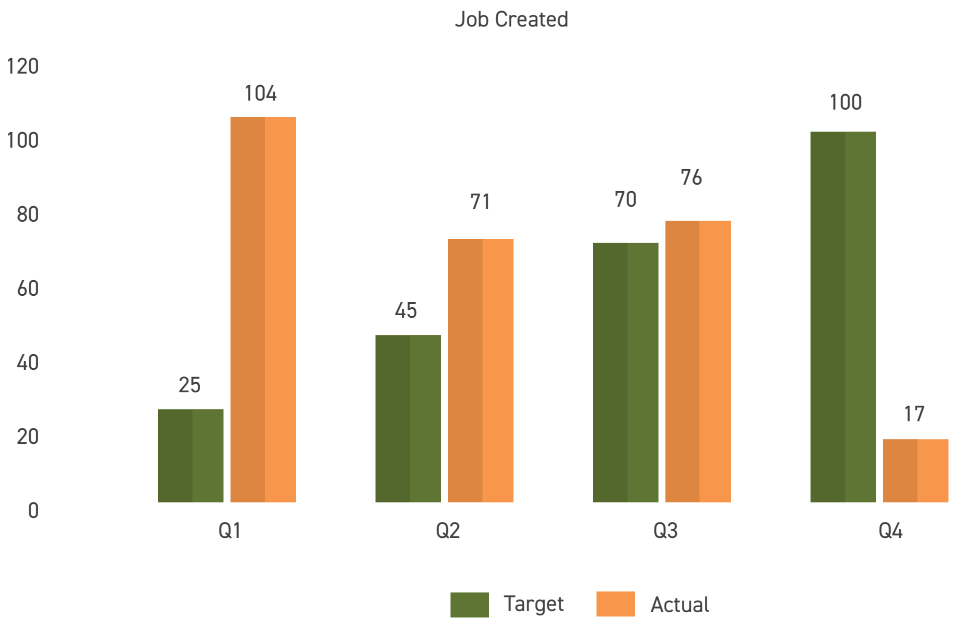
Company	Product
Legratron Electronics	The company provides assets tracking and monitoring hybrid radio frequency and global positioning system solutions, vehicle tracking, fleet tracking, personal tracking, and mobile tracking service and systems.
My Pregnancy Journey	An educational application focusing on the unique challenges that African women and girls encounter. It is aimed at creating a whole pregnancy system linking products, service providers, doctors, hospital and clinics to the application users.
BlueClay Investment	The company has developed an educational application that focuses on the development of the content for learning and teaching learners in secondary schools.
Pulego	A mobile application for the Customer Goods Service Ombuds to manage and improve its provision of complaint and enquiry services to the public.
Qualitone	The development of a referral management application for the Public Protector of South Africa that will aid the capturing, management and referral of clients' complaints to the correct division.
Binary Medium	An innovative prototype that aims to make radio live streaming easier for local communities without data or proper infrastructure. In addition, this innovation aims to minimise the barrier to entry for broadcasters (community and commercial), consolidating essential broadcasting tools into one device.
Wakoomulla	A mobile wallet that allows merchants to transact with their customers without cash, swiping of cards and the use of electronic funds transfer payments. Therefore merchants and their customers do not need cash to transact. Customers can pay or buy in their local spaza shops or hair salons and from street hawkers through the application and USSD for non-smartphone users.
E-Certify	The Certify Machine is a product that is developed to reduce long queues at the police stations, Home Affairs and Higher Education and reduces the risk of personal documents being reproduced for fraud.
BallTalent	A software subscription service that professional clubs use to find youth talent for their recruitment purposes. It is a web application that clubs and scouts subscribe to so that they can find talent. This is done by combining video footage with data of players who have been registered so that scouts can easily identify players.
Boost Mechanics	The company is developing an efficient turbocharger that is retrofitted to long-haul trucks for reducing carbon emissions and fuel costs.

SMME at the Product Development Lab

Jobs Created

The annual target of 240 was exceeded with an achievement of 268 jobs created. TIHMC (through its incubated companies and skills programme) facilitates the creation of jobs through the targeted support offered to incubate companies at different phases of incubation in the three priority sectors of TIHMC. Below is a breakdown of the jobs created per quarter. The annual target was exceeded with a total of 262 jobs created from an annual target of 240. Below is a depiction of the jobs created per quarter.

Figure 32: Jobs created through TIHMC's programmes



Product-ready Innovations Taken to Market

TIHMC's enterprise development programmes consist of the Maxum Incubator, Climate Innovation Centre SA Incubator, eKasiLabs Incubator and BioPark Incubator. These programmes offer incubation support to entrepreneurs to enable them to develop their businesses. In the short term, these programmes aim to increase the number of innovations taken to market, exports, job creating and ultimately graduating out of the programme within TIHMC's three targeted sectors: bio-economy, green economy and digital economy.

During the year under review, TIHMC extended commercialisation support to incubated startups. These included 63 companies that took their innovations to market, meeting its annual target. The 63 companies that entered the market are from the eKasiLabs programme; the three key sectors that TIHMC focused on are shown below.

Green economy
2

Maxum/Digital economy
15

Bio-economy
6

eKasiLabs, which includes a combination of the innovations from the green, bio and digital economies
40

Product-ready Innovations Exported by Incubated Companies

During the review period, TIHMC's incubated companies exceeded the annual target of exporting six innovations by one (achieving seven). These startups successfully exported their innovations to various countries, including Namibia, Zimbabwe, China, Denmark, the United Kingdom, Slovakia and the United States, surpassing our expectations. The total export value of these seven innovations stands at R156 308. Below is a summary of the types of innovation exported by these startups:

Table 36: Innovations exported by incubated companies

No.	Company	Sector	Innovation description	Destination
1	My Rugby Agent	ICT	My Rugby Agent is a platform dedicated to discovering rugby talent	China
2	Leafline	Waste	Unique sanitary products made from pineapple waste	Namibia
3	Sisanda Tech	ICT	The company specialises in augmented reality and gaming, focusing on the primary education sector. The company has developed Si Realities, which is a virtual science laboratory for science, technology, engineering and mathematics learners and teachers. Si Realities uses augmented reality technology using the camera of a smartphone or a tablet to project digital science apparatus on top of Sisanda Cube or Sisanda T-Shirt (SITEE) to be in front of the learner on a smartphone or a tablet	Zimbabwe
4	AgriSmart Engineering	Agriculture	AgriSmart Engineering is an agri-tech company that focuses on developing cultivation technologies centred on critical cannabis cultivation considerations. Its main technological output is custom LED cultivation lights and a closed loop hydroponic system for cannabis cultivation	Lesotho
5	My Pregnancy Journey	ICT Software	A pregnancy app for pregnant moms and expecting dads in Africa and beyond to keep them informed of relevant information	Ghana
6	Baclan Energy	Green	The company recycles electronic waste	France
7	Afrinurse	ICT	Afrinurse is a platform built for all nurses in Africa; it centralises the resources and services to a mobile application	United Kingdom

Companies Graduating from Incubation

TIHMC's enterprise development programmes consist of the Maxum, Climate Innovation Centre SA, eKasiLabs, and BioPark incubators. These programmes provide support to entrepreneurs, enabling them to establish and grow their businesses. In the short term, these programmes aim to increase the number of commercialised innovations within TIHMC's targeted sectors, thus facilitating the formation of successful knowledge-based businesses that significantly contribute to Gauteng province's economy.

For the period under review, nine companies graduated from the incubation programme, falling short of the target of 20. These programmes offer a platform to budding entrepreneurs, providing the necessary resources and assistance for their businesses to thrive. The support offered to these companies through the TIHMC value propositions included mentorship, skills training, access to markets, access to networking opportunities, strategic infrastructure and funding opportunities. All this support offered these nine companies the opportunity and ability to graduate from the incubator. Below is a list of the companies that graduated and their value offering.

Table 37: Companies graduating from incubation

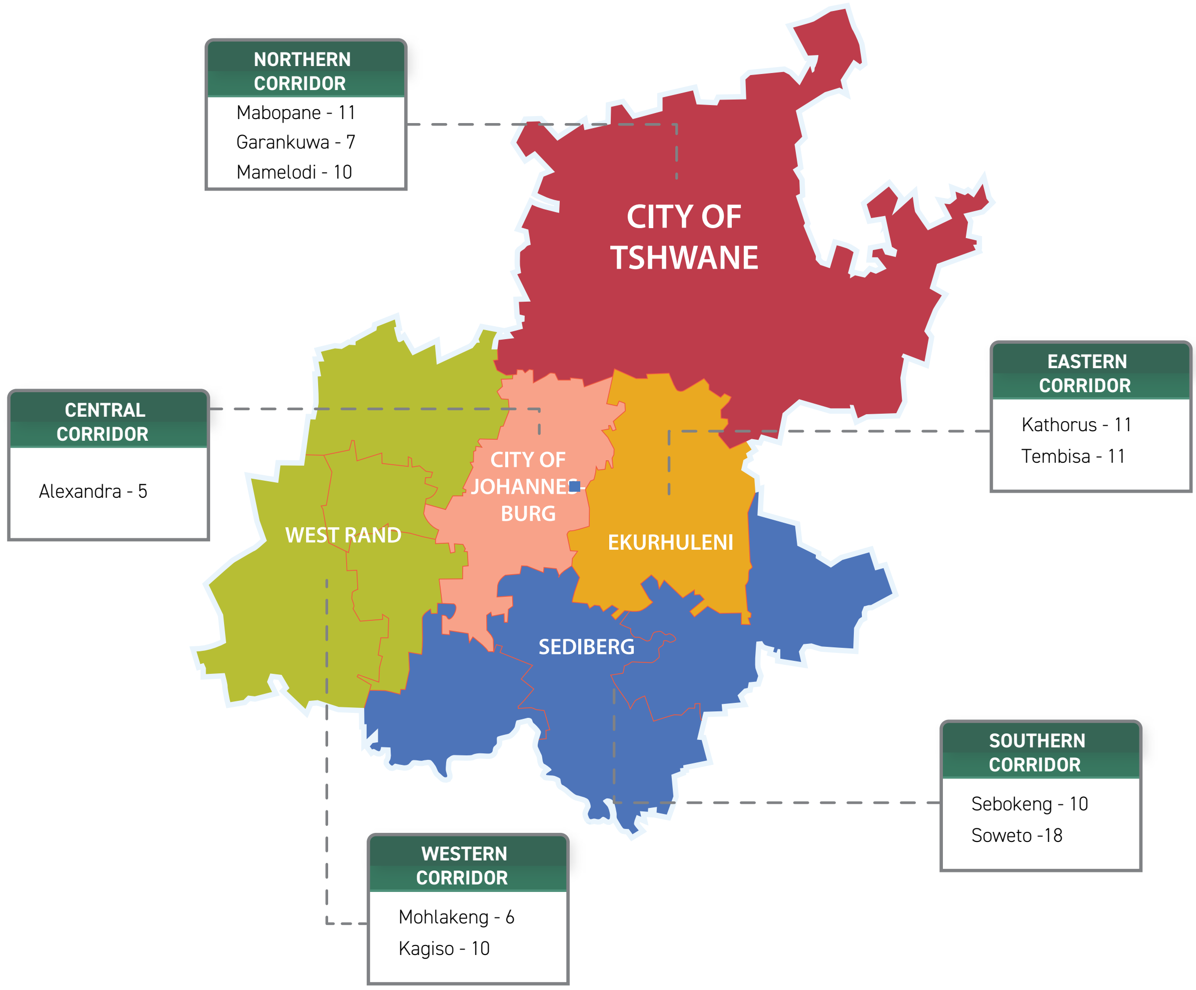
No.	Company	Incubation programme	Sector	Description of innovation and what sets it apart
1.	Amahlathi Eco Technologies (AET)	CICSA	Energy	Amahlathi Eco Technologies is a start-up based in East London, which aims to become a small-scale contract manufacturer for the region. The core business of the company is to manufacture the following primary products: 1. The Hot Spot (which the company is currently being incubated for at the CIC) and 2. Heat Raider and component parts for low-pressure solar geysers. The Hot Spot produces a heat chamber in the geyser which leads to up to 40% electricity savings
2.	Wetility	CICSA	Energy	Wetility offers is a hybrid solar solution that works seamlessly and in tandem with any current power options
3.	Refiner Business Solutions	BioPark	Health	Refiner Business Solutions produces hand sanitisers that are portable and convenient. It comes in gel form that is in ethyl alcohol and acts as a base to kill germs on your hand surface
4.	Dermacel Cosmetics	BioPark	Health	Dermacell Cosmetics and Healthcare manufactures and distributes an extensive range of skin therapy and bodycare products using aloe and other indigenous plant derivatives as its main ingredient
5.	Active Mindspace	eKasiLabs Sebokeng	ICT	Active Mindspace is a software development company specialising in web development and mobile app and point-of-sale platforms
6.	The Broadband	eKasiLabs Mabopane	ICT	The Broadband offers splicing and trenching services for Fibre Internet companies. Other services include IT support and own internet service provision
7.	Veg on The Go	eKasiLabs Alexandra	Agro-Processing	Veg on The Go offers one-stop chopped vegetables and fruits to corporates and individuals for any function. They also offer blended smoothies for those in the health sector
8.	Organic Touch	eKasiLabs Kathorus	Bio-Economy	Organic Touch by Miss Gates is a cosmetics beauty brand that specialises in skin care with a touch of organic ingredients. Organic Touch focuses mainly on creating a skin-care range for body and facial products, using natural and organic ingredients that are safe, effective, and good for all skin types
9.	Sotez	eKasiLabs Alexandra	Advance Manufacturing	Sotez manufactures Kiddies' backpacks that are made from top-notch denim material to prolong lifespan, providing clients with quality backpacks that are value for money. Each is customised with the child's name for easy identification

New Township-based Companies Incubated (eKasiLabs)

TIHMC, in partnership with various municipalities and private sector partners, initiated the eKasiLabs Programme. This initiative was introduced in response to the need for inclusive innovation, to support the Township Economy Revitalisation Programme. Through this programme, TIHMC established township-based innovation centres that focus on fast-tracking the establishment of sustainable and innovative enterprises – stimulating growth and competitiveness in the township economy. During the review period, TIHMC recruited 93 new companies through pitching sessions, exceeding its annual target of 80 by 13. This success is largely due to the enthusiastic response received during the year's pitching sessions.

This graphic illustrates those corridors within the GCR that the companies emanate from.

Figure 33: TIHMC footprint in the five corridors across Gauteng



The above graphic shows that the TIHMC footprint straddles the five corridors of the province, with an eKasiLabs site being located in all of them.

Business Incubation Accelerator Projects Implemented

During the period under review, TIHMC successfully launched the Cosmetics Accelerator Programme (CAP), a business incubation accelerator project. The aim of this initiative was to tap into the burgeoning cosmetics sector in Africa, which employs approximately 50 000 individuals and generates ~R25 billion in retail sales and more than R5 billion at the manufacturing level (Invest SA, 2020).

CAP targeted SMMEs in the cosmetics industry with the intention of:

- offering cosmetics-tailored technical and business support to SMMEs, based on their business needs;
- providing business information and advisory services to SMMEs;
- facilitating access to finance and networking opportunities for SMMEs; and
- extending coaching and mentorship support to SMMEs.

The overall objective of the CAP is to grow businesses in the cosmetics industry over a short period through dedicated business support provided by internal and external stakeholders. The programme training commenced on 10 August 2022 with six finalists and was concluded on 30 January 2023. Participating companies demonstrated notable growth, with highlights including a 46% revenue increase for the cohort and a 49% net profit increase within a mere six months of the accelerator programme.

OUTCOME 4: ENHANCED SKILLS DEVELOPMENT AND TRAINING

Youths Trained in ICT Skills

The Skills Development Programmes created by TIHMC aim to tackle the shortage of critical skills, while producing industry-ready individuals. These individuals gain high-quality exposure and valuable experience, enhancing their marketability and employability. The programme aligns with TIHMC's focus on the smart industries sector, aiming to supply the market with youths equipped with ICT-related skills. For the financial year under review, TIHMC exceeded its goal of training 250 young individuals by ten, owing to the support of additional sponsors and partners such as the Gauteng Enterprise Propellor and the Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA).
Top of Form

Companies Established by Mobile Repairers

During the 2021/22 financial year, TIHMC's Skills Development Programme trained a group of 60 young individuals in the mobile repair sector. This was part of an initiative to enhance the digital economy and job creation. The training aimed to equip unemployed youths, primarily from the townships, with skills to start their own mobile repair businesses, serving the untapped markets in various Gauteng townships.

For the 2022/23FY, TIHMC aimed to support 15 young people in establishing mobile repair businesses, extending the previous year's programme. The target was significantly surpassed, with 36 new companies established by the end of the fourth quarter. Of these beneficiaries, 18 were female and 16 were male. The programme was primarily implemented in Gauteng's Southern Corridor, specifically in Sebokeng, Vereeniging, Orange Farm, Vanderbijlpark, Midvaal and Boipatong.

eKasiLab Mohlakeng branch

PROGRAMME 3: TIHMC – ORIGINALLY TABLED APP

Table 38: Outcomes, outputs, output indicators, targets, and actual achievements - originally tabled APP

Programme 3: TIHMC - Originally tabled APP				
Outcome[2]	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	
Increased levels of economic activity through strategic economic infrastructure	Manufacturing sites developed	Number of low-volume manufacturing facilities for SMME product components and ICT products developed	–	
Enhanced collaboration to foster innovation and leverage resources	Demand-led innovation (OpenIX) projects contracted	Number of demand-led innovations (OpenIX) projects contracted to improve competitiveness in industry	–	
	External investment	Amount (Rm) of external funds facilitated for TIHMC programmes and companies	–	
Enhanced transformation in the economy	Business incubation accelerators established	Number of business incubation accelerator projects implemented	–	

[2]The Group APP was revised to align the outcomes to the TIHMC APP during the revision process.

	Audited actual performance 2021/22FY	Planned annual target 2022/23FY	Actual achievement 2022/23FY at 30 September 2022	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations	Reasons for revisions to outputs/output indicators/ annual targets
	–	1	–	–	Not applicable as target due by end of financial year	Indicator rephrased to align to output
	–	3	1	–	–	Indicator rephrased to align to output
	–	R80m	–	–	Not applicable as target due by end of financial year and subsequently removed from APP	TIHMC's ability to leverage funds was negatively affected by shrinking economy affecting access to finances Therefore, the target was removed from the APP
	1	1	–	–	–	Output rephrased to align to indicator deliverable

PROGRAMME 3: TIHMC – RE-TABLED APP

Table 39: Outcomes, outputs, output indicators, targets, and actual achievements - Re-tabled APP

Programme 3 TIHMC: Re-tabled APP				
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	
Increased levels of economic activity through strategic economic infrastructure	Product development labs established	Number of product development labs established	–	
	Manufacturing Site established	Number of manufacturing facilities established at an eKasiLabs site	–	
Enhanced collaboration to foster innovation and leverage resources	Demand-led innovation (OpenIX projects contracted)	Number of demand-led innovations (OpenIX) projects contracted to address service delivery challenges	–	
	Demand-led Innovation (OpenIX) projects contracted	Number of Demand-led Innovation (OpenIX) projects contracted with industry	–	
	R&D	R&D for establishment of Gauteng Regional Innovation District	–	
Enhanced transformation in economy	IP applications filed	Number of IP applications filed	–	
	Innovation Products Developed	Number of innovation products developed from the Product Development Lab	–	
	Jobs created through TIHMC's programmes	Number of jobs created	–	
	Innovations taken to market	Number of product-ready Innovations taken to market by incubated companies	–	
	Innovations exported	Number of product-ready innovations exported by incubated companies	–	
	Companies graduating	Number of companies graduating from incubation	–	
	Companies recruited	Number of new township-based companies incubated (eKasiLabs)	–	
	Business incubation accelerators implemented	Number of business incubation accelerator projects implemented	–	
Enhanced skills development and training	Youths trained	Number of youths trained in ICT skills	126	
		Number of companies established by mobile repairers	–	

	Audited actual performance 2021/22FY	Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
	–	1	1	–	–
	–	1	1	–	–
	–	8	9	+1	Over-achievement attributed to collaboration with United Nations Development Programmes, CoT, and Technology Innovation Agency (TIA)
	–	3	3	–	–
	–	1	1	–	–
	–	60	75	+15	Over-achievement attributed to continued support offered to incubated companies through mentorship, training, business development and skills training
	–	10	10	–	–
	165	240	268	+28	Over-achievement attributed to incubation support offered to incubated companies that enabled them to create more jobs
	–	52	63	+11	Over-achievement attributed to incubation support such as mentorship, business development support, funding, strategic infrastructure and training offered to companies that allowed them to reach market
	7	6	7	+1	Incubator provides enabling platform for entrepreneurs to access markets beyond South Africa's borders
	16	20	9	-11	The target was not achieved as some companies were not able to reach their revenue milestones that are used as criterion to determine eligibility to graduate.
	–	80	93	+13	Over-achievement attributed to a solid pipeline provided by successful pitching sessions which saw more companies meeting criteria for incubation
	1	1	1	–	–
	82	250	260	+10	The over-achievement was due to the availability of additional sponsors and partners
	–	15	34	+19	Target achieved through support offered by incubated companies in establishment of mobile repair companies

LINKING PERFORMANCE TO BUDGETS

Table 40: Linking Performance to Budgets

	2021/22FY			2022/23FY		
Programme/activity/ objective	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Maxum Incubator	3 965	5 790	(1 825)	2 965	6 299	(3 334)
Climate Innovation Centre	2 000	1 301	699	1 700	4 568	(2 868)
BioPark Incubator	1 000	32 474	(31 474)	2 300	4 530	(2 230)
mLab, including Code Tribe Academy	1 000	(29)	1 029	–	–	–
Open Innovation Solutions Exchange (OpenIX)	2 000	5 271	(3 271)	2 000	3 720	(1 720)
Start-up Support Programme	1 000	1 049	(49)	1 000	1 093	(93)
eKasiLabs	21 366	17 832	3 534	22 392	21 918	474
GAP ICT & Green	1 000	450	550	1 000		1 000
Maxum Digital Media	–	–	–	1 000	269	731
Internal projects	–	–	–	8 000		8 000
Total	**33 331**	**64 137**	**(30 806)**	**42 357**	**42 397**	**(40)**
BioPark Phase 3				**58 050**	**58 050**	**–**
Totals project/programme and infrastructure	**33 331**	**64 137**	**(30 806)**	**100 407**	**100 447**	**(40)**

REASONS FOR OVER/UNDER EXPENDITURE

2021/22

The underspending in other projects set off the overspending on some of the projects. Underspending in the eKasiLab programme was due to activities that were committed to be carried out during the 2021/22FY, but which could not be finalised due to inability to secure a service provider. The above-mentioned eKasiLab budget was set aside for the provision of facilities in the Alexandra, Kagiso and Garankuwa Labs and the overall operational resources. The over-expenditure seen in the BioPark allocation is due to the BioPark Phase 3 building. The total budget for the building was accommodated by the Group and transferred to the entity as a deemed grant.

2022/23

While certain projects demonstrate underspending, others are characterised by overspending. Therefore, savings from those underspent projects compensates for any expenditure over the budget of overspent projects as all annual performance targets were met. Biopark Phase 3 relates to the infrastructure project currently underway at the park. The organisation had a budget of R8 million for internal projects which are implemented in conjunction with the GGDA. Due to financial constraints some projects were not allocated funding during the year under review.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

For the financial year under review, TIHMC achieved 93% of its planned 15 targets; it was, however, unable to meet the target for 'number of companies graduating from incubation'. The target was not achieved as some companies were unable to reach their developmental milestones, which were used to determine their eligibility to graduate from the incubator. The key factors that have contributed to companies not reaching their developmental milestones are:

- lack of product-market fit;
- poor cash management;
- inadequate sales and marketing; and
- failure to secure funding.

TIHMC will provide additional resources to incubated companies in the form of mentorship, training, strategic linkages, and funding to help them to grow and graduate from the incubation programme.

MiDesk, a revolutionary wheelie schoolbag that converts into a desk and a chair with a solar light and USB charging portal, is incubated at eKasiLab Mamelodi and supported by the Product Development Lab.

Ms Thandiwe Ngqobe
Chief Executive Officer:
Gauteng Industrial Development Zone

PROGRAMME 4:
GAUTENG IDZ DEVELOPMENT COMPANY (GIDZ)

The **GIDZ's** mandate is centred around the development of the OR Tambo International Airport SEZ, which is located at the doorstep of Africa's **largest and busiest airport**. The value proposition of the OR Tambo SEZ programme is premised on its **locational advantage**, at the centre of **Africa's first real Aerotropolis development** framework.

60%

PERFORMANCE ACHIEVED

R1.13 billion domestic and foreign Investment secured for SEZ

132 SMMEs who benefit from the ORTIA SEZ

26 students participating in the construction mentorship programme

Tambo Springs SEZ business case developed, Gazetting application submitted and anchor investors secured

1 105 direct jobs created through infrastructure related projects

2 741 direct jobs created by ORTIA SEZ Tenants

100% Southern Precinct top structure shell construction completed

PROGRAMME 4: GAUTENG INDUSTRIAL DEVELOPMENT ZONE DEVELOPMENT COMPANY (GIDZ)

Aerial view of the OR Tambo International Airport, where the OR Tambo SEZ is located

PURPOSE

The Gauteng IDZ Development Company SOC Ltd (GIDZ), established by the GGDA, is a special-purpose vehicle set up to manage the establishment and operation of the designated SEZ at OR Tambo International Airport, Johannesburg. GIDZ's mandate is to stimulate investment opportunities in manufacturing through infrastructure development. It aims to promote focused manufacturing and beneficiation programmes that will position Gauteng as a global city region.

Three separate land parcels, all located close to the airport, are included in the SEZ programme. These consist of a 7,5 ha parcel within the airport property boundaries (ORTIA Precinct 1), a 29 ha parcel outside the airport adjacent to ORTIA Precinct 1 (ORTIA Precinct 2) and a 13,9 ha parcel situated 30 km away from the airport, adjoining the Impala Platinum Refinery in Springs (Springs Precinct).

Each parcel has identified focus industries, which were determined through detailed studies to establish suitable products for location and investment uptake. ORTIA Precincts 1 and 2 are designed to attract high-value low-mass industries or products that use airfreight as a mode of transport. These industries include jewellery, diamonds, pharmaceuticals, electronics and agro-processing. The Springs Precinct, given its advantageous location next to a Platinum Group Metals (PGM) refinery, is intended to promote the beneficiation of PGM products such as fuel cells. It has also been identified as an appropriate location for the production of both capital and mining equipment.

Table 41: Achievement of institutional impacts and outcomes

Outcomes	Outcome indicators	Baselines	Five-year targets 2019/20FY - 2024/25FY	Progress	% of five-year target
Improved economic infrastructure at the ORTIA SEZ	ORTIA SEZ precincts developed and operational	ORTIA SEZ Northern Precinct constructed and operational	Completion of Southern Precinct (ORTIA Precinct 1)	Shells of top structure construction for eight buildings (3, 6a and b, 7, 8, 9, 10, and 11) are 100% complete. Interior and exterior construction work currently underway, scheduled for completion by end May 2023	100 top structure shells
		Commercial case (Precinct 2 and Springs)	Development of ORTIA SEZ Precinct 2	Bulk infrastructure detailed designs approved internally during 2022/23FY	–
			Development of Springs Precinct	Bulk infrastructure detailed designs approved internally during 2022/23FY	–
	Number of direct jobs created through infrastructure-related projects	308 jobs	880 job opportunities created through infrastructure development and facilities operations at ORTIA SEZ	1 105 infrastructure jobs created	126
	Number of SMME opportunities linked to investment opportunities	New indicator	159 SMMEs linked to investment opportunities Development and implementation of Enterprise Development Strategy	159 SMMEs benefited from GIDZ operations Enterprise Development Strategy developed and approved. Implementation of strategy underway	100 100
	Number of job opportunities created through domestic and foreign investment	New indicator	2 700 job opportunities facilitated through domestic and foreign investment	2 741 jobs created by tenants operational at ORTIA SEZ	102
	Increased provision of skilled workforce to support inclusive economy	15 students of jewellery design and manufacturing	100 students trained in construction sector	36 students trained and mentored in construction sector	36
	Rand value investments secured for location at ORTIA Precinct 2 and Springs Precinct	R140m	R6,17bn investment secured for ORTIA Precinct 2 and Springs Precinct by 2025	R1,27bn worth of investments secured	21

ORTIA SEZ Precinct 1 Development

Construction on the remaining part of ORTIA SEZ Precinct 1 – specifically the JMP – resumed in April 2022 and achieved 100% completion for the building shells by the end of March 2023. The construction includes eight buildings, being buildings 3, 6a, 6b, 7, 8, 9, 10, and 11. Looking ahead, the GIDZ anticipates completing this development and welcoming the remaining JMP investors to the Precinct during 2023. This aligns with the objective of creating a globally competitive minerals beneficiation cluster at Africa's largest and busiest airport.

Construction works underway at the OR Tambo SEZ

ORTIA SEZ Precinct 2 and the Springs Precinct: Expansion Phases of the OR Tambo SEZ

During the 2022/23FY, GIDZ undertook and completed the design works for bulk infrastructure central to the development of its additional land parcels: ORTIA Precinct 2 and the Springs Precinct.

The tender documents required for contractor appointment for the bulk infrastructure development were completed. The initiation of the procurement process is contingent upon the confirmation of a funding allocation: once funding is secured, the process of appointing the necessary contractors will commence.

These projects will contribute towards job creation, economic opportunities, and growth in the GCR. Specifically, ORTIA Precinct 2 is earmarked for the establishment of a medical cluster and other high-value products linked to air freight, including metals fabrication, e-commerce, and electronics. Owing to its advantageous location adjacent to a platinum refinery, the Springs Precinct is designated for the establishment of a fuel cells and broader platinum-based manufacturing cluster.

Beyond the work done on ORTIA Precinct 2 and the Springs Precinct, the GIDZ worked on a business case for expanding its SEZ footprint to Tambo Springs. This proposed inland port development aims to integrate various elements such as manufacturing, warehousing, and distribution, all underpinned by rail freight logistics capabilities.

Market Awareness on the OR Tambo SEZ

In addition to the strategic targets set by the organisation during the 2022/23FY, the GIDZ worked at enhancing market awareness of the OR Tambo SEZ programme. To this end, it collaborated with its appointed media partner, CNBC, to deliver events and webinars aimed at promoting market awareness of the OR Tambo SEZ. The events also raised key issues, such as the infrastructure financing of SEZs, how to accelerate SMME development as part of the OR Tambo SEZ development, the importance of implementing sustainable development practices as part of the SEZ's development and how export opportunities to Africa and beyond can be seized through OR Tambo International Airport. In this regard, OR Tambo International Airport remains the main gateway for South Africa's exports undertaken by air freight, accounting for 84% of all the air cargo traffic in Airports Company South Africa's network.

Job Opportunities Created by Infrastructure-Related Projects and Operational Tenants at SEZ

Through the infrastructure development projects, a cumulative total of 1 105 jobs were created. This includes 77 jobs created in the 2021/22FY from the JMP construction project.

Regarding operational investments, the activities of tenants in ORTIA SEZ Precinct 1 have led to the creation and retention of 2 741 jobs. Most of these jobs resulted from the continued operations of In2Food, the precinct's first anchor tenant. Specialising in the processing and packaging of fresh food products, In2Food's labour-intensive operations take place in a vast 22 735 m2 facility. It is worth noting that In2Food Bonaero is the second-largest food-processing facility of its kind globally.

The second operational investor, Metal Concentrators (MetCon), also contributed to the realisation of jobs by fully establishing its gold refinery and jewellery operations. Other contributing tenants include those that were operational during the 2021/22FY, such as Malca-Amit and Brinks. These two companies are sector-specific logistics companies that specialise in the movement of high-value goods (jewellery and diamonds) globally.

Table 42: Jobs created by operational tenants at the ORTIA SEZ Precinct 1

Tenants	Total jobs created	Permanent	Temporary
In2Food	2 590	1 702	888
MetCon	97	93	4
Brinks	17	16	1
Malca-Amit	17	17	0
State Diamond Trader	20	19	1

In2Food Factory employees packing food items

Skills Development: Training of Students in Construction Skills

In the year under review, 26 students were enrolled in the construction mentorship programme: 18 in the Southern Precinct, 5 in Precinct 2 Bulk Designs and 3 in the Springs Precinct Bulk Designs. The students participated in various construction activities according to their specialisation. The 26 students enrolled in the 2022/23FY are in addition to the 10 students enrolled in the 2021/22FY – resulting in a cumulative total of 36 students currently enrolled. The table below shows the GEYODI breakdown of the 26 students, according to their disciplines.

Table 43: Construction mentorship programme by discipline

Project name	Discipline	GEYODI breakdown					Total
		Male youth	Male adult	Female youth	Female adult	PWD	
JMP top structure construction	Architectural	1	1	1	0	0	3
	Built environment	1	0	1	0	0	2
	Civil	1	0	3	0	0	4
	Mechanical	2	0	0	0	0	2
	Safety officer	1	0	0	0	0	1
	Construction management	0	0	1	0	0	1
	Quantity surveyor	0	0	1	0	0	1
	Electrical	1	0	1	0	0	2
	BA	0	0	1	0	0	1
	Water care	0	0	1	0	0	1
Bulk infrastructure development –Precinct 2	Project management	0	0	1	0	0	1
	Electrical	1	0	0	0	0	1
	Civil	2	0	0	0	0	2
	Town planning		0	1	0	0	1
Bulk infrastructure development –Springs Precinct	Civil	2	0		0	0	2
	Project management	0	0	1	0	0	1
Total		**12**	**1**	**13**	**0**	**0**	**26**

ENTERPRISE DEVELOPMENT STRATEGY

SMMEs Who Benefit from the ORTIA SEZ

Remaining committed to supporting SMMEs as part of its Enterprise Development Strategy, the GIDZ created economic opportunities for 132 enterprises during the review period.

Of these, the construction sector provided opportunities for 41 SMMEs. These enterprises were sub-contracted for various ORTIA SEZ infrastructure projects, including the JMP construction, the Enterprise Development Hub refurbishment and design work for Precinct 2 and the Springs Precinct.

Through internal procurement processes, GIDZ departments employed the services of 17 small businesses. One enterprise was tasked with providing security services for ORTIA SEZ Precincts 1 and 2 from the last quarter of the 2021/22FY. The marketing and finance departments employed two small businesses and the office of the CEO appointed five for office and event management services. Nine small enterprises were engaged to deliver various facility management services for Building 4.

As part of the Enterprise Development Strategy's implementation stage, initiatives were launched to support small businesses in the jewellery sector. These initiatives, including diagnostic assessments, business coaching, market access and referrals for financial support, benefited 74 small businesses. The department plans to continue engaging with these businesses in the forthcoming financial year to remedy any gaps identified in the current year's assessments.

The Gauteng IDZ is enthusiastic about expanding on this vital work, ensuring that economic opportunities are made available to SMMEs. This strategy aligns with the goal of not only creating jobs, but also offering tangible economic opportunities.

JMP Enterprise Development Hub

The JMP Enterprise Development Hub is aimed at supporting the national agenda on skills and enterprise development, as defined in various legislative and policy documentation, including the NDP (2030), the National Skills Development Strategy and its applicable 2030 Plan, the Mineral Beneficiation Strategy of South Africa as well as the Sector Skills Plan for the Mining and Minerals Sector.

The JMP Enterprise Development Hub specifically seeks to support the ongoing provision of enterprise development opportunities to participating individuals i.e. in addition to emerging enterprises in the jewellery and diamond industry. It intends to do so by providing theoretical, practical and technology orientation programmes.

The Hub will particularly be structured to equip emerging enterprises with the necessary knowledge to take full advantage of rapid technological advances in design and production technology, in so doing improving their competitiveness in the global arena.

In the financial year under review, Gauteng IDZ had planned to fully establish the JMP Enterprise Development Hub. However, the entity experienced delays in setting up the Hub and refurbishment works on the area set aside for the Hub's operations in Building 4 commenced only at the end of quarter four. The activities completed by the end of the financial year include site handover, site establishment and setting out, general demolition and removal of services, new partitions, and brickwork. According to the project plan, activities such as plumbing, electrical, HVAC, gas and fire detection will be completed within the early stages of the first quarter of the 2023/24FY, paving the way for the Hub to be operational in quarter two of 2023/24FY.

Diamond Polishing in the Jewellery Manufacturing Precinct during His Majesty King Phillipe of Belgium's visit

OPERATONALISATION OF THE MINERAL BENEFICIATION CLUSTER AND ONGOING INVESTOR ATTRACTION

Operationalisation of the Precious Minerals' Beneficiations Cluster

The operational target operational target of the two cluster components was informed by the JMP construction, which was completed at the end of March 2023. As a result of the delayed completion, the target was not achieved. The tenant installation process will commence during the 2023/24FY. The two cluster components will therefore be operational by the end of the 2023/24FY.

Investor Attraction

During the review period, R1,13 billion of investor interest was secured from investors to secure set-up operations in the SEZ. This is against a set target of R2,32 billion. Confirmation of investments is dependent on the clarity of timelines for bulk works. Since no funding was confirmed, bulk development timelines could not be confirmed to potential investors, resulting in this target not being achieved.

PROGRAMME 4: GIDZ ORIGINALLY TABLED APP NO REVISIONS

Table 44: Outcomes, outputs, output indicators, targets, and actual achievements - Originally tabled APP

Programme 4: GIDZ originally tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Revitalised and modernised economy through corridor-focused economic development	Economic infrastructure investment projects	% of ORTIA SEZ Southern Precinct top structure construction completed	5% site establishment	13%	
		Infrastructure projects implemented to advance the ORTIA SEZ: Precinct 2	Town planning and EIA report for ORTIA Precinct 2	Infrastructure development – bulk infrastructure designs not commenced	
		Infrastructure projects implemented to advance SEZ: Springs Precinct	Town planning and EIA report for Springs Precinct	Infrastructure development – bulk infrastructure designs not commenced	
	Job opportunities created through Infrastructure-related projects	Number of direct jobs created through infrastructure-related projects	–	77	
	Students mentored in construction skills	Number of students participating in the construction mentorship programme	0	10	
	Value of domestic and foreign investment committed to SEZ	Rand value of domestic and foreign Investment secured for SEZ	Investor Attraction Strategy approved	New	
	Economic opportunities facilitated for SMMEs	Number of SMMEs who benefit from the ORTIA SEZ	Enterprise Development Strategy developed and approved	27	
	Operational precious minerals beneficiation cluster	Number of precious mineral beneficiation cluster components operational	New	One operational cluster component (first cluster component {50%} and the second component {37,5%} totalling 87,5%) operational	

	Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
	100% construction complete	100%	–	–
	Infrastructure development – bulk infrastructure development initiated.	Infrastructure development – bulk infrastructure development not initiated.	Bulk infrastructure development for Precinct 2 was not initiated	Bulk infrastructure development for Precinct 2 and Springs Precinct was not initiated as funding was not received during the 2022/23FY
	Infrastructure development – bulk infrastructure development initiated	Infrastructure development – bulk infrastructure designs approved	Bulk Infrastructure development for Springs Precinct was not initiated	
	670	1 105	+435	The target was over-achieved as more job opportunities were created due to labour-intensive activities which unfolded during quarter 3 and 4 of the financial year under review
	25	26	+1	The target was over-achieved as an additional student was recruited for the JMP top structure construction project through the GIDZ budget, to increase resources on the project
	2,32bn	1,13bn	–1,19bn	The target was not achieved, as the commitment of investors is dependent on the clarity of timelines for bulk works, which can only be finalised upon written funding confirmation for both Precinct 2 and Springs Precinct (Bulk Works projects).
	125	132	+7	Enterprise Development assisted more SMMEs through their planned initiatives (business coaching, non-financial support and access to market) for the financial year under review
	2	0	–2	The two cluster components target was not achieved as it is informed by the JMP construction, which was completed only at the end of March 2023

PROGRAMME 4: GIDZ ORIGINALLY RE-TABLED APP NO REVISIONS

Table 44: Outcomes, outputs, output indicators, targets, and actual achievements - Originally tabled APP (continued)

Programme 4: GIDZ originally tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
	Economic cluster development in support of the regional competitiveness of the Gauteng city region	Development of the Tambo Springs SEZ	New	Stakeholder management plan for Tambo Springs SEZ implemented	
		Number of direct jobs created by ORTIA SEZ tenants within the precincts (Operation Phase)	New	New	

MetCon Building - Jewellery Manufacturing Precinct

	Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
	Tambo Springs SEZ business case developed. Gazetting application submitted. Anchor investors secured	Tambo Springs SEZ business case developed. Gazetting application submitted. Anchor investors secured	-	-
	2 500	2 741	+241	The ORTIA SEZ tenants retained 2 354 jobs and created 387 new jobs. A significant portion of the actual performance is from a tenant specialising in food manufacturing, a sector which has been thriving in the South African economy

LINKING PERFORMANCE TO BUDGETS

Table 45: Linking performance to budgets

Programme/ activity/ objective	2020/21FY			2021/22FY			2022/23FY		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Infrastructure development – Southern Precinct	25 000	4 596	20 404	52 144	34 950	17 194	219 751	217 109	2 642
Skills development	0	0	0	0	0	0	0	0	0
Investor attraction	3 000	12	2 988	3 283	0	3 283	3 283	0	3 283
Expansion phase	947	81	866	521	65	456	521	14	507
Finance (internal and external audits)	486	487	(1)	539	429	110	540	509	31
Total	**29 433**	**5 176**	**24 257**	**56 487**	**35 444**	**21 043**	**224 095**	**217 632**	**6 463**

REASONS FOR OVER/UNDER-PERFORMANCE

Southern Precinct (JMP)

The variance is mainly due to the contractor's cashflow forecasts for construction not being aligned with the actual invoicing. The forecasts were made on the optimistic assumption that all works would be completed by April 2023; however, external works are still ongoing.

Investor Attraction

No expenditure was incurred due to the late appointment of service providers, but the amount was fully committed at year end.

Expansion Phase

The variance was mainly due to the late appointment of service providers, but the amount was committed at year end.

STRATEGIES TO ADDRESS UNDER PERFORMANCE

As depicted in the APP above, four of the GIDZ targets were not achieved and these are as follows:

- Infrastructure projects implemented to advance the ORTIA SEZ: Precinct 2.
- Infrastructure projects implemented to advance SEZ: Springs Precinct.
- Number of precious minerals beneficiation cluster components operational.
- Rand value of domestic and foreign investment secured for SEZ.

The GIDZ implemented the following corrective measures for the JMP construction project:

- Continuous engagements take place between the PRT and Implementing Agent to ensure that all urgent items are resolved in a timely manner.
- The contractor's performance is being closely monitored by the PRT and their submitted schedules are also reviewed.
- The contractor has issued a recovery programme with the aim of obtaining practical completion by end July 2023. In the interim, delay damages apply.
- Early access to the tenants has been granted for commencement of tenant fit-out.

The appointment of the service providers to undertake the directional signage of ORTIA SEZ, the promotion of the GIDZ on airport TV and 3D-rendered animation videos was finalised in quarter four of the 2022/23FY. All planned activities or projects will be rolled out during the 2023/24FY.

Infrastructure Projects Implemented to Advance ORTIA SEZ: Precinct 2 and Springs Precinct

The GIDZ has taken the following steps to ensure that planned activities are consistent with the estimated budget:

- The infrastructure development unit is currently reviewing the project timelines and tender information as submitted to the GGDA SCM unit. After that, the procurement processes (Bid Specification Committee, probity audit, Bid Evaluation Committee, etc.) commence to appoint a service provider; and
- The targets for these projects have been adjusted in the 2023/24FY APP.

Number of Components of Precious Minerals Beneficiation Cluster Operational

The JMP tenants who constitute the cluster components are regularly provided with updates on the construction progress of their buildings. The tenant installation process will commence during the 2023/24FY, with the two cluster components being operational by the end of the period

Rand Value of Domestic and Foreign Investment Secured for SEZ

The target was removed from the 2023/24FY APP as the projects required to secure investors are not fully funded. This target will, however, be tracked at an operational plan level.

Construction of the Jewellery manufacturing Precinct

Ms Dawn Robertson
Chief Executive Officer: Constitution Hill

PROGRAMME 5:
CONSTITUTION HILL (CONHILL)

Constitution Hill is a living museum that tells the story of South Africa's journey to democracy. The site bears testimony to South Africa's turbulent past and is home to the country's Constitutional Court, which endorses the rights of all citizens.

92% PERFORMANCE ACHIEVED

130 tourism participants incubated through Tourism Centre of Excellence programmes

11 new tourism experiences produced to drive visitation in the province

50 Creative Businesses accommodated in the creative hub

11 incubator and accelerator programs implemented

8 cultural and **creative industries (CCI)** support organisations providing support services in the creative hub

138 Public Programmes hosted

240 local products developed by creative SMMEs

5 Visitor Centre facility Designs completed

39 395 leisure visitors to Constitution Hill

2 Conhill owned signature events held

82 tourism SMME's provided with market access

PROGRAMME 5: CONSTITUTION HILL

PURPOSE

A mixed-use heritage precinct, Constitution Hill (ConHill) is deeply committed to engaging with its surroundings and contributing to the GCR and the regeneration of Johannesburg's inner city. ConHill seeks to foster civic growth by providing historical insights; it brings the values of the Constitution to life in the heritage precinct. This enables visitors to learn from the past as they envision the future.

ConHill aims to promote social justice, human rights, and democracy, both within South Africa and globally. As a public entity, its mission is to preserve and interpret South Africa's journey towards democracy and human rights, using this rich history to inspire and educate the public about the significance of these values.

This mission is brought to life through a diverse range of initiatives and programmes, such as exhibitions, public lectures, educational outreach and cultural events. ConHill strives to involve the public, nurture partnerships, encourage collaborations and bring about positive change globally.

In essence, ConHill seeks to contribute to a society where justice, dignity, freedom and respect for human rights are enjoyed by all. The organisation is devoted to upholding the values and principles contained in South Africa's Constitution, working relentlessly towards a future where these ideals are universally realised.

ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Table 46: ConHill achievement of outcomes

Outcome	Outcome indicator	Baseline	Five-year target 2019/20FY - 2024/25FY	Progress	% of five-year target
Enhanced transformation in the economy	Sustainable growth through product and infrastructure development	503 832	181 040	133 693	74
	Market access opportunities developed for creatives	610	1 890	363	19
	Sustainable growth through product and infrastructure development (MICE)	3 000 000	15 840 006	10 460 207	66
Improved social cohesion through constitutionalism	Programmes and campaigns that stimulate transformation and result in social cohesion	150	359	273	76
	Tourism and creative SMMEs upskilled to contribute to economic growth and transformation	209	1 098	629	57
	Number of creative SMMEs capacitated with skills	-	7 500	4 791	64

Leisure Visitors to ConHill

During the reporting period, the number of leisure visitors to ConHill was 39 395, which represents a 290% increase compared to the previous year. This increase can be attributed to a range of factors, including targeted marketing and promotional efforts, new programming and events, and overall growth in the tourism industry recovering from the impact of the COVID pandemic. The site generated R2 682 000 in revenue – a sharp increase from the R718 000 realised during the 2022/23 financial year.

To further support this performance indicator, the public entity implemented several initiatives to enhance the visitor experience and attract new visitors to the site. This included the development of new tours and programming, the enhancement of onsite amenities and facilities, which includes the new restaurant onsite, and partnerships with tour operators to diversify offerings. One example is the partnership with Hope Travel – enhancing the ConHill experience by offering sunset refreshments and travel to connecting sites in the province. Further to this, the School on the Hill programme continued to provide additional support to teachers who were forced to work both online and in schools. As part of this programme, the site hosted 102 teachers and more than 1 000 learners from the provinces of Gauteng, Limpopo, Free State and the North West. The newly developed content-rich packages, which featured digitised objects, archival materials, video clips and activity suggestions on the Bill of Rights education were shared with the leaners and educators.

Figure 34: ConHill – number of leisure visitors onsite

The site is experiencing a steady growth in visitor numbers and has achieved 48% of the 2019/20FY visitor numbers which recorded 81 858. Marketing interventions are implemented to grow both domestic and global markets.

ConHill-owned Signature Events

The number of signature events hosted by ConHill is a significant performance indicator of the institution, reflecting its capacity to captivate and involve audiences through its original programming and events. Two signature events marked the reporting period: the Basha Uhuru Festival (held in October 2022) and the Human Rights Festival (held in March 2023).

The Basha Uhuru Festival is an annual celebration of youth and creative culture, which promotes and showcases emerging South African artists and designers. This festival serves as a vital platform for young creatives to interact with audiences and industry professionals. It also affords them the opportunity to display their skills and creations.

The festival's varied programming encompasses music performances, art exhibitions, fashion shows and creative workshops. These are designed to engage and inspire the youth, while facilitating networking and professional development opportunities. The festival has successfully drawn audiences and created a tremendous buzz around burgeoning South African talent. It has steadily grown in popularity, with increasing attendance and participation from across the country. Overall, the Basha Uhuru Festival has been a resounding success for ConHill. It has fostered emerging talent in South Africa's creative industry. This has in turn bolstered ConHill's broader mission, which is to champion social justice and cultural heritage – cementing ConHill as a premier cultural destination.

The economic impact of Basha Uhuru on the host city was measured as follows:

- Total spending on accommodation by festival visitors in the host economy was R866 250.
- The total amount spent by festival organisers in the host economy, not including local sponsorship, was R1 836 000.
- Taking into account outflows and the multiplier effect, the total economic impact of the festival on the host economy was R6 987 703.

The Human Rights Festival is an annual event that celebrates human rights. Celebrations take on many forms, such as art, music, and cultural activities. The festival is hosted so that visitors to the country may be engaged and educated about the significance of human rights and the legacy of South Africa's struggle for democracy, in addition to its associated freedom. Hosted from 21 to 24 March 2023, the festival featured a range of programmes, including music performances, art exhibitions, film screenings and interactive workshops.

More than 3 000 visitors participated in the event and engaged with themes of human rights and social justice through 50 dialogues that were held onsite. The festival's objectives were to promote respect for human rights, foster inclusivity and diversity, and uphold democratic values and institutions that protect individual freedoms, and also to promote equal access to justice.

This year's festival was especially significant as it coincided with the 75th anniversary of the Universal Declaration of Human Rights. To honour this, the festival included a series of dialogues, debates and seminars curated by human rights experts and organisations. The ARTivism programme blended film, music, poetry, a book fair and exhibitions to create intersectional stories and content dealing with migration, climate crisis, gender and racial justice.

For children, the Play Africa-led kids' programme offered interactive workshops, storytelling sessions, theatre, and music activities with a focus on a developmental play. The Activism Village hosted 58 social justice organisations and movements, providing an opportunity for them to showcase their work while engaging and educating festival attendees on aspects of human rights.

The High impacts of the festival were:

Attracted new audiences: The Human Rights Festivals attracted more than 2 000 participants. By hosting the festival, the site catered to a different audience, broadened its appeal, and attracted a more diverse range of visitors.

Generated media buzz and publicity: The festival attracted a media buzz and publicity which raised the site's profile and attracted visitors who may not have previously been aware of its offerings. Through social media, an audience of more than eight million was reached, including 236 Twitter impressions; and a partnership with Daily Maverick led to the programme and content being distributed to 2 000 readers.

Raised awareness: The festival provided a platform to raise awareness about issues related to human rights, social justice and equality. This helped to educate and inform attendees about important social and political issues and encourage them to act.

Fostered community engagement: Fifty dialogues were hosted with social justice organisations as partners. This brought together people from diverse backgrounds and communities to celebrate diversity and promote inclusivity – stimulating conversation on social justice issues and fostering social cohesion.

Promoted cultural exchange: The festival provided an opportunity for people to learn about diverse cultures, traditions, and perspectives. This catalysed understanding and respect for diversity.

Provided a platform for artistic expression: Through its programming, the festival showcased different forms of artistic expression, including music, dance, theatre and visual arts – which served to promote creativity and encourage people to use art as a means of social and political expression.

Supported local businesses: The festival attracted visitors from outside the region, which provided a boost to the local economy, supported local businesses, and helped to create much-needed jobs.

Economic impact on the Host City

The investment into the host economy of Gauteng to organise the festival, excluding local sponsorship, amounted to R2 573 460. However, when considering the financial outflows and the multiplier effect, the total economic impact on the local economy was considerably more significant, reaching a staggering R5 891 944.

During the event, 102 local creatives had the opportunity to trade onsite. The event saw 104 artists, musicians and other performers showcasing their talents, enabling them to reach new audiences. This activity played a key role in nurturing a vibrant and diverse creative community, which, in turn, attracted further strategic partners and talent from the creative industries. This dynamic synergy also contributed indirectly to positive local economic growth.

Hosting the festival also brought about enhanced media coverage for ConHill. The increased visibility highlighted the site's cultural and tourism offerings, presenting them to a wider audience. It created market access opportunities for 62 creatives, who were hosted and incubated at the Creative Hub. Therefore, the festival played a multi-faceted role in supporting the local creative economy and promoting cultural enrichment in Gauteng.

New Tourism Experiences Produced to Drive Visits to Gauteng

ConHill has played a significant role in increasing the province's ability to attract visitors. With its unique role in promoting the heritage and history of both the province and the country, ConHill has contributed to diversifying tourism experiences. The development of new exhibitions and programmes allows visitors to delve into the rich cultural history of South Africa and gain unique insights into the country's struggle for democracy and freedom. This deepens visitors' understanding of the intricate social and political issues woven together to shape our nation.

In addition to its in-house efforts, ConHill has fostered partnerships with other tourism stakeholders in the province, curating novel tourism experiences that highlight the region's diverse cultural and natural attractions. These partnerships have not only expanded the reach and impact of ConHill but have also contributed to a more diverse and compelling tourism offering in the province.

The targeted number of tourism experiences introduced was surpassed by one, with 11 new tourism experiences having been introduced. This progress enhanced the area's appeal by offering unique and engaging cultural experiences to both locals and visitors. These new tourism experiences include the Art and Justice and the Creative Hub Tours, the Night Ghost, and the Social Justice Tours plus the LGBTQIA+1 Tours.

Tourism SMMEs Provided with Market Access

By facilitating market access, ConHill actively supports the growth and development of SMMEs in the tourism sector. This, in turn, stimulates economic growth and job creation in local communities. Such support manifests itself in various forms: marketing and promoting SMMEs for customer attraction, forging connections with other industry businesses, and providing training and development opportunities to improve the quality of the services offered by these enterprises.

Beyond the direct benefits for the SMMEs, facilitating market access has had a wider influence on the province's tourism industry. By endorsing and nurturing a diverse array of businesses, ConHill has broadened the area's tourism offering, making it more appealing to visitors and, ultimately, driving economic growth. During the review period, market access opportunities were granted to 82 SMMEs, surpassing the initial target of 80.

Some of the key benefits for SMMEs of engaging with ConHill include:

- **Enhanced brand recognition:** The interventions resulted in improved visibility through marketing efforts that elevated participating businesses' brand and reputation. This makes them more valuable in the eyes of customers through the strong ConHill brand position, which in turn amplified the SMMEs' brand.
- **Competitive advantage:** Effective marketing afforded marketing opportunities to the SMMEs through social media profiling, leading to a higher competitive edge and market value due to differentiation and unique selling propositions offered to a larger ConHill audience and stakeholders.
- **Revenue growth potential:** Increased visibility attracted more customers; giving SMMEs access to a diverse market to generate higher sales, which had a positive impact on their market value.

[1]Lesbian, Gay, Bisexual, Transgender, and the diverse sexual orientations and gender identities

Cultural and Creative Industries (CCI) Support Organisations at the Creative Hub

Supporting CCIs in the Creative Hub at ConHill is significant for both the organisations themselves and the broader creative industry. By providing support services to the creatives, the CCI support organisations help to strengthen the capacity and capabilities of the creative SMMEs. Support organisations also uplift individual artists and creative businesses. This assistance comes in many forms, including training and development opportunities, access to funding and resources, and networking and collaboration opportunities with other organisations in the industry. By providing these support services, these organisations help fortify the capacity and capabilities of individual artists and creative businesses in South Africa. This stimulates economic activity and job creation in the creative industry, in addition to producing innovative and culturally rich products and services. Currently, these are sourced by the merchandise store, where they are on sale to tourists at the site. The partnerships and collaborations between different organisations and individuals within the industry have fostered a more vibrant, interconnected creative ecosystem in Gauteng. This has led to increased innovation, competitiveness, and recognition of the South African creative industry on both a local and global scale.

During the period under review, eight CCIs were recruited into the Creative Hub, including the South African Creative Industries Incubator, Animation SA, the Flame Recording Studio, Maxum Digital, Concert SA, the Craft and Design Institute and the Bubblegum Club.

Maxum Digital

Maxum Digital offers numerous benefits for the creative sector at ConHill. It provides opportunities for creative professionals to enhance their digital skills, and access cutting-edge technology. It also fosters collaboration and networking within the vibrant creative community. The programme offers business development support, market access, and exposure, which empowers creatives to thrive as entrepreneurs. With a focus on innovation and experimentation, creatives are able to take advantage of a supportive environment that encourages creativity and pushes the boundaries of what is possible using digital innovations in the creative sector.

Through the Flame Recording Studio

ConHill gathered in the Music Bridges Flame Studio, which facilitates collaboration among artists, musicians, and producers. By bringing together individuals from different musical backgrounds and genres, the studio encouraged the exchange of ideas and the exploration of new creative possibilities. This collaborative environment led to the development of unique and innovative musical projects; positively impacting 200 creatives.

Creative Businesses Accommodated in the Creative Hub

By providing studio space for creative businesses to work, collaborate and access resources and support services, the Creative Hub contributes to the growth and sustainability of the creative industry in Gauteng. During the review period, the Hub hosted 50 businesses, sparking increased economic activity in the creative industry, including job creation, revenue generation and increased competitiveness. The Hub facilitated increased collaboration and knowledge-sharing among creative businesses. This led to the development of innovative products and services such as fashion accessories made from recycled materials and gin infused with indigenous products such as impepho.

The presence of diverse creative businesses in the Creative Hub at ConHill has undoubtedly had a positive impact on the vibrancy and cultural richness of the area. This has made ConHill an appealing destination for tourists and visitors, further establishing its reputation as a hub for creativity and innovation in Gauteng.

The collaboration and partnerships formed between ConHill and the US Embassy on a programme to connect local creatives with US markets is a significant achievement. Such partnerships provide opportunities for creatives to showcase their work on an international platform and expand their reach beyond South Africa. They also enhance the reputation of ConHill as a leading cultural institution in the country.

These collaborations and initiatives not only benefit the individual creatives involved but also contribute to the growth and development of the local creative industry. By connecting with international markets and fostering exchange programmes, the Creative Hub at ConHill helps to nurture a thriving creative ecosystem, encouraging innovation and economic growth. Overall, ConHill's success in positioning itself as a hub for creativity and innovation, and its partnerships with the US Embassy, have undoubtedly played a vital role in enhancing its reputation and establishing it as a leading cultural institution in South Africa.

Incubator and Accelerator Programmes Implemented in the Creative Hub

The accelerator programmes play a crucial role in developing and nurturing creative businesses. They provide the necessary resources, mentorship, and training to support them on their journey to success. By offering these programmes, ConHill attracted and supported a host of creative businesses, enabling growth and sustainability for the local creative economy. The programme responds positively to a skills gap in the development of new products and has implemented interventions such as soap-making, digital content production, jeans-making, bead-making and other crafts so that emerging creatives may be upskilled. The Creative Hub also presents an opportunity for emerging entrepreneurs to learn from experienced professionals and this has led to the development of innovative and impactful ideas. Ultimately, the success of these programmes resulted in job creation and overall economic growth. Of the 533 participants, 10% have been granted market access opportunities during the review period. Below are some of the activities implemented through the Incubator and accelerator programme.

Table 47: Incubator and Accelerator Programmes implemented in the Creative Hub

PROGRAMME	AUDIENCE	DESCRIPTION
Dar pode	Artist, creatives, students	Heloisa Hariadne harnesses the power of her artwork to construct fresh realms of imagination and storytelling. Through her paintings, she explores a diverse array of themes, including environmental concerns, dietary practices, and the safeguarding of indigenous knowledge systems. Her creations seamlessly blend the memories ingrained within her being, forming a harmonious dance of ideas. With each stroke of her brush, she challenges her own desires and motivations, encapsulating an intimate portrait that weaves together a unique and personal poetic narrative. Her paintings serve as a visual translation of her innermost thoughts and emotions
Mentorship Programme	Artists and creatives	This programme is to assist fine artists with business development skills.
Reimaged self, a group show Exhibition	Artists and Public	"Reimaged Self" is an exhibition that showcases the artistic endeavours of Farhana Jacobs and Boemo Diale. This collective presentation delves into the process of reimagining and recontextualising, which both artists employ in their respective bodies of work. By reflecting on their personal encounters within various environments, they examine how these experiences shape their artistic expressions. With contrasting yet thematically connected artworks, the exhibition captivates viewers through vibrant visual portrayals. Within these artworks, idealised depictions of the human form are thoughtfully explored, inviting contemplation on the complexities of self-perception and representation.
Death and Resurrection Keiskamma Exhibition Launch	Visual Artists	This retrospective exhibition foregrounds the traditional oral histories and acts as a loudhailer through which to amplify the stories and experiences by, and for the people who are otherwise not heard.
Rendering Realities Temporary Exhibition by Tzung Hui Lauren Lee	The public and Creatives	"Rendering Realities" is a captivating temporary exhibition curated by Tzung Hui Lauren Lee. This thought-provoking showcase invites viewers to explore the intricate relationship between art, perception, and reality. Through her meticulously crafted artworks, Lee delves into the complexities of human experiences and the multi-layered nature of our shared reality.
Smithsonian's National Museum of African Art Takes Its NMAFA+ Series to South Africa	The public and Creatives	Curated by Johannesburg-based artist Siwa Mgoboza, "The Demonstration" experiences focused on the theme of "Our Shared Future: Reckoning with Our Racial Past," which aligns with ConHill's values. The exhibition was designed to support and amplify South African artists whose work pushes boundaries and provokes important conversations.
Kwenzekile Exhibition Development	Visual artists	The exhibition explores black popular culture and social issues affecting communities; showcasing a range of artistic mediums, including paintings, sculptures, photographs, and installations.

Table 47: Incubator and Accelerator Programmes implemented in the Creative Hub (continued)

PROGRAMME	AUDIENCE	DESCRIPTION
Inganekwane Exhibition Artist Talk	Artists, Schools, Photographers	The term "Inganekwane" holds significant meaning in the Nguni language, encompassing the art of storytelling, fables, and the creation of history through the power of narrative performance. This exhibition is dedicated to the exploration of Khumalo Street as a profound repository of collective memory, where the community's wealth of knowledge can be shared, celebrated, and preserved. By embracing this intricate tapestry of memory, the exhibition seeks to establish a deep interconnection between narrative and history, allowing for a rich and vibrant exchange of cultural heritage.
O mang Exhibition	Artist, Creatives, Students, etc.	The "O mang" exhibition presents a captivating and introspective exploration of identity and belonging. Through a diverse array of artistic mediums and techniques, the exhibition delves into the complex question of "Who am I?" and the search for a sense of place and purpose. Drawing inspiration from the title, which translates to "Who am I?" in Setswana, the exhibition invites viewers to embark on a deeply personal and thought-provoking journey. Each artwork reflects the artist's unique perspective and experiences, touching on themes such as cultural heritage, societal norms, and personal narratives.

New Local Products Developed by Creative SMMEs

ConHill collaborated with Imbali and Art Aid to develop local products. During the review period, 240 products were developed by creatives, who were primarily recruited from townships and informal settlements. The creatives' innovative work has resulted in items that resonate on both a local and a global scale.

The creation of these new products has enabled market expansion through the merchandise shop at ConHill. This has, in turn, generated the potential for increased revenues for the creative individuals involved. The creation of new local products was also influenced by collaborations with peer sites such as the Ditsong Museum of National History.

Engaging with established organisations such as Art Aid and Imbali has boosted ConHill's visibility and brand recognition – on both local and international platforms. This collaboration resulted in an opportunity to partner with the US Embassy, aiming to explore wider market access opportunities for these creatives.

Working alongside local artists and crafters has offered skills development and employment opportunities to 50 young individuals. This interaction contributes significantly to the social and economic development of the area surrounding ConHill.

The Creative Hub at ConHill fostered the development of various local products across a host of creative industries. The specific types of products developed have varied. These are clustered below for ease of reference.

- Visual Arts: artists created paintings, sculptures, ceramics, photographs, and mixed-media artworks.
- Fashion and Textiles: designers developed clothing, accessories, textiles, and home-decor items.
- Crafts and Handmade Products: Artisans and crafters produced handmade jewellery, pottery, leather goods, woodwork, and other unique craft items.

Participants in the programme were introduced to the technique, which afforded them the opportunity to explore and experiment with paper cut stencils. In the first two sessions they developed an understanding of screen-printing and how it works. They also acquired the technique of using the squeegee; applying ink evenly and in the correct quantities to make a good print. Participants were introduced to photographic screen printing and exposing their designs photographically onto the screen.

Accessories

Creamo Crafts accessories created as part of the Imbali and Art Aid collaboration, now stocked at ConHill.

Arts and Craft

Percentage of Land Parcel E constructed

The construction of the 'We, the People Park' at ConHill is aimed at enhancing the visitor experience by providing a green and tranquil space for relaxation and reflection. It will also contribute to the rejuvenation and beautification of the surrounding area, making ConHill a more attractive destination for tourists and locals alike. The park will promote community engagement and social cohesion, providing a space for events and activities that bring together people from diverse backgrounds.

There has been slow progress in the development of the We, the People Park, as the construction company faced financial challenges during the second quarter of the financial year under review. The park's development has currently reached 77% completion, falling short of achieving the goal of 100% by the end of the second quarter of the financial year under review. This shortfall is largely due to the contractor's cashflow problems, which led to a halt in onsite work from 9 January 2023. Consequently, the contractor was issued with a default notice to remedy the situation and recommence work before 2 March 2023. Following non-compliance, the contract was terminated on 10 March 2023. A new procurement process is now underway to engage a different contractor, with an estimated completion time frame of eight months.

Visitor Centre Facility Designs Completed

ConHill successfully completed the designs for five key facilities within the visitor centre, achieving 100% of the target. These designs include plans for co-working spaces for tour operators and hot-desking, an exhibition and dialogues space, a restaurant, a conference centre, and office space.

These facilities will enhance visitor experience; Increase visitor engagement; enhanced interpretation – helping visitors understand the historical and cultural context of ConHill and improved revenue generation through increased ticket sales, merchandise sales.

Conhill Public Programmes Hosted

ConHill significantly surpassed its target, hosting 148 public programmes, achieving a remarkable 185% of the original goal of 80 events. The public programmes, exploring themes of social justice, succeeded in increasing public engagement through workshops and performances, attracting a diverse audience, and fostering a sense of community engagement. ConHill's commitment to promoting cultural and educational initiatives shone through in these programmes, as it aimed to deepen public understanding of the history of South Africa's struggle for democracy, human rights, and social justice. To enhance the impact of the initiatives, partnerships were secured with government bodies, social justice organisations, the private sector, and schools. By hosting public programmes collaboratively with other organisations and stakeholders in the arts, culture, and education sectors, ConHill increased its visibility and positively grew its reputation.

Market-goers at the Human Rights Festival

PROGRAMME 5: CONHILL – ORIGINALLY TABLED APP

Table 48: Outcomes, outputs, output indicators, targets, and actual achievements

Programme 5: ConHill Originally tabled APP					
Outcome2	**Output**	**Output indicator**	**Audited actual performance 2020/2021FY**	**Audited actual performance 2021/2022FY**	
High-growth priority sectors	Number of (ConHill) strategic tourism infrastructure assets funded to improve the service quality offering in the province	Number of facilities in the visitor centre completed	–	–	
		PPP process steps concluded for the development of the remaining land parcels	–	Finalisation of the feasibility study	
	Consumer Programmes suite to reboot the visitor economy. (leisure, business, and events) of ConHill	Number of leisure visitors to ConHill	2 187	10 256	
	Consumer programmes suite to reboot the visitor economy (leisure, business and events) of ConHill	Number of ConHill-owned signature events	2	2	
	Tourism SMMEs capacitated	Number of new tourism experiences produced to drive visitation in the province	–	–	

[2]The outcomes in the ConHill and the Group APP were not aligned. The discrepancy was corrected during the APP revision.

	Planned annual target 2022/23FY	Actual achievement 2022/23FY at 30 September 2022	Deviation from planned target to Actual Achievement 2022/23FY	Reasons for deviations	Reasons for revisions to the outputs/output indicators/annual targets
	5	0	-5	The target was mistakenly formulated to measure infrastructure instead of the developed designs. As a result of this error, the two designs created in the first two quarters of the financial year will be recorded once the approval to rectify the indicator's naming has been obtained	Rephrasing of the output to align to the indicator deliverable
	TA1 approval by the National Treasury	No tenancy secured	-60% tenants secured	The stakeholder engagement strategy resulted in only three Chapter 9 institutions indicating their intention to take up tenancy	The indicator was relegated to the operational plan as it is activity-based and not within the control of the entity
	25 000	20 862	-4 138	This was an annual target due for reporting on at year end	The outcome was replaced to align with the indicator deliverables
	2	0	-	The two signature events were planned for the Q3 and Q4 reporting periods	The outcome was rephrased to align with the indicator deliverables
	10	3	-7	The seven tourism experiences were planned for the quarter three and quarter four reporting periods	The outcome was rephrased to align with the indicator deliverables

PROGRAMME 5: CONHILL – ORIGINALLY TABLED APP

Table 48: Outcomes, outputs, output indicators, targets, and actual achievements (continued)

Programme 5: ConHill Originally tabled APP					
Outcome2	**Output**	**Output indicator**	**Audited actual performance 2020/2021FY**	**Audited actual performance 2021/2022FY**	
High-growth priority sectors	Tourism SMMEs capacitated	Number of tourism SMMEs provided with market access	143	102	
		Number of tourism participants incubated through Tourism Centre of Excellence programmes	–	–	
	Building CCI networks and clusters	Number of CCI support organisations providing support services in the Creative Hub	–	–	
	Provision of infrastructure, workspaces, production facilities and access to equipment for creatives	Number of Creative Businesses accommodated in the Creative Hub	–	–	
	Nurturing human capital within the CCI	Number of incubator and accelerator programmes implemented in the Creative Hub	–	–	
		Number of Creative benefiting from Creative Uprising programmes		2 754	
	Public discourse on human rights issues	Number of public programmes hosted	9	126	

	Planned annual target 2022/23FY	Actual achievement 2022/23FY at 30 September 2022	Deviation from planned target to Actual Achievement 2022/23FY	Reasons for deviations	Reasons for revisions to the outputs/output indicators/annual targets
	80	40	-40	The outstanding targets were planned for reporting at the end of quarter three and quarter four	The outcome was rephrased to align with the indicator deliverables
	50	61	+11	Through a gainful partnership with the Gauteng Tourism Authority, the site was able to widen its reach and was over-subscribed for workshops	The outcome was rephrased to align with the indicator deliverables
	8	4	-4	The outstanding targets were planned for reporting at the end of the quarter three and quarter four reporting periods	The outcome was rephrased to align with the indicator deliverables
	50	10	-40	The outstanding targets were planned for reporting at the end of quarter three and quarter four reporting periods	The outcome was rephrased to align with the indicator deliverables
	10	6	-4	The outstanding targets were planned for reporting at the end of quarter three and quarter four reporting periods	The outcome was rephrased to align with the indicator deliverables
	2 500	1 419	-1 081	The Creative Uprising programme has experienced high subscription rates as there is a demand for the content, opportunities and resources provided by the Hub at ConHill	The KPI was removed and integrated into the creatives programme driven by the Gauteng Department of Economic Development for greater integrated reporting of the creative industry interventions
	80	98	+18	ConHill's strategic partnerships and collaborations with like-minded stakeholders such as - the Smithsonian Museum of African Art - the Moleskine Foundation, for Women's Month programming and lead-up activities to Basha Uhuru, significantly expanded the number of interventions implemented	The outcome has been replaced to align with the indicator deliverables

PROGRAMME 5: CONHILL – RE-TABLED APP

Table 49: Outcomes, outputs, output indicators, targets, and actual achievements - Re-tabled APP

Programme 5: ConHill Re-tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Increased levels of economic activity through strategic economic infrastructure	Number of (ConHill) strategic tourism infrastructure assets funded to improve service quality offering in the province	% of Land Parcel E constructed	25% construction not concluded	0%	
		Number of visitor centre facility designs completed	–	–	
Improved social cohesion through constitutionalism	Consumer programmes suite to reboot the visitor economy (leisure, business and events) of ConHill	Number of leisure visitors to ConHill	2 187	10 256	
		Number of ConHill-owned signature events	2	2	
	Tourism SMMEs capacitated	Number of tourism SMMEs provided with market access	143	102	
		Number of tourism participants incubated through Tourism Centre of Excellence programmes	–	–	
		Number of new tourism experiences produced to drive visits in the province	–	–	

Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
100%	77%	-23%	Poor performance by the contractor occurred due to cashflow challenges and as a result there was no work activity onsite from 9 January 2023 The contractor was issued with a notice of default to be remedied by commencing with works before 2 March 2023, which the contractor failed to remedy and was issued with a termination letter
5	5	–	–
25 000	39 395	+14 395	The rise in visitor numbers at ConHill can be attributed to the recovery of the tourism sector, leading to a boost in museum attendance in the province and specifically at the site. This encouraging trend is reinforced by ConHill's successful marketing efforts and targeted leisure campaigns, which aim to promote the site as a preferred destination and attract a greater number of visitors
2	2	–	–
80	82	+2	Through a robust partnership and collaboration with the Gauteng tourism authority, ConHill has expanded its ability to provide tourism SMMEs with increased market access opportunities for their products and services. This strong alliance has enabled ConHill to offer a broader range of avenues for tourism SMMEs to showcase and promote their offerings
50	130	+80	The high demand for interventions aimed at mitigating the adverse effects of the pandemic on SMMEs is a direct response to the expressed needs of these businesses. They seek rapid response programmes that resolve the challenges of establishing sustainable enterprises amid the pandemic, accessing government support for business recovery in the tourism sector and meeting compliance requirements or operating a tourism business. These interventions, which include comprehensive training in key business skills such as marketing, sales and customer service have not only resulted in increased market access and sales but have also surpassed the initial projections for the number of beneficiaries
10	11	+1	The increase is a result of ConHill's proactive approach in responding to the evolving demands and expectations of the market. By introducing new experiences and aligning them with site activities and national commemorative events, through these interventions ConHill enhanced visits to the site and catered to a broader audience

PROGRAMME 5: CONHILL – RE-TABLED APP

Table 49: Outcomes, outputs, output indicators, targets, and actual achievements - Re-tabled APP (continued)

Programme 5: ConHill Re-tabled APP					
Outcome	**Output**	**Output indicator**	**Audited actual performance 2020/21FY**	**Audited actual performance 2021/22FY**	
Enhanced transformation in the economy	Building CCI networks and clusters	Number of CCI support organisations providing support services in the Creative Hub	–	–	
	Provision of infrastructure, workspaces, production facilities and access to equipment for creatives	Number of creative businesses accommodated in the Creative Hub	–	–	
	Nurturing human capital in the CCI	Number of incubator and accelerator programmes implemented in the Creative Hub	–	–	
	Expanding access to markets through trade fairs, festivals, events E-commerce platforms Online B2B or B2C platforms and distribution channels	Number of new local products developed by creative SMMEs	New	107	
	Public discourse on human rights issues	Number of public programmes hosted	9	126	

	Planned annual target 2022/23FY	Actual achievement 2022/23FY	Deviation from planned target to actual achievement 2022/23FY	Reasons for deviations
	6	8	+2	The Creative Hub has garnered significant interest from creative businesses due to its appealing array of resources, facilities and collaboration opportunities. It offers a supportive environment where creative entrepreneurs can come together, fostering collaboration and networking with fellow like-minded individuals and organisations – resulting in over-subscription from creative and cultural industry support organisations
	50	50	–	–
	10	11	+1	Innovating and adapting incubation programmes to meet the changing needs of the creative industry, resulting in higher success rates and a stronger reputation in the industry
	200	240	+40	The programme experienced over- subscription due to: – High demand for the product development mentorship programme: the high levels of interest and demand among SMMEs for product development support, due to the perceived value of developing new products and opportunity to market access – Reputation of the programme: the programme has established a compelling reputation for delivering results and helping SMMEs achieve their product development goals in the past financial year
	80	138	+58	The increased collaboration with social justice organisations has supported ConHill to fulfil its mission of promoting human rights, democracy and social justice while also expanding its reach and impact, resulting in overachieving

Table 50: Linking performance to budgets

Programme/ activity/ objective	2021/22FY			2022/23FY		
	Budget (R'000)	Actual expenditure (R'000)	(Over)/ under expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over)/ under expenditure (R'000)
Education and public programmes	850	850	0	1 800	1 334	466
Exhibitions	150	150	0	300	300	0
Facilities management.	37 752	38 646	(894)	44 260	41 966	2 294
Venue hire	320	276	44	1 200	1 561	(361)
Tourism (visitors).	12	12	0	12	12	0
Total	**39 084**	**39 934**	**(850)**	**47 572**	**45 173**	**2 399**

REASONS FOR OVER/UNDER EXPENDITURE

2022/23

The operating results for the financial year and the state of affairs of the company are fully set out in the attached financial statements. The company's operating surplus was R28,3 million, with a net asset value of the company to R334 million (2022: deficit of R2,9 million). During the current financial year, ConHill received a total grant of R73,4 million (including VAT) from the GGDA.

Spend Analysis

The ConHill underspend was mainly caused by management control processes to curtail expenditure as part of a sustainability recovery strategy. The underspend was mainly on employee cost R575 000 (3%) as less overtime worked, marketing expenses of R518 000, audit fees of R120 000, travelling costs of R211 000 and other general operating expense of R885 000. The underspend did not negatively affect the performance of ConHill, which has achieved 92% of the performance targets. In the 2021/22FY ConHill overspent by R850 000, mainly due to unanticipated repairs and maintenance expenses.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

Infrastructure: Development of Land Parcel E (We, the People Park)

1. Conduct a thorough review and analysis of the project: A final report on the project was prepared detailing the areas of under-performance and the causes of these problems. This involved external consultants and the professional team to provide objective insights and recommendations for improvement.
2. Develop and implement a comprehensive project management plan: A well-designed project management plan has now been developed, including clear timelines, budgets, performance metrics and risk management strategies.
3. Improve project governance and stakeholder management: Establishing clear lines of communication and stakeholder engagement, including government agencies, local communities, and private-sector partners.
4. Improve the capacity of the project team: Ensuring that the team has the necessary skills, experience, and resources to deliver the project successfully – and continuous monitoring by the GGDA – EPMO.

Changes to Planned Targets

Changes to planned targets are reflected in the revised APP, and performance against changed targets is reflected in the table.

Exterior of the South African Constitutional Court

REVENUE COLLECTION

RENTAL INCOME

The variance under rental income is mainly due to non-cash items relating to the lease smoothing adjustment.

Table 51: Sources of revenue

	2021/22FY			2022/23FY		
Sources of revenue	**Estimate**	**Actual amount collected**	**(Over)/ under collection**	**Estimate**	**Actual amount collected**	**(Over)/ under collection**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Rental income	26 510	42 867	(16 358)	35 396	51 340	(15 944)
Rental of facilities and equipment	74 391	71 612	2 779	52 086	50 712	1 374
Project income (non-MTEF)	29 451	11 968	17 483	23 377	19 585	3 792
Rendering of services	96 416	98 579	(2 163)	106 709	122 264	(15 555)
Admission fee	800	718	82	2 649	2 938	(290)
Total	**227 568**	**225 744**	**1 823**	**220 217**	**246 840**	**(26 623)**

CAPITAL INVESTMENT

Group Capital Investment

Progress made on implementing the capital, investment and asset management plan
Refer to progress reported on the following: EPMO progress. See pages 54 to 55.

INFRASTRUCTURE PROJECTS WHICH HAVE BEEN COMPLETED IN THE 2022/23FY

No infrastructure projects have been completed during the period under review.

There are no plans to close or downgrade any current facilities.

The maintenance across the Group is based on the annual plans in place for the infrastructure.

The GGDA Group manages the disposal, scrapping and loss of assets due to theft in a thorough manner. In this regard, actions are carried out only after receiving Board approval. For stolen items, reimbursement is effected either through insurance claims or recovery from the responsible employee in the case of negligence.

The Group's assets are managed in accordance with a robust asset management policy that stipulates specific procedures to ensure uniformity across the Group. This is as prescribed by the Public Finance Management Act (PFMA), Treasury Regulations and the requirements of GRAP. The GGDA Group maintains a fixed asset register and monitors the existence and condition of assets during bi-annual asset verification processes. The assets are consistently maintained according to a maintenance plan and are typically in either 'good' or fair' condition.

Table 52: Expenditure on various infrastructure projects

Infrastructure projects	2021/22FY			2022/23FY		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
ConHill visitor centre	174 928	0	174 928	61 429	25 339	36 090
BioPark Phase 3	162 519	27 637	134 882	145 735	58 496	87 239
Township Hub refurbishment	62 412	0	62 412	62 412	1 722	60 690
Extension to Nissan IC	6 750	0	6 750	5 200	0	5 200
Extension to Ford IC	4 000	0	4 000	4 500	0	4 500
GIDZ Southern Precinct	52 144	34 950	17 194	168 711	174 618	(5 907)
GIDZ Northern Precinct	1 200	0	1 200	0	0	0
JMP Superblock	19 658	13 583	6 075	0	0	0
Total	**483 611**	**76 170**	**407 441**	**447 987**	**260 175**	**187 812**

PART C

GOVERNANCE

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INTRODUCTION

Corporate governance encapsulates the processes and systems through which public entities are directed, controlled, and held accountable. Beyond legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance for public entities is applied through the principles of the PFMA; these principles run concurrently with those contained in the King IV Report on Corporate Governance. The Board of the GGDA is ultimately responsible for ensuring compliance with corporate governance standards. The GGDA Group maintains an unwavering commitment to business integrity, fairness, transparency and accountability in all its activities.

EXECUTIVE AUTHORITY

The GGDA delivers monthly progress reports to its shareholder and participates in the GDED senior and executive management team meetings. Reports approved by the Board are submitted to the GDED quarterly; additional data and information are provided upon request. The Board attends briefing sessions when requested to do so by the Executive Authority. Representatives of the shareholder serve on the Board and participate in Board meetings. The GGDA, established under the 2012 amendment to the Blue IQ Investment Holdings Act by the GPG, reports to the GDED.

THE BOARD

The role of the Board is described by the following activities:

- provide strategic direction and leadership;
- determine the goals and objectives of the company;
- approve key policies, including investment and risk management;
- review the company's goals and strategies for achieving its objectives;
- approve and monitor compliance with corporate plans, financial plans, and budgets;
- review and approve the company's financial objectives, plans and expenditure;
- consider and approve the Annual Financial Statements, interim statements, and notices to the shareholder;
- ensure good corporate governance and ethics;
- monitor and review the performance and effectiveness of controls;
- ensure effective communication with relevant stakeholders;
- liaise with and report to the shareholder;
- guide key initiatives;
- approve transactions beyond the authority of management;
- consider and adopt, if appropriate, operating budgets and business plans proposed by management for the achievement of its strategic direction;
- delegate authority for capital expenditure;
- ensure ethical behaviour and compliance with relevant laws and regulations, audit, and accounting principles, and the GGDA's internal governing documents and codes of conduct; and
- act responsibly towards the GGDA's relevant stakeholders.

The Board regularly reviews its annual plan to ensure that sufficient time is allocated for the review of its strategy, which involves the analysis of the choices articulated in such strategy and the ongoing review of progress against approved plans.

A). BOARD CHARTER

The Board charter sets out the roles, duties and responsibilities of the Board in addition to salient corporate governance principles. The Board and Committee charters are revised annually to ensure their effectiveness and relevance. In line with the charter, the Board met a minimum of four times during this financial year to discharge its duties as set out in the PFMA and the King IV Report on Corporate Governance. The proceedings at meetings are directed by a formal agenda. The proposed agenda is circulated prior to the meeting to allow Board members sufficient opportunity to request additional agenda items. In addition, a comprehensive Board pack is distributed to all members in advance of meetings to ensure that they are properly informed and to enable them to undertake meaningful discussions and discharge their duties effectively.

Board packs typically include:

- an agenda;
- the previous meeting's minutes;
- copies of any resolutions passed since the last Board meeting; and
- a governance update to assist Board members in keeping abreast of relevant legislation.

All Board members have unrestricted access to the Company Secretary and all Board records, as well as to independent professional advice in appropriate circumstances.

Construction at ConHill Visitors Centre

COMPOSITION OF THE BOARD

Table 53: Particulars of the GGDA Board members

Name	Designation	Date appointed	Date resigned	Qualifications	
Dr S. Vilakazi	Chairperson	1 October 2021	24 March 2023	• Ph.D: Organisational Development and Diversity Management • Finance for Non-Financial Managers • M.A.: Research Psychology • B.Soc.Sci. (Hons): Psychology • B.Soc.Sci.: Psychology • Marketing Certificate	
Mr T. Fakude	Deputy Chairperson	1 October 2021	24 March 2023	• B.A. with Honours • M.A. • Certificate of Proficiency in Employee Benefits • Certificate of Participation, Role of Media in the Society • Certificate of Recognition, Preparation for 9th Al Jazeera Forum	
Mr K. Matabane	Non-executive director	1 October 2021	24 March 2023	• M.B.L. • Senior Executive Development Programme • Leadership Development Programme • Post-Graduate Diploma in Business Administration • Certificate Programme in Financial Analysis • B.Tech.: Cost and Management Accounting • National Diploma: Cost and Management Accounting	
Adv. K. Maja	Non-executive director	1 October 2021	24 March 2023	• L.L.B. • M.B.L. (current).	

	Area of expertise	Board directorships	Other committees or task teams	No. of meetings attended
	• Research • Organisational development and diversity management • Business strategy • Customer strategy design and implementation	• Kalagadi Manganese Mining company. Member of the Social, Ethics and Transformation Committee and the Safety, Health, and Environmental Committee • South African Music Rights Association (SAMRO). Chairperson: Social, Ethics and Governance Committee and Member: Nominations and Human Relations Committee • Black Management Forum Chairperson: Social and Ethics Committee	Member: GGDA Group Infrastructure, Trade, Investment and Regulatory Board Committee Member: GGDA Group Nomination, Human Resources and Remuneration Committee	22 of 22
	• Geopolitical research • Media engagements: broadcast and print • South African Tourism		Chairperson: GIDZ Board Member: GGDA Group Audit and Risk Committee Member: GGDA Group Trade, Investment and Regulatory Board Committee	21 of 22
	• Operations • Human Resources and Remuneration • Corporate Governance • Finance • Social and Ethics • General Management • Socio-Economic Transformation • PPPFA and PFMA	National Home Builders Registration Council and Presidential Broad-Based Black Economic Empowerment Advisory Council	Member: GGDA Group Trade, Investment and Regulatory Enablement Committee	20 of 22
	• Business banking • Corporate social responsibility strategies • Enterprise and supplier development • Socio-economic development • Stakeholder and partnerships management • Enterprise and supplier development • Governance and ethics • Community development • Trade, Investment, and Regulatory Enablement • Enterprise supplier development		Chairperson: The Innovation Hub Management Company Member: GGDA Group Audit and Risk Committee	21 of 22

COMPOSITION OF THE BOARD

Table 53: Particulars of the GGDA Board members (continued)

Name	Designation	Date appointed	Date resigned	Qualifications	
Mr D. Maimela	Non-executive director	1 October 2021	24 March 2023	• M.A. (Politics) • B.A. (Hons) • B.Pol.Sci.	
Mr E. Magerman	Non-executive director	1 October 2021	24 March 2023	• Advanced Certificate in Governance and Public Leadership • Governance and Leadership • Project Management Course	
Ms. T. Kutumela	Non-executive director	1 October 2021	24 March 2023	• B.Com. • L.L.B. • L.L.M. • Certificate in Competition Law • Certificates in Advanced Company Law • Certificate in Risk, Compliance and Governance • Certificate in Advanced Administrative Law	
Ms. M. Maroga	Non-executive director	1 October 2021 (re-appointed)	24 March 2023	• A.M.D.P. • M.Sc. Globalisation and Development (with merit) • Certificate in Marketing Management (Cum Laude) • B.A. (Hons) Industrial Sociology (Cum Laude) • B.A. Humanities (Cum Laude)	
Mr K. Sukdev	Non-executive director	1 October 2021	24 March 2023	• B.Bus.Sc. (Hons) • Fellow of Faculty of Actuaries • Certified Financial Planner • Fellow of Actuarial Society of South Africa • M.B.A.	
Ms. R. Letwaba	Non-executive director	1 October 2021	24 March 2023	• L.L.B. • B.Juris.	

	Area of expertise	Board directorships	Other committees or task teams	No. of meetings attended
	• Economic Development and Investment • Politics and Governance • Human Resources		Chairperson: GGDA Group Trade, Investment and Regulatory Enablement Committee Member: AIDC Board	20 of 22
	• Governance and Public Leadership	None	Member: GGDA Group Trade, Investment and Regulatory Board Committee Member: GGDA Group Audit and Risk Committee	22 of 22
	• Legal • Regulatory • Risk and Corporate Governance	Independent Regulatory Board for Auditors	Chairperson: GGDA Group Social and Ethics Committee Member: GIDZ Board	20 of 22
	• Project management • Policy and strategy development • Corporate social responsibility • Stakeholder management • Research, monitoring, and evaluation • Training and facilitation	Ex-officio member of the Old Mutual Foundation Board of Trustees Trustee of the Heineken South African Foundation	Chairperson: ConHill Board Member: GGDA Group Social and Ethics Committee	11 of 22
	• Finance • Economics • Retirement Funds • Risk Management • Strategic Planning • Audit and Risk Committees • Investments		Chairperson: GGDA Group Audit and Risk Committee Member: GGDA Group Nomination, Human Resources and Remuneration Committee Member: The Innovation Hub Management Company	21 of 22
	• Local government knowledge • Legislative sector knowledge • Public sector knowledge • Government functionality including inter-governmental relationships • Budget management • Human Resource management • Legal and regulatory environment • Operations at senior management • Public/stakeholder relations and strategic partnerships • Risk management experience • Community development • Project management	None	Chairperson: AIDC Board Member: GGDA Group Nomination, Human Resources and Remuneration Committee Member: GGDA Group Social and Ethics Committee	22 of 22

COMPOSITION OF THE BOARD

Table 53: Particulars of the GGDA Board members (continued)

Name	Designation	Date appointed	Date resigned	Qualifications	
Ms. T. Godongwana	Non-executive director	1 October 2021	24 March 2023	• B.Sc. • Business Management Diploma • Higher Diploma in Education • B.Ed. (current)	
Adv. L. Mokgatle	Non-executive director	1 October 2021	24 March 2023	• L.L.B. • Trained as an Attorney in Gaborone • Admitted as an Advocate of the Supreme Court	

Construction at ConHill Visitors Centre

	Area of expertise	Board directorships	Other committees or task teams	No. of meetings attended
	• Corporate Governance • Business and organisational development • Human Resources • Policy formulation, strategies, and procedures	South African Fishing Empowerment Company OR Tambo Premier Hotel (Chairperson) Buffalo City Municipality Development Agency HR and Investment Committee	Member: GGDA Group Social and Ethics Committee	14 of 22
	• Litigation • Commercial law • Legal advice • Legal writing and research • Legal research • Legal compliance	Non-executive director South African Forestry Company Limited since 2018 (Member: Human Resource and Remuneration, Social and Ethics, and Safety, Health, Environment and Quality committees) Sci-Bono since 2015 ending in October 2022 (Member: Social and Ethics Committee) Chancellor House Holdings since 2016 (Chair: Remuneration Committee and member: Audit and Risk Committee, and Investment Committee)	Member: ConHill Board Member: GGDA Group Audit and Risk Committee Member: GGDA Group Nomination, Human Resources and Remuneration Committee	19 of 22

COMMITTEES

The Board has the authority to form committees to aid in carrying out its responsibilities, powers, and authorities. The committees established by the Board include the Audit and Risk Committee, Social and Ethics Committee, Nomination, Human Resource and Remuneration Committee, and the Trade and Investment Board Committee. The functions of these committees are detailed in their respective charters. Additional members were appointed as members of the committees, after the financial year have started.

Table 54: Committees of the GGDA Group

Committee	Name	Designation	Date appointed	End of term	No. of meetings attended
GGDA Group Audit and Risk Committee*	Mr K. Sukdev	Chairperson	1 January 2022	24 March 2023	23 of 23
	Mr T. Fakude	Member	1 January 2022	24 March 2023	22 of 23
	Adv. L. Mokgatle	Member	1 January 2022	24 March 2023	21 of 23
	Mr E. Magerman	Member	1 January 2022	24 March 2023	23 of 23
	Adv. K. Maja	Member	1 January 2022	24 March 2023	21 of 23
	Ms. T. Godongwana	Member	28 April 2022	N/A	13 of 17
	Mr T. Ditshwane	Member	28 April 2022	N/A	17 of 17
	Ms. P. Mangoma	Member	28 April 2022	N/A	17 of 17
	Mr A. Latchu	Member	28 April 2022	N/A	16 of 17
	Mr G. Yende	Member	28 April 2022	N/A	17 of 17
GGDA Group Nomination, Human Resources and Remuneration Committee	Adv. L. Mokgatle	Chairperson	1 January 2022	N/A	6 of 6
	Mr K. Sukdev	Member	1 January 2022	24 March 2023	6 of 6
	Ms. R. Letwaba	Member	1 January 2022	24 March 2023	6 of 6
	Ms. T. Godongwana	Member	1 January 2022	24 March 2023	3 of 6
	Dr S. Vilakazi	Member	28 April 2022	24 March 2023	5 of 5
	Mr B. Gantile	Member	28 April 2022	N/A	3 of 5
	Ms. J. Phiri	Member	28 April 2022	N/A	4 of 5
	Mr R Maboe	Member	28 April 2022	N/A	5 of 5
GGDA Group Social and Ethics Committee	Ms. T. Kutumela	Chairperson	1 January 2022	24 March 2023	4 of 4
	Ms. M. Maroga	Member	1 January 2022	24 March 2023	3 of 4
	Ms. R. Letwaba	Member	1 January 2022	24 March 2023	4 of 4
	Ms. T. Godongwana	Member	1 January 2022	24 March 2023	3 of 4
	Mr G. More	Member	28 April 2022	N/A	3 of 3
	Mr R. Moeng	Member	28 April 2022	N/A	3 of 3
	Mr P. Nyandu	Member	28 April 2022	N/A	3 of 3
	Mr P. Mofokeng	Member	28 April 2022	N/A	3 of 3
	Mr M. Sebothoma	Member	28 April 2022	N/A	2 of 3

Committee	Name	Designation	Date appointed	End of term	No. of meetings attended
GGDA Group Infrastructure, Trade, Investment and Regulatory Enablement Committee	Mr D. Maimela	Chairperson	1 January 2022	24 March 2023	5 of 5
	Mr T. Fakude	Member	1 January 2022	24 March 2023	5 of 5
	Mr K. Matabane	Member	1 January 2022	24 March 2023	5 of 5
	Mr E. Magerman	Member	1 January 2022	24 March 2023	5 of 5
	Dr S. Vilakazi	28 April 2022	28 April 2022	24 March 2023	4 of 4
	Mr S. Mbele	28 April 2022	28 April 2022	N/A	4 of 4
	Ms. C Maluleke	28 April 2022	28 April 2022	N/A	4 of 4
	Mr B. Mboniswa	28 April 2022	28 April 2022	N/A	4 of 4
	Ms. T. Kutumela	28 April 2022	28 April 2022	N/A	4 of 4
	Dr R. Mamphiswana	28 April 2022	28 April 2022	N/A	4 of 4
	Mr B. Mabizela	28 April 2022	28 April 2022	N/A	3 of 4
GGDA Group Tender Review Committee	Ms. T. Godongwana	Chairperson	30 May 2022	N/A	2 of 2
	Dr. L. Konar	Member	30 May 2022	N/A	2 of 2
	Dr. C. Mbileni-Morema	Member	30 May 2022	N/A	2 of 2
	Ms. N. Thanjekwayo	Member	30 May 2022	N/A	2 of 2
	Dr. N. Skeepers	28 April 2022	30 May 2022	N/A	2 of 2
	Mr. X. Zulu	28 April 2022	30 May 2022	N/A	2 of 2
	Ms. N. Mashologu	28 April 2022	30 May 2022	N/A	0 of 2

REMUNERATION OF BOARD MEMBERS

Non-executive directors receive fees for their contributions to the Board and the committees on which they serve. The shareholder determines this rate in terms of a policy. Non-executive directors are also reimbursed for out-of-pocket expenses incurred on the company's behalf. Further information on directors' remuneration appears on pages 278 to 281.

Table 55: Directors' emoluments

Name	Remuneration	Other allowances	Other reimbursement	Total
Adv. Lentswe Mokgatle	459 584,50	-	856,90	460 441,40
Adv. Kgotso Maja	524 612,88	-	9 951,86	534 564,74
Dr Len Konar	118 495,00	-	1 127,76	119 622,76
Dr Rendani Mamphiswana	180 981,00	-	3 903,80	184 884,80
Dr Bongani Mabizela	103 708,00	-	1 869,30	105 577,30
Dr Charity Mbileni-Morema	166 776,25	-	3 929,20	170 705,45
Dr Natalie Skeepers	168 420,00	-	2 821,02	171 241,02
Dr Sibongile Vilakazi	442 158,50	-	10 384,59	452 543,09
Mr Butana Mboniswa	133 694,00	-	1 663,06	135 357,06
Mr David Maimela	340 208,75	-	3 907,14	344 115,89
Mr Errol Magerman	387 360,00	-	3 720,20	391 080,20
Mr Kganki Matabane	197 842,00	-	1 563,32	199 405,32
Mr Krishen Sukdev	494 065,00	-	2 668,28	496 733,28
Mr Mphulo Sebothoma	130 782 00	-	1 042,60	131 824,60
Mr Raleshaba Moeng	146 819,00	-	2 768,28	149 587,28
Mr Raymond Maboe	162 231,00	-	3 567,84	165 798,84
Mr Sipho Mbele	176 393,00	-	1 609,30	178 002,30
Mr Thembisa Fakude	570 885,50	-	15 811,52	586 697,02
Mr Ashley Latchu	236 166,00	-	3 016,00	239 182,00
Mr Gugu Yende	262 416,00	-	5 773,36	268 189,36
Mr Phila Nyandu	125 782,00	-	1 082,56	126 864,56
Mr Tshegofatsa Ditshwane	237 572,25	-	1 396,12	238 968,37
Mr Xolani Zulu	118 026,25	-	1 578,40	119 604,65
Mr Bonisile Gantile	143 594,50	-	2 870,00	146 464,50
Mr German More	177 231,00	-	2 707,00	179 938,00
Mr Pule Mofokeng	155 569,00	-	1 741,40	157 310,40
Ms Nelisile Thanjekwayo	163 594,50	-	1 793,16	165 387,66
Ms Princess Mangoma	219 660,25	-	1 588,40	221 248,65
Ms Carol Maluleka	143 481,00	-	1 605,12	145 086,12
Ms Joyce Phiri	123 026,25	-	1 519,20	124 545,45
Ms Millicent Maroga	213 250,25	-	338,58	213 588,83
Ms Refilwe Letwaba	421 340,50	-	12 607,36	433 947,86
Ms Thabiso Kutumela	381 988,50	-	2 353,34	384 341,84
Ms Thandiwe Godongwana	249 017,00	-	150,48	249 167,48
Ms Noluthando Mashologu	150 838,75	-	2 187,40	153 026,15
Grand Total	8 427 570,38	-	117 473,86	8 545 044,24

RISK AND ETHICS MANAGEMENT

Ethics Management

The GGDA recognises that risk and ethics management are key to enhancing strategic, operational and financial management, which are all crucial to delivering value to our stakeholders. For the GGDA to be a sustainable organisation, the leadership must proactively cultivate an organisational culture characterised by ethical leadership, ethics awareness, ethical decision-making and consistent ethical behaviour. Achieving a truly ethical culture is a long-term endeavour that requires sustained leadership commitment.

The GGDA has developed a three-year Ethics Strategy aimed at bolstering institutional integrity across the Group. This strategy is informed by the findings of a comprehensive Ethics Risk Assessment and Ethics Management Maturity Assessment process carried out within the GGDA Group. It is further informed by the outcomes of a culture survey conducted during the 2022/23FY. We believe that the implementation of this strategy will enable the GGDA Group to shape its ethical culture, encouraging all employees and stakeholders to act ethically – whether under scrutiny or not. By embarking on this ethical journey, the GGDA Group will be better positioned to ensure the effective, efficient, transparent, and ethical delivery of its intended outcomes, leading to improved services and increased stakeholder satisfaction.

The GGDA has implemented various measures to reduce ethics-related risks. These include a Fraud Prevention Policy that allows for anonymous reporting of fraud through an independently managed hotline, a robust policy framework to mitigate ethics risks and proactive communication with employees to ensure that they are aware of their ethical obligations and responsibilities.

Risk Management

The GGDA Board has approved a Risk Management Framework and Policy, which guides the management of risk across the Group. Oversight responsibilities for risk management have been delegated by the Board to the Audit and Risk Committee. Formalised reporting structures across the Group ensure that the Audit and Risk Committee receives quarterly risk reports that encompass the various business units, programmes, and the overall performance of the organisation. The GGDA views risk management as a means to create sustainable value for stakeholders in a responsible manner. Detailed risk assessments and management plans have been implemented throughout the Group to ensure effective risk management. Key strategic risks that received focused attention include:

- **Project delivery risks:** Key mitigations include strengthening capacity (both human resources and systems) to improve project management in the EPMO unit and enhancing project oversight to improve the escalation and resolution of risk events.
- **Risks arising from weak inter-governmental relations:** An IGR matrix has been developed and is being managed by the office of the Group Chief Operating Officer to better manage and coordinate IGR challenges.
- **Resource (human and financial) constraint-related risks:** Accelerated recruitment continues, with the vacancy rate having improved over the course of the financial year.
- **Organisational culture-related risks:** Implementation of the outcomes of the culture engagement survey has commenced. The outcomes will be used as a baseline to measure the effectiveness of interventions being implemented.
- **ICT risks:** A Cyber Risk and Vulnerability Assessment was finalised and the implementation of the recommendations from the assessment has commenced. No major cyber or general ICT failures were reported during the financial year.

INTERNAL AUDIT AND AUDIT COMMITTEES

The GGDA's internal audit function serves as an independent appraisal activity, aiding the GGDA in achieving its objectives through a systematic, disciplined approach to evaluating and enhancing the effectiveness of risk management, control, and governance processes.

The internal audit has maintained its objectivity and independence by not assuming any direct operational responsibility or authority over the activities audited. Consequently, it has not implemented internal controls, developed procedures, installed systems, prepared records or engaged in any other activity that could potentially impair the internal auditor's judgement, objectivity or independence.

The responsibility of the internal audit function includes reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across significant areas of the organisation's operations. Currently, the internal audit function is capacitated through a co-sourced model.

Summary of Audit Work Done

The internal audit function provides regular updates to the Audit and Risk Committee on the progress of implementing the Annual Internal Audit Plan and other pertinent matters. Every quarter, the function reports on significant matters identified during audits and suggests potential improvements to the audited areas. These include substantial risk exposures, control issues, corporate governance, and other relevant matters.

- The controls evaluated encompass:
- the information systems environment;
- the reliability and integrity of financial and operational information;
- the effectiveness of operations;
- the safeguarding of assets; and
- compliance with laws, regulations, policies, procedures, and contracts.

During the financial year ending 31 March 2023, the internal audit function conducted key audits across the Group in areas such as:

- Supply Chain and Contract Management;
- Annual Financial Statement Reviews;
- ICT Business Continuity and Disaster Recovery Planning and Management;
- TIRE Review (investor attraction, promotion, and retention programmes);
- Human Resources and Payroll;
- Project Management Review (EPMO);
- Facilities, Security and Occupational Health and Safety (OHS) Management;
- Enterprise Risk Management;
- Marketing, Communication and Stakeholder Management Review; and
- Audit of Performance Information.

Key Activities and Objectives of the Audit and Risk Committee

The Audit and Risk Committee's primary role is to assist the Board in fulfilling its oversight responsibilities in areas such as financial management and reporting, the adequacy and effectiveness of the risk management and internal control systems, in addition to fraud and ethics management within the GGDA Group.

The Committee is responsible for ensuring the Group's internal audit function is independent and adequately resourced, skilled, and authoritative within the organisation to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Audit Committee.

As part of the Committee's agenda, the following standing matters were reviewed: the Group's performance reports, financial and supply chain reports, updates from the Head of Internal Audit on the effectiveness of internal control systems and the outcomes of significant audits and control matters, and updates from the Head of Risk and Ethics regarding the risk and ethical landscape of the organisation.

The Audit and Risk Committee formed an opinion that the Group has adequate, objective internal audit policies and procedures in place and that the Group's internal audit function has complied with the internal audit standards, and has met the required legal, regulatory, and other responsibilities as stipulated in its charter during the period under review.

The Committee is satisfied that the internal audit function is operating effectively and has dealt with the risks pertinent to the Group.

Key responsibilities for the Audit and Risk Committee as outlined in the charter included, but were not limited to:

- approving the three-year strategic rolling internal audit plan for the year ending 31 March 2025;
- approving the annual internal audit plan for the year ending 31 March 2023;
- reviewing and approving the internal audit quarterly reports in line with the approved internal audit plan;
- reviewing whistle blowing reports;
- examining the integrity of the financial statements of the entities in the GGDA Group, and any other formal announcement relating to its financial performance;
- reviewing significant financial reporting issues and judgements; and
- overseeing compliance with the applicable legal and regulatory requirements, including monitoring ethics and compliance risks.

The tabled below discloses relevant information on the Audit Committee members.

Table 56: Particulars of Audit Committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	End of term	Number of meetings attended
Mr K. Sukdev	• B.Bus.Sc (Hons) • Fellow of Faculty of Actuaries • Certified Financial Planner • Fellow of Actuarial Society of South Africa • M.B.A.	External	N/A	1 January 2022	N/A	11 of 11
Mr T. Fakude	• Master's degree in Politics • B.A. (Hons)	External	N/A	1 January 2022	N/A	11 of 11
Mr E. Magerman	• Advanced Certificate in Governance and Public Leadership	External	N/A	1 January 2022	N/A	11 of 11
Adv. K. Maja	• M.B.A. (current) • L.L.B.	External	N/A	1 January 2022	N/A	10 of 11
Adv. L. Mokgatle	• L.L.B.	External	N/A	1 January 2022	N/A	10 of 11
Ms. T. Godongwana	• Bachelor of Science • Business Management Diploma • Higher Diploma in Education • Bachelor of Education Current studies • Masters of Management	External	N/A	30 May 2022	N/A	7 of 9
Mr. T. Ditshwane	• BCom Economics & Econometrics (UJ) - 2016 • Cert. Strategic Management (Wits) - 2018 • Post Graduate Diploma in Business Administration (UNISA) - 2019 • MSc Applied Economics Banking & Financial Markets (Bath UK) - in progress.	External	N/A	30 May 2022	N/A	9 of 9
Ms. P. Mangoma	• B COMPT (Bachelor of Accounting Sciences) • B Com Honours (Honours Bachelor of Commerce) • Certified Internal Auditor (Part 1, 2 and 4)	External	N/A	30 May 2022	N/A	9 of 9
Mr. A. Latchu	• PhD = current registered student • Masters • Bsc Honours • Bsc Degree	External	N/A	30 May 2022	N/A	8 of 9
Mr. G. Yende	• BProc	External	N/A	30 May 2022	N/A	9 of 9

COMPLIANCE WITH LAWS AND REGULATIONS

Legislative and Other Mandates

The GGDA is a holding company that is registered as a PFMA Schedule 3C public entity whose sole shareholder is the MEC responsible for the GDED.

Four sector implementing entities are wholly owned by the GGDA: AIDC, TIHMC, GIDZ and ConHill. These entities, by virtue of their ownership by GGDA, also conduct themselves as Schedule 3C public entities. In terms of its governance arrangements, the GGDA is accountable to both GDED and an independent Board that has been established in terms of the Companies Act. Similarly, boards have also been established for each of the implementing entities.

The GGDA is positioned to ensure the delivery of economic growth and economic development – encompassing the full spectrum of economic development priorities. In terms of this model, the GDED is responsible for strategy, policy, and oversight and the GGDA is responsible for the implementation of approved initiatives. This is managed via a framework of control and governance that provides Gauteng with a mechanism to encourage the development of existing economic activity in addition to the creation of new opportunities. This approach aids in the base growth of sustainable employers and employment opportunities and the overall economy of Gauteng.

The GGDA and the implementation entity boards are responsible for monitoring and reviewing the corporate strategy of the company and the Group. The Group Executive Committee (EXCO) comprises the CEOs of the Group and its subsidiaries and the Group executives.

The Group EXCO is established to assist the Group in fulfilling its oversight responsibilities. It provides an open platform for communication between financial management, operations management, risk management, human resources, and Board matters.

The Group EXCO makes recommendations to the Boards, except in situations where a Board authorises the EXCO to take and implement decisions. Thus, in undertaking its duties, the Group EXCO has due regard to its role as an advisory body to the Group, unless specifically mandated by the Boards to make decisions.

Controls

In line with the PFMA and Treasury regulations, Internal Audit has provided the Audit and Risk Committee and management with assurances regarding the adequacy and effectiveness of the controls that are in place. This has been achieved by means of appropriate and effective risk-based internal processes.

Supply Chain Management Procurement Compliance

The GGDA Group Board has since approved the amendments to the GGDA Group Preferential Procurement Policy effected by the GGDA Supply Chain Management department. Thus, the GGDA Group Preferential Procurement Policy aligns to the 2022 Preferential Procurement Regulations.

FRAUD AND CORRUPTION

The GGDA Group acknowledges that incidents of fraud and corruption have the potential to derail the work of the Group and to adversely affect the organisation's reputation. This section of the report aims to communicate the annual review of the GGDA Group's counter-fraud and corruption arrangements and provides an overview of fraud and whistle blowing activity for the relevant period.

The GGDA Group implemented the Fraud Prevention and Whistle Blowing Policy through the Ethics Implementation Plan together with a fraud and risk register. The Fraud Prevention and Whistle Blowing Policy enables whistle-blowers to report any misconduct or unethical behaviour anonymously and independent investigations are conducted and reporting to the Audit and Risk Committee where required. Those who report to the hotline remain anonymous. Reference numbers are issued so that they can follow up on reported matters should they wish to do so. Awareness sessions on the prevention of fraud and corruption were conducted with employees throughout the financial year.

MINIMISING CONFLICT OF INTEREST

Below is a description on the processes implemented to minimise conflict of interest in supply chain management.

- Supply chain management has a Declaration of Interest form that is completed during each procurement process;
- Each member party to the procurement process is required to sign and declare their interest; and
- All declarations are subject to audit process.
- Where interest is declared, the conflict is assessed to determine if his/her interest will prejudice the GGDA. Thus, if the person has the deciding vote or power to influence or to direct the course and decisions of the enterprise, then the person will be requested to recuse him/herself.

CODE OF CONDUCT

The Employee Code of Conduct is a vital component in The GGDA's governance model, which encompasses common steering documents and processes, such as our policies and procedures. The GGDA maintained a Board approved Employee Code of Conduct that was workshopped with all employees. The intention of code of conduct is to promote exemplary conduct.

The GGDA is committed to conduct all its activities to the highest standard of competence, integrity and ethical behaviour, to ensure its conduct is beyond reproach.

The company is committed to provide a work environment that is intended to value diversity among its employees. HR Policies, Procedures and activities creates a respectful workplace in which every employee has the opportunity to reach his/her highest potential. Every GGDA employee who violates the code of conduct will have the potential to receive sanctions after going through the investigation process and various considerations. The code of conduct also sets out the process for employees to report any breaches to the code and a protected circumstances as required by legislation. The GGDA Code of Conduct places the some of the following requirements on all employees, directors and stakeholders:

- Carry out their responsibilities honestly, in good faith and with integrity, due care, competence and diligence;
- Never misrepresent or withhold material facts or allow their independent judgment to be compromised;
- Avoid actual or apparent conflicts of interest in personal and professional relationships;
- Comply with applicable government laws, rules and regulations;
- Assist in the production of complete, accurate, timely and understandable External Financial Reporting and in other public communications made by the organisation; and
- Take all reasonable measures to protect the confidentiality of non-public information relating to the GGDA and its stakeholders.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The GGDA prioritises the provision of a safe and healthy workplace for all its employees, visitors and invited guests, in compliance with the Occupational Health and Safety Act.

To this end, OHS Committees have been established across the Group. Their mandate includes promoting employee health and safety, monitoring workplace risks, managing reported incidents and enhancing awareness and responsibility about safety issues.

COMPANY/BOARD SECRETARY

The Company Secretary is appointed by, and is accountable to, the Board. This person is the corporate governance knowledge manager and information officer of the GGDA and its subsidiaries and is responsible for the execution of all statutory requirements applicable to the GGDA and its subsidiaries.

In relation to their fiduciary duties and how to discharge such duties, the directors have unrestricted access to the advice and guidance of the Company Secretary. The directors are entitled to obtain independent professional advice at the GGDA's expense, should they deem this necessary. In addition to the performance of other assurance functions, the Company Secretary monitors the GGDA's compliance with the requirements of good corporate governance, the amendments to the Blue IQ Act, adherence to the PFMA, the Companies Act and other relevant legislation.

In terms of section 88(2)(e) of the Companies Act, as amended, the company has lodged with the Companies and Intellectual Property Commissioner all such returns as are required of a public company in terms of the Companies Act and all such returns are true, correct and up to date.

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with compliance with the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the dtic.

Table 57: Indicators of compliance with B-BBEE requirements

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1–8) with regard to the following:		
Criteria	**Response Yes/No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The GGDA does not issue any licences and concessions or authorisations to allow economic activity in terms of any law. This would likely only apply to entities that are responsible for issuing trade licences or mining and exploration licences and the like.
Developing and implementing a preferential procurement policy?	Yes	We developed and implemented a Procurement Policy that incorporates preferential procurement, together with various templates, evaluation criteria, frameworks, and so forth to ensure same is achieved. This is monitored monthly.
Determining qualification criteria for the sale of state-owned enterprises?	No	We do not generally engage in such sales, but when we do, certain criteria would be developed on a case-by-case basis to align with the nature of the asset or infrastructure on sale and the GGDA mandate, and to secure sustainable offerings in the interest of South Africa. The Innovation Hub Management Company (TIHMC) and Automotive Industrial Development Centre (AIDC) have serviced and unserviced land parcels. TIHMC is considering sale of some land parcels, however, there are policy constrains that require shareholder approval for the exemption to sell land.
Developing criteria for entering into partnerships with the private sector?	Yes	TIHMC developed and applies a Public Private Partnership Framework for public and private partnerships that is aligned to section 16 of the PFMA. The frameworks include the following qualities: - Alignment of objectives - Public interest - Expertise and Resources - Mutual benefit - Risk sharing - Intellectual Property and Ownership - Legal and Regulatory Compliance
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	The awarding of grants, incentives and investments is not a core activity in the GGDA, and we do not make material investments in this context, save for the context of bursary awards and corporate social investment initiatives that would target previously disadvantaged categories of individuals or institutions (such as schools, higher education institutions, and so forth). TIHMC provides Start Up Support Programme assistance to incubated companies to enable them on the road to commercialisation as well as market entry. The grants and support provided has been limited in the recent years due to funding limitations.

PART D

HUMAN RESOURCE MANAGEMENT

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INTRODUCTION

The human capital function is responsible for managing and delivering strategic, tactical, and human capital services to the GGDA Group. At a strategic level, HRs partners with business to formulate and define the strategy of the organisation. In so doing, human capital interprets the organisation's strategic thrusts into relevant and value-adding human resource initiatives to deliver outcomes that support the organisational objectives.

At a tactical level, the human capital function is to translate strategic plans into specific deliverables that will enable the GGDA to implement its initiatives. Human capital also maintains policies and procedures to ensure their relevance, compliance and consistency on the way strategic objectives are rolled out. At this level, human capital focuses on improving channels of communication and ensuring that recruitment and retention strategies are conducted in an effective manner.

The purpose of the retention strategy is to ensure that the best talent remains in the organisation for as long as possible by means of effective workforce planning, employee engagement, training and reward mechanisms that focus on further development to maximise individual potential. As part of best practice, the GGDA creates a transformative environment that enables employees to thrive and reach their potential.

As an enabler, the human capital function ensures that the GGDA is well resourced and capacitated to deliver on its mandate, and that talent is well managed and nurtured. Human capital enhances performance management systems and a coherent employee health and wellness service, ensuring a healthy working relationship between the employer and the employee.

SYNOPSIS OF KEY ACHIEVEMENTS

In the 2022/23FY, the Group human capital team continued to provide services to all employees of the GGDA Group, focusing on:

- recruitment;
- training and development;
- performance management, and
- employee health and wellness.

RECRUITMENT

The recruitment process is key to ensuring that the right competencies are sourced at the right time to ensure adequate capacity to achieve the mandate of the organisation. As part of capacitating the organisation, Human Capital successfully filled several key positions. The Group had a vacancy rate of 14% at the end of the financial year.

TRAINING AND DEVELOPMENT

The Workplace Skills Plan (WSP) and the Annual Training Report were submitted to the following SETAs: TIHMC (MICT SETA); ConHill (CATHS SETA), AIDC and GGDA (SERVICE SETA) to align with different sectors in which the GGDA operates. The GGDA has a robust learning and development programme that is informed by the WSP, which comprises of formal study assistance, user training, short courses (soft and technical skills, etc) that serve to remedy the individual skills gap as identified from the skills audit, performance gaps and job requirements.

In addition, GGDA embarked on mandatory training interventions with the purpose of being a value add, improving efficiencies, enhancing the knowledge and skills of staff members with required professional development. The GGDA Group spent a total of R3 399 491,76, or 98% of the allocated annual training budget of R3 455 952,28.

PERFORMANCE MANAGEMENT

As a performance-driven organisation, the GGDA Group places emphasis on setting annual targets that are derived from the Group's APP. Each employee is expected to sign a performance contract encapsulating Specific Measurable, Attainable, Relevant and Time-specific (SMART) KPIs. This process enables the organisation to monitor employee performance, which culminates in the achievement of organisational goals. Performance contracts and mid-year performance assessments were concluded in accordance with the guidelines.

In the year under review, all the employees attended performance contracting workshops that highlighted the enhancement of the Performance Management Policy, including the importance of managing performance, the alignment to organisational deliverables and the standardisation and cascading of performance contracting.

EMPLOYEE HEALTH AND WELLNESS

During the year under review, the GGDA Group implemented the employee health and wellness programme. The Group focused on employee engagement through events that were implemented at which various presentations were made by professionals and other role-players in the Employee Health and Wellness space. The activities included topics on gender-based violence, mental health, and financial wellness. The engagements empowered employees to respond to situations of violence, should they arise or affect their wellbeing both at work and in their communities.

The Group conducted four entity-based wellness events and one Group event. The Group also conducted both the Woman and Men's Forums with intensified engagements by participants.

EMPLOYEE RELATIONS

The GGDA Group has one trade union, which enjoys majority membership and, thus, has a recognition agreement with the Group. In the year under review, management concluded the salary adjustment agreement with the union for the affected members in the agreed bargaining unit. The signed collective agreement directed both parties to explore other avenues in an attempt to improve the conditions of employment. The recognition agreement paved the way for both negotiations and consultations to be conducted in a constructive manner.

ORGANISATIONAL STRUCTURE

The organisation design process was undertaken to review and assess the alignment of the GGDA Operating Model, organisational structure, processes and the alignment with the strategic objectives of the organisations. The key objectives of the project were to:

- optimise process efficiencies;
- assess affordability where new roles are required;
- eliminate duplication and overlaps, and
- implement standardisation as and where applicable.

In addition, the process was to assess the viability of implementing shared services. The key underlying principles were that there would be no additional cost to the organisation and that employees would not lose their jobs.

EMPLOYEE ENGAGEMENT SURVEY

An employee engagement survey is a useful tool with which to assess and measure the pulse of the organisation and to understand employees' perception of the environmental aspects of their workplace (i.e., workplace culture, management practices and how they experience their work environment). To this end, the organisation conducted the survey throughout the Group and the outcomes of it are being implemented.

HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL-RELATED EXPENDITURE

Table 58: Personnel cost by programme/activity/objective

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expense as a % of total expenditure (R'000)	No. of employees	Average personnel cost per employee (R'000)
GGDA	216 577	118 808	55	137	867
AIDC	196 782	77 115	39	145	532
TIHMC	141 766	55 894	39	87	642
GIDZ	116 642	18 698	16	20	935
ConHill	61 138	17 953	29	40	448
Total	**732 905**	**288 468**	**39**	**429**	**672**

PERSONNEL COST BY SALARY BAND

Table 59:Personnel cost by salary band

Level	Personnel expenditure (R'000)	% personnel expenditure to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management (F5-F1)	10 716	4	5	2 143
Senior Management (E5-E1)	30 934	11	20	1 547
Professional qualified (D5-D1)	147 243	51	162	909
Skilled (C5-C1)	76 215	26	167	456
Semi-skilled (B5-B1)	22 606	8	68	332
Unskilled	754	0	7	108
TOTAL	**288 468**	**100**	**429**	**672**

PERFORMANCE REWARDS (2022/23FY)

The GGDA Group of companies, in encouraging high performance by its staff, has put in place a reward scheme governed by a performance management policy. In terms of the policy, a process of rewarding employees resumes with the final assessments in the month of April/May. This process is followed by moderation committees and finally approval by governance structures of the organisation, to that end for the year under review. The final approval for payments of the 2022/23FY performance rewards will be in the third quarter of the 2023/24FY.

Table 60: Personnel performance rewards

Programme	Performance rewards	Personnel expenditure (R'000)	% performance rewards to total personnel cost (R'000)
Top management (F5–F1)	672	10 716	0,2
Senior management (E5–E1)	3 818	38 198	1,1
Professional qualified (D5–D1)	11 181	172 504	3,0
Skilled (C5–C1)	7 067	98 513	2,0
Semi-skilled (B5–B1)	2 247	23 808	1,0
Unskilled	62	754	0
Total	**25 047**	**344 493**	**7,3**

TRAINING COSTS

Table 61: Personnel training costs

Programme	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Avg training cost per employee
AIDC	77 115	801	1	123	7
ConHill	17 953	201	1	40	5
GIDZ	18 698	54	0	15	4
GGDA	118 808	1 211	1	92	13
TIHMC	55 894	617	1	74	8
Total	**288 468**	**2 884**	**2**	**344**	**8**

EMPLOYMENT AND VACANCIES

Table 62: Number of employees, approved posts and vacancies per entity

Programme	2021/22 no. of employees	2022/23 approved posts	2022/23 no. of employees	2022/23 vacancies	% vacancies
AIDC	118	155	129	26	17
ConHill	36	41	40	1	2
GIDZ	16	24	16	8	33
GGDA	107	149	130	19	13
TIHMC	85	87	78	9	10
Total	**362**	**456**	**393**	**63**	**14**

Table 63: Number of employees, approved posts and vacancies per management or staff level

Programme	2021/22 no. of employees	2022/23 approved posts	2022/23 no. of employees	2022/23 vacancies	% vacancies
Top management (F5–F1)	5	7	4	3	43
Senior management (E5–E1)	46	48	54	6	0
Professional qualified (D5–D1)	112	125	129	4	0
Skilled (C5–C1)	119	175	128	47	27
Semi-skilled (B5–B1)	76	83	60	23	28
Unskilled	4	18	18	0	0
Total	**362**	**456**	**393**	**63**	**14**

The current vacancy rate across the GGDA Group is at 14% on funded positions. The Group has absorbed additional personnel to increase the capacity and respond to operational requirements in order to meet the strategic objectives of its units, especially with the establishment of SEZs.

EMPLOYMENT CHANGES

Information is provided on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the public entity.

Table 64: Changes in employment during the financial year

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management (F5-F1)	5	3	2	6
Senior Management (E5-E1)	46	4	4	46
Professional qualified (D5-D1)	112	34	23	123
Skilled (C5–C1)	119	31	17	133
Semi-skilled (B5–B1)	76	9	7	78
Unskilled	4	3	0	7
Total	**362**	**84**	**53**	**393**

Table 65: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	2	4
Resignation	30	57
Dismissal	3	6
Retirement	3	6
Ill health	0	0
Expiry of contract	5	9
Other	10	19
Total	**53**	**100**

Positions were advertised and due process followed to fill vacancies. In other instances, additional capacity has been appointed to alleviate constraints and provided short-term contracts while finalising the structure review.

Table 66: Labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	1
Final written warning	1
Dismissal	3
Total	**5**

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Table 67: Equity target and employment equity status: males

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	1	0	0	0	0	0	0
Senior Management	13	10	2	1	1	1	1	0
Professional qualified	51	50	0	3	3	3	5	5
Skilled	75	80	0	3	1	2	4	3
Semi-skilled	31	25	0	1	0	2	0	2
Unskilled	4	4	0	0	0	1	0	0
Total	**176**	**170**	**2**	**8**	**5**	**9**	**10**	**10**

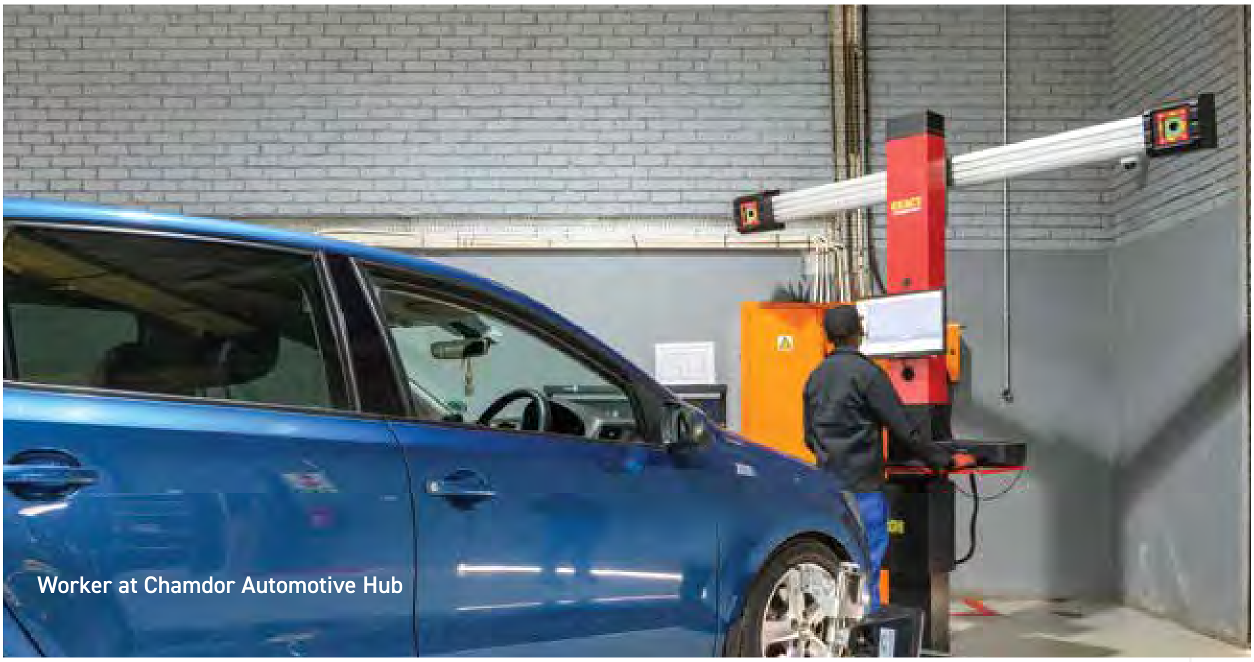
Table 68: Equity target and employment equity status: females

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	1	1	0	0	0	0
Senior Management	7	3	0	2	0	1	0	1
Professional qualified	49	51	1	4	2	2	3	4
Skilled	87	90	2	3	2	1	4	5
Semi-skilled	42	45	1	1	0	1	1	2
Unskilled	12	10	0	1	1	1	0	0
Total	**198**	**200**	**5**	**12**	**5**	**6**	**8**	**12**

The Group has made a concerted effort to fill senior management and executive roles with females and people with a disability. However, the Group has experienced a shortfall in retaining people with a disability and very few vacancies are available at executive level.

Table 69: Persons with a disability at various levels in the Group

Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	1	1	1
Professional qualified	1	2	1	2
Skilled	2	2	1	2
Semi-skilled	1	1	3	3
Unskilled	0	0	0	1
Total	**4**	**6**	**6**	**9**


Worker at Chamdor Automotive Hub

PART E

PART E: PFMA COMPLIANCE REPORT

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IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

IRREGULAR EXPENDITURE

a). Reconciliation of irregular expenditure

Table 70: Irregular expenditure: reconciliation

Description	2022/23	2021/22
	R'000	R'000
Opening balance	77 676	64 855
Add: Irregular expenditure confirmed	1 670	16 244
Less: Irregular expenditure condoned	(22 631)	(3 423)
Less: Irregular expenditure not condoned and removed	–	–
Less: Irregular expenditure recoverable	–	–
Less: Irregular expenditure not recovered and written off	–	–
Closing balance	**56 715**	**77 676**

Reconciling notes

Table 71: Irregular expenditure: reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22		
Irregular expenditure that relates to 2021/22 and identified in 2022/23	–	–
Irregular expenditure for the current year	1 670	16 244
Total	**1 670**	**16 244**

b). Details of current and previous year irregular expenditure (under assessment, determination and investigation)

Table 72: Irregular expenditure: reconciliation, 2021/22 and 2022/23

Description[1]	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	–	–
Irregular expenditure under determination	1 670	16 244
Irregular expenditure under investigation	–	–
Total[2]	**1 670**	**16 244**

The irregular expenditure for the current year is made up of the following transactions:

GGDA

During the financial year, a legal service provider was contracted without following a competitive bidding process. This transaction was non-compliant with the Treasury regulations and procurement regulations. Disciplinary steps are yet to be taken pending an investigation. An amount of R1,1 million is considered to be irregular.

CONHILL

The transgression occurred when the project manager instructed the PRT to perform services that were not initially contracted for. This deviation occurred without obtaining appropriate approval from the Gauteng Provincial Treasury as the scope variation exceeded the 20% of the initial contract value. The affected official is no longer employed by ConHill. An amount of R380 thousand is considered to be irregular.

TIHMC

During the financial year, TIHMC identified non-compliance with the PFMA and Treasury regulations with the extension of voice telecommunications (system and support services). The transgression occurred in the extension of ICT services which exceeded the allowable deviation of 15% as per the above-mentioned regulation. The non-compliance started in 2017 and amounted to R1,72 million. The amount disclosed in the prior year relates to the same non-compliance. An additional amount of R128 000 is considered to be irregular.

GIDZ

During the 2022/23FY, the GIDZ was informed by a third party that the ring manufacturing image reflected on the website was not open for public use without payment. Following this, engagements were held with the third party company acting on behalf of the image owners. The engagements, which were undertaken with the support of GGDA Legal, confirmed that there was a basis for the third party's request. In the light of this, it became apparent that the GIDZ had to consider payment for use of the image. A settlement agreement amounted to R19 166, inclusive of bank fees and VAT.

c). Details of current and previous year irregular expenditure condoned

Table 73: Irregular expenditure condoned, 2021/22 and 2022/22

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	22 631	3 423
Total	**22 631**	**3 423**

The following transactions were condoned by Provincial Treasury in the current year:

SPDC

An amount of R7,7 million relating to the provision of security and safety, cleaning, and waste management services in the 2020/21 to 2021/22 financial years.

GGDA

Legal Services

An amount of R11,9 million was incurred during the 2018/19 and 2019/20 financial years for the procurement of services from professional legal firms for the GGDA Group.

Internal Audit Services

An amount of R2,7 million relating to internal audit services for the 2019/20 financial year.

Marketing Services

An amount of R315 000 for marketing services incurred during the 2019/20 financial year.

FRUITLESS AND WASTEFUL EXPENDITURE

a). Reconciliation of fruitless and wasteful expenditure

Table 74: Fruitless and wasteful expenditure: reconciliation, 2021/22 and 2022/23

Description	2022/23	2021/22
	R'000	R'000
Opening balance	1 219	202
Add: Fruitless and wasteful expenditure confirmed	240	1 163
Less: Fruitless and wasteful expenditure written off	–	(146)
Less: Fruitless and wasteful expenditure recoverable	(267)	–
Closing balance	**1192**	**1 219**

RECONCILING NOTES

Table 75: Fruitless and wasteful expenditure: reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	240	1 163
Total	**240**	**1 163**

b). Details of current and previous year fruitless and wasteful expenditure (under assessment, determination and investigation)

Table 76: Fruitless and wasteful expenditure: 2021/22 and 2022/23 compared

Description3	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	240	1 163
Fruitless and wasteful expenditure under investigation	-	-
Total[4]	**240**	**1 163**

The fruitless and wasteful expenditure for the current year is made up of the following transactions:

AIDC

During the year under review it was discovered that employees who were employed between January 2021 and September 2022 were overpaid on their salaries as a result of a system configuration error. An internal investigation confirmed that the system configuration resulted in this overpayment. An amount of R224 000 was incurred in the current year.

GIDZ

SARS charged GIDZ an amount of R14 000 for four days' delay in effecting VAT payment for the month of February 2023. SARS currently owe GIDZ net VAT Input of R13 000; however, it was made clear that it is not a SARS principle to offset net VAT from one month to another.

c). Details of current and previous year irregular expenditure recovered

Table 78: Fruitless and wasteful expenditure: recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	267	–
Total	**267**	**–**

An amount of R267 000 has been recovered for the overpayment of salaries as a result of the system configuration error.

d). Details of current and previous year irregular expenditure not recovered and written off

Table 79: Fruitless and wasteful expenditure: not recovered, written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	–	146
Total	**–**	**146**

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Table 76: Late and/or non-payment of suppliers

Description	Number of invoices	Consolidated value
		R'000
Valid invoices received	3 632	635 854
Invoices paid within 30 days or agreed period	2 662	579 319
Invoices paid after 30 days or agreed period	294	11 561
Invoices older than 30 days or agreed period (unpaid and without dispute)	–	–
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	78

SUPPLY CHAIN MANAGEMENT

PROCUREMENT BY OTHER MEANS

Table 80: Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
DBSA Industrial Park	Development Bank of Southern Africa	Single Source	REQ1564	62 412 000,00
Vaal SEZ Office Space	Snelkor Vier en Twintig	Single Source	REQ1574	3 013 920,00
SA EU Dialogue	Grow2N	Single Source	REQ1604	1 265 000,00
Total				**66 690 920,00**

Table 81: Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or variation)	Contract number	Original contract value	Value of previous contract expansion(s) or variation(s) (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
VO:GGDA Group Insurance Cover Increase	Indwe Risk Services (Pty) Ltd	Expansion	REQ1461	8 960 367,34	56 534,11	463 413,56
VO:GGDA Group Insurance Cover Increase	Lateral Unison	Expansion	REQ1547	4 789 271,00	–	262 029,00
Total				**13 749 638,34**	**56 534,11**	**725 442,56**

PART F

ANNUAL FINANCIAL STATEMENTS OF THE GAUTENG GROWTH AND DEVELOPMENT AGENCY SOC LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the group annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the group annual financial statements fairly present the state of affairs of the company and group as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the group annual financial statements and was given unrestricted access to all financial records and related data.

The group annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with the Public Finance Management Act of 1999 as prescribed by National Treasury and the Companies Act 71 of 2008.

The group annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and group and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and group's and all employees are required to maintain the highest ethical standards in ensuring the company and group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company and group. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate controls, systems and ethical behaviour are applied and managed.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Directors have reviewed the company and group's ability to continue as a going concern for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the company and group has or has access to adequate resources to continue in operational existence for the foreseeable future. The company and group is dependent on the receipt of grant funding from the Gauteng Provincial Government of R621 million for continued funding of operations for the 2023/2024 financial year. This funding has been approved as per the Medium Term Expenditure Framework of the Gauteng Provincial Government.

The annual financial statements of the company and group as presented, were prepared on a going concern basis. The Directors have reviewed current and future plans of the company and group and are satisfied with the appropriateness of the basis.

The external auditors are responsible for independently reviewing and reporting on the Company and group annual financial statements. The group annual financial statements have been examined by the company's external auditors and their report is presented on pages 207-212.

APPROVAL OF GROUP ANNUAL FINANCIAL STATEMENTS

The group annual financial statements of Gauteng Growth and Development Agency SOC Limited, set out on page 223-295, were approved by the board of directors on 31 July 2023 and were signed on its behalf by:

Dr Ms S Vilakazi
Chairperson

AUDIT AND RISK COMMITTEE REPORT

1. LEGISLATIVE REQUIREMENTS

The audit and risk committee herewith presents its report for the financial year ended 31 March 2023, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) (PFMA) read with Treasury Regulation 27.1.10. The audit and risk committee was established in accordance with sections 51(1)(a)(ii)] and 77 of the PFMA.

2. AUDIT AND RISK COMMITTEE RESPONSIBILITY

During the period under review, the Committee fulfilled its statutory duties as required by the PFMA (section 51(1)(a)(ii)) and Treasury Regulations (regulation 27.1.8), as well as various additional responsibilities assigned to it by the Board. The Committee's activities are also guided by its Terms of Reference which are approved by the Board.

3. AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The audit committee charter requires that the audit committee comprises a minimum of three members. The committee consists of 10 Independent Non-Executive Members and is chaired by Mr Krishen Sukdev. The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Internal and External Auditors have a standing invitation to all meetings of the Committee. A brief profile of each of the Committee Members, as well as their qualifications can be viewed in the Governance section of the Group Annual report, under Members of the Board

The Chairperson of the audit and risk committee reports to the Board quarterly, with regard to the audit and risk committee's deliberations, decisions and recommendations.

In terms of section 77(b) of the PFMA, the audit and risk committee must meet at least twice a year. During the financial year ended 31 March 2023, the audit and risk committee met on 11 occasions of which 7 meetings were scheduled. The other 4 meetings were special meetings to review tenders and for a risk workshop that was held. Additional 5 directors were appointed as members of the Committee after 2 meetings were already held.

The audit and risk committee is a shared resource across the group subsidiaries. The table below shows the attendance of these meetings:

3.1 AUDIT AND RISK COMMITTEE MEMBERS AND MEETING ATTENDANCE

Name of member	Total meetings	Meetings attended
Mr K Sukdev (Chairperson)	11	11
Mr T Fakude	11	11
Mr E Magerman	11	11
Adv K Maja	11	10
Adv L Mokgatle	11	10
Ms Thandiwe Godongwana	9	7
Mr Tshegofatso Ditshwane	9	9
Ms Princess Mangoma	9	9
Mr Ashley Latchu	9	8
Mr Gugu Yende	9	9

AUDIT AND RISK COMMITTEE REPORT (continued)

4. RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION

The audit and risk committee was responsible for the oversight of the risk management function. The Board has had oversight for the risk management process that was carried out by GGDA group management during the period under review. An overview of risks managed for the 2022/2023 financial year is discussed under the Governance section of the GGDA group Annual report.

The audit and risk committee has reviewed the risk register and the reports from management and is generally satisfied with the maturity of the risk management process.

The audit and risk committee was responsible for ensuring that the group's internal audit function is independent and has the necessary resources, skills, standing and authority within the organisation to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the audit and risk committee.

The audit and risk committee reviewed and approved the Internal Audit Plan. Internal audit's activities are measured against the approved internal audit plan and the Head: Internal Audit tables progress reports in this regard to the audit and risk committee.

The Internal Audit Unit was responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the group's operations. The internal audit function is currently capacitated through a co- sourced model.

During the reporting period the Committee conducted the following activities

REVIEWED AND/OR APPROVED THE FOLLOWING MATTERS:

- Three year Strategic Rolling Internal Audit Plan for year ending 31 March 2024 (Approved);
- Annual Internal Audit Plan for the year ending 31 March 2023 (Approved)
- Capacity within the Internal Audit Unit;
- Internal Audit's quarterly reports in line with the approved Internal Audit Plan;
- Whistle blowing reports.

The audit and risk committee formed an opinion that adequate, objective internal audit policies and procedures exist within the group and that the group's Internal Audit Unit had complied with the internal audit standards, the required legal, regulatory and other responsibilities as stipulated in its charter during the period under review.

The audit and risk committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the group.

5. EFFECTIVENESS OF THE INTERNAL CONTROL AND RISK MANAGEMENT

Section 51(1) (a) (i) of the PFMA states that the Board must ensure that a public entity has and maintains effective, efficient and transparent systems of financial, risk management and internal control.

The audit and risk committee was responsible for overseeing risk management and reviewing the internal controls, as such independent reviews on the effectiveness of the internal controls were conducted by the internal audit function, and they covered areas of financial, operational, compliance and risk management.

Based on the results of Internal Audit reviews for the 2022/2023 financial year, in our opinion, the overall control environment across the GGDA Group is considered to be "satisfactorily effective" in providing reasonable assurance that the inherent risks are appropriately managed and that the business objectives will be attained, and had remained effective throughout the 2022/2023 financial year.

AUDIT AND RISK COMMITTEE REPORT (continued)

6. EVALUATION OF THE GROUP ANNUAL FINANCIAL STATEMENTS

During the reporting period, the audit and risk committee reviewed the annual financial statements is satisfied that the annual financial statements have been prepared in terms of GRAP and the PFMA. The annual financial statements was reviewed with the following focus:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context including matters relating to any unauthorised, irregular, fruitless and wasteful expenditure;
- Changes in the Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted;
- Reasons for year-on-year fluctuations;
- Asset valuations; and
- The basis for the going concern assumption.

The review of the annual financial statements and the Draft Annual Report for the 2022/2023 financial year was done at the audit and risk committee's meeting held on 24 May 2023 and recommended them to the Board for approval on 30 May 2023.

7. PROGRAMME PERFORMANCE INFORMATION MANAGEMENT

The audit and risk committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. During the period under review, quarterly reports were presented by management to enable the audit and risk committee to:

- Review and comment on compliance with statutory requirements and programme performance information best practices and standards.
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan and annual performance plans.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the public entity.
- Review of reported non-compliance with legislation
- Review of compliance with in year reporting requirements
- Assess internal audit reports on reviews carried out on quarterly performance reports

The audit and risk committee reviewed the quarterly and annual reports on company and group's performance against predetermined objectives.

The audit and risk committee is satisfied that the performance report has been prepared in terms of the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting programme performance information.

AUDIT AND RISK COMMITTEE REPORT (continued)

8. THE QUALITY OF MONTHLY AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

The Audit and Risk Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. During the period under review, quarterly reports were presented by management to enable the Audit and Risk Committee to:

- Monitor the integrity, accuracy and reliability of the financial position of the company and group;
- Review the management accounts of the company and provide the Accounting Authority with an authoritative and credible view of the financial position of the company;
- Review the company's internal financial and operational controls, as well as the risk management systems,
- Review the disclosure in the financial reports of the company and the context in which statements on the financial health of the company are made including matters relating to any unauthorised, irregular, fruitless and wasteful expenditure; and
- Review all material information presented together with the management accounts including, the monitoring of compliance with applicable laws and regulations.

9. EXTERNAL AND RISK COMMITTEE REPORT

The audit and risk committee concurs with and accepts the conclusion and audit opinion of the external auditors on the Annual Financial Statements. The audit and risk committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The audit and risk committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The external audit function, performed by the Auditor General, is independent of the group. The audit and risk committee has met with the external auditors to ensure that there are no unresolved issues, and acknowledges the diligence and cooperation of the external audit team.

10. CONCLUSION

The Audit and Risk Committee has executed on its roles and responsibilities in terms of its Board approved charter.

Mr K Sukdev
Chairperson of the Audit and Risk Committee

REPORT OF THE AUDITOR-GENERAL

TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTENG GROWTH AND DEVELOPMENT AGENCY SOC LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

1. I have audited the consolidated and separate financial statements of the Gauteng Growth and Development Agency SOC Limited and its subsidiaries set out on pages 223-295, which comprise the consolidated and separate statement of financial position as at 31 March 2023, consolidated and separate statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Gauteng Growth and Development Agency SOC Limited and its subsidiaries as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act, 2008 (Act No. 71 of 2008) (the Companies Act).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated and separate financial statements section of my report.

4. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

Restatements of corresponding figures

7. As disclosed in note 48 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the public entity at, and for the year ended 31 March 2023.

An uncertainty relating to the future outcomes of exceptional litigations

8. With reference to note 40 to the consolidated and separate financial statements, the group is the defendant in various lawsuits against suppliers. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Subsequent Event – South African Revenue Services.

9. With Reference to note 49 to the financial statements, The South African Revenue Services (SARS) initially disregarded the allowance for government grant on AIDCs 2021 year of assessment which resulted in a penalty and interest levied against the AIDC amounting to R18.6 million. During June and July 2023, after a complaint was lodged, SARS provided AIDC with a reduced assessment indicating that no future liability is expected, and SARS owes AIDC a refund amount of R539 thousands for the 2021 and 2022 years of assessments. This is a non-adjusting event as SARS did the reassessment after the reporting date. The entity also removed the contingent liability that was disclosed in relation to this matter.

REPORT OF THE AUDITOR-GENERAL (continued)

TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTENG GROWTH AND DEVELOPMENT AGENCY SOC LIMITED

Material Impairment - Trade Receivables

10. As disclosed in note 4 to the financial statements, material impairment of R28 278 000 was incurred as a result of a write-off of irrecoverable trade receivables.

OTHER MATTERS

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

Unaudited Supplementary Schedule

12. The supplementary information set out on page 296 does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

PFMA Compliance and Reporting Framework

13. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 41 to the financial statements of Gauteng Growth and Development Agency SOC Limited. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

14. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Gauteng Growth and Development Agency SOC Limited. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the Accounting Authority for the Consolidated and Separate Financial Statements

15. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and the Companies Act; and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

16. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the Audit of the Consolidated and Separate Financial Statements

17. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

Report on the Audit of the Annual Performance Report

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

20. I selected the following sub-programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected sub- programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Sub-Programme	Page numbers	Purpose
Trade, investment and regulatory environment (TIRE)	76-77	Provide strategic and operational leadership, support, and transversal business solutions.
Enterprise Project Management Office (EPMO)	78-79	Accelerate delivery of key economic infrastructure projects and facilitate job creation
Special Economic Zones (SEZs)	80-81	Reindustrialise Gauteng for the 21st century by boosting manufacturing, increasing exports and employment

21. I evaluated the reported performance information for the selected sub-programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
22. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

23. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
24. I did not identify any material findings on the reported performance information of selected sub-programmes.

TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTENG GROWTH AND DEVELOPMENT AGENCY SOC LIMITED

OTHER MATTER

25. I draw attention to the matter below.

Achievement of Planned Targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement.

REPORT ON COMPLIANCE WITH LEGISLATION

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
30. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

31. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act 71 of 2008. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected sub-programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

INTERNAL CONTROL DEFICIENCIES

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

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

Auditor – General

Johannesburg
31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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

FINANCIAL STATEMENTS

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

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity and its subsidiaries 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

ANNEXURE TO THE AUDITOR'S REPORT (continued)

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(i), 51(1)(b)(ii), 51(1)(e)(iii), 52(b) Sections 53(4), 54(2)(c), 54(2)(d) Sections 55(1)(a), 55(1)(b), 55(1)(c)(i), Sections 57(b), 66(4) SCM Instruction Note 02 of 2021-22 par 3.2.1 (bids advertised on or after 1 April 2022) SCM instruction note 2 of 2021/22 par. 3.2.4 PFMA SCM instruction note 03 of 2021/22 par 4.1. PFMA instruction note no.3 of 2021/22 definition PFMA instruction note no.3 of 2021/22 par. 4.2 (b)
Treasury regulations	TR 31.1.2(c), TR 16A.7.1, TR 16A.7.3, TR 16A.7.6, TR 16A.7.7, TR 31.2.1, TR 31.3.3, TR 30.1.1, TR 30.1.3(a), TR 29.1.1, TR 29.1.1(a), TR 29.1.1(c), TR 30.1.3(b), TR 30.1.3(d), TR 29.2.1, TR 29.2.2, TR 30.2.1, TR 33.1.3, TR 33.1.1, TR 16A9.1(b)(ii), TR 16A9.1(e), TR 16A9.1(f), TR 16A6.3(b), TR 16A3.2, 16A6.3(a) (i), TR8.2.1 and 8.2.2, TR16A8.4 National Treasury Instruction 4A of 2016/17 NT Instruction note 4 of 2015/16 par. 3.4 SBD 6.2 issued in 2015/16 Treasury Instruction note 11 of 2020/21 par. 3.1 Treasury Instruction note 11 of 2020/21 par. 3.4 (b) and 3.9 NT Instruction No 5 of 2020/21 par 5.3 NT Instruction No 5 of 2020/21 par 4.8 NT Instruction No 5 of 2020/21 par 4.9 NT Instruction 07 of 2017/18 par 4.3 3). NT Instruction 4A of 2016/17 par 6
Preferential Procurement Regulations of 2022 (PPR)	PPPFA 2(1)(a); PPPFA (definition of acceptable tender) Regulation 4(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
CIDB Act	Section 18(1), CIDB reg. 17; 2). CIDB reg. 25(7A
Public Service Regulations	Regulation 18(1),(2)

BOARD OF DIRECTORS' REPORT

The members submit their report for the year ended 31 March 2023.

1. INCORPORATION

The Gauteng Growth and Development Agency SOC Limited (GGDA) is legally constituted by the Blue IQ Act 5 of 2003 (as amended). The entity is classified as a Schedule 3C entity in terms of the Public Finance Management Act 1 of 1999 as amended.

2. REVIEW OF ACTIVITIES

MAIN BUSINESS AND OPERATIONS

GGDA Group

The overarching aim of the GGDA is to provide specialised and focused competence for the Gauteng Province to implement its economic development goals. According to its establishment Act, the GGDA works towards the achievement of the following objectives:

- Enable economic development focused of sustainable jobs
- Drive growth in provincial growth domestic products and employment rates
- Strategically position province into a globally competitive city region
- Facilitate partnerships and create linkages across province in order to maximize service delivery outcomes
- Support the development of key sectors in the economy in line with established economic and industrial policies of the province.

The GGDA Group comprises:

- Gauteng Growth & Development Agency (GGDA) Holdings Company whose core mandate is Trade and Investment Facilitation and infrastructure development and deployment. Some corporate services functions are shared within the group
- Automotive Industry Development Centre (AIDC) – provide support services to the automotive industry in Gauteng
- The Innovation Hub Management Company (TIHMC) – mandated to act as a direct contributor to economic growth and to enhance the global competitiveness of Gauteng through innovation and knowledge economy
- Gauteng Industrial Development Zone (GIDZ) – established to develop and operate the Industrial Development Zone (IDZ) designated in the Eastern Corridor, specifically around the OR Tambo International Airport (ORTIA).
- Constitution Hill (ConHill) – purpose is to preserve historically significant buildings in a manner which makes them publicly and commercially useful and catalyse the regeneration of the Braamfontein and Hillbrow Precincts.

The GGDA's group performance is represented by the following core focus areas to which subsidiaries and business units at the Holdings Company all contribute:

i. Identify and facilitate strategic economic infrastructure;
ii. Skills Development;
iii. Sector Development;
iv. Enterprise Development (Pre-incubation, Incubation and Mentorship);
v. Direct job creation in Gauteng; and
vi. Facilitation of Investments and Trade.

The group achieved 61 (81%) of the 75 planned targets and facilitated the creation of 15 400 job opportunities as depicted in the annual report. This overall performance represent a 22% improvement from the 66.2% achieved in the 21/22 financial year.

A. GGDA HOLDINGS

To contribute to the attainment of the above outcomes, the GGDA Holdings Company focuses on the optimisation of efficiency as a 'single strategically coherent and integrated institution' and has established sector subsidiary companies and business units to deliver on same. The Holding company is structured so that it provides shared services to the group in respect of legal services, human resources management, internal audit, risk management and to some extent financial management and IT support functions amongst others.

The Holding Company provides support to the group in respect of the following core functions

i. Trade and Investment Facilitation;
ii. Enterprise Project Management Office
iii. Special Economic Zones (Vaal SEZ, West Rand SEZ, Lanseria Smart City and SEZ);
iv. Business Intelligence provision; and
v. Marketing and Communication.

i. Trade, Investment and Regulatory Enablement Business Unit (TIRE)

TIRE functions of the organisation contributes towards the achievement of economic development outcomes and imperatives. The attraction of investments in targeted sectors contributes to the development of the province's priority sectors. Both direct investments and exports are facilitated to increase the GDP contribution leading to growth of the Gauteng economy.

These efforts are critical for the creation of jobs which are vital for turning the tide on poverty and inequality within the province and nationally. TIRE focuses on the implementation of the Trade and Investment Strategy, the GGT2030 as well as improving its approach to African markets. These interventions seek to improve and position Gauteng as a strategic trade partner within the continent. Strategic partners such as foreign missions, business chambers are a vital part of this approach. GGDA aims to intensify its programme and proactively partner with the private sector and other state-owned entities to support its initiatives.

The TIRE business unit achieved 100% of the eleven (11) planned targets and facilitated the creation of 10135 jobs. The business unit service offerings and performance is detailed in the annual report.

ii. Enterprise Project Management Office Business Unit (EPMO)

The EPMO provides holistic programme management services over multiple projects located within the Holding company and subsidiaries. The programme provides transversal services in respect of centralised and co-ordinated management of the group's capital infrastructure projects.

The business unit also maintains oversight and quality assurance over multiple programmes and projects in an effort to enhance the GGDA capability to align and oversee programmes so that projects can be executed as part of the organisational strategy.

The delivery of catalytic economic infrastructure is intended to change the economic face of the province in addition to unlocking potential in the key growth and development areas.

The business unit achieved five (5) targets, details of which are provided in the annual report.

iii. SEZ Programme

GGT2030 puts Special Economic Zone at the centre of industrialization, spatial structuring, job creation, competitiveness, and overall economic development. GGT 2030 further points that the Vaal SEZ must be operationalised by 2025. Through the SEZ Programme, the GGDA is developing special economic zones in the Gauteng City-Region as a tool to:

- Reindustrialise Gauteng for the 21st century by boosting manufacturing, increasing exports and employment, and add momentum towards turning Gauteng City Region into a single, multi-tier and integrated Special Economic Zone,
- Promote industrial agglomeration in the Gauteng City-Region,
- Build the required enabling industrial infrastructure to support SEZs in the Gauteng City region,
- Anchor new economic clusters guided by economic regional planning, & economic inclusion, and;
- Mobilize investment in the Gauteng City Region in identified high growth sectors

The SEZ programme achieved seven (7) of the planned eight (8) targets, details of which are detailed in the annual report.

2. REVIEW OF ACTIVITIES (CONTINUED)

B. SPDC T/A AUTOMOTIVE INDUSTRY DEVELOPMENT CORPORATION (AIDC)

The SPDC T/A AIDC was established to provide support services to the automotive industry in Gauteng and contributes to all the core focus areas of the group:

Its purpose is to develop the automotive manufacturing sector to globally competitive standards of excellence, through a world-class value proposition which enables effective and sustainable socio-economic growth. The organisation was established as a government support centre, to increase the local automotive industry's global competitiveness and to promote Gauteng as the automotive industry investment destination of choice.

The entity achieved 12 (86%) of the planned 14 planned targets and created 844 jobs against a planned target of 4 320 jobs during the period. Details of which are provided in the annual report.

C. THE INNOVATION HUB MANAGEMENT COMPANY (TIHMC):

The Innovation Hub Management Company (TIHMC) was established through a partnership between the Gauteng Provincial Government (as represented by Blue IQ) and the Southern Education and Research Alliance (SERA), i.e. a partnership between the Council for Scientific and Industrial Research (CSIR) and University of Pretoria (UP) with a view to spur the development of smart industries (high technology sectors) in Gauteng.

Its mission is to promote the economic development and competitiveness of Gauteng in targeted sectors through innovation by:
- Creating new business opportunities and adding value to mature companies in technology and knowledge-based sectors;
- Fostering entrepreneurship and incubating new innovative companies;
- Sourcing and implementing relevant innovations to support radical economic transformation and modernisation of the economy;
- Providing attractive spaces for emerging knowledge companies;
- Ensuring human capacity development of critical skills matching industry needs in priority sectors;
- Enhancing the synergy between industry, government, academic and research institutions.

TIHMC achieved 14 (93%) of the planned 15 targets for the period and created 268 jobs against a planned target of 240 jobs. Details of which are provided in the annual report.

D. GAUTENG INDUSTRIAL DEVELOPMENT ZONE DEVELOPMENT COMPANY (GIDZ)

The Gauteng IDZ Development Company SOC Ltd ('GIDZ' or Gauteng IDZ') is a Special Purpose Vehicle established by the GGDA to manage the establishment and operationalisation of defined infrastructure programmes at the designated Industrial Development Zone ('IDZ') at the OR Tambo International Airport. The mandate of the Gauteng IDZ is to create an enabling platform for investment opportunities through public/private partnerships and direct development investment.

The intention is for the Gauteng IDZ to drive focused manufacturing and beneficiation programmes whilst helping to position Gauteng as a global city region. Key to delivering this mandate is that these programmes will use international best practices and will increase industrialisation and manufacturing capability in Gauteng. The Gauteng IDZ will support the GGDA in its aim that key Provincial Strategies are supported in a manner that ensures success of those strategies.

The GIDZ achieved six (6) of its ten (10) targets and created 3 805 jobs against a planned target of 3 170 jobs. Details of which are provided in the annual report.

BOARD OF DIRECTORS' REPORT (continued)

2. REVIEW OF ACTIVITIES (CONTINUED)

E. CONSTITUTION HILL

The purpose of the Constitution Hill (ConHill) Project is to preserve historically significant buildings in a manner which makes them publicly and commercially useful and catalyse the regeneration of the Braamfontein and Hillbrow Precincts. Historic buildings continue to be upgraded and ConHill has extended its education programmes and exhibitions to increase public participation and attendance to the precinct. The ConHill focus is on:

Urban regeneration: As a multi–media, mixed–use heritage precinct, one of Constitution Hill's fundamental mission is to engage with its environment and contribute to the Gauteng City Region and the Johannesburg inner city regeneration.

Civic growth through historical perspective: By physically animating the values of the Constitution within the heritage precinct, it is expected that Constitution Hill can allow visitors to draw on and engage with lessons learnt from the past to fulfil the dreams for the future.

The entity achieved eleven (11) or 92% of the twelve (12) planned targets during the reporting period. Details of which are provided in the annual report.

3. FINANCIAL RESULTS

Net surplus of the group is R287.0 million (2022: deficit R2.9 million).

4. GOING CONCERN

The annual financial statements as set out from pages 223-295, were prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have reviewed the group's ability to continue as a going concern for the 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future. The group is dependent on the receipt of grant funding from the Gauteng Provincial Government of R621 million for continued funding of operations for the 2023/2024 financial year. This funding has been approved as per the Medium Term Expenditure Framework of the Gauteng Provincial Government.

5. POST REPORTING DATE EVENTS

AIDC

The South African Revenue Services (SARS) initially disregarded the allowance for government grant on AIDC 2021 year of assessment which resulted in penalty and interest levied against the AIDC amounting to R18,6 million. The AIDC lodged an objection for suspension of payment and provided the necessary supporting documentation. SARS has subsequently finalised the reassessment to be in favour of AIDC. During June and July 2023, SARS provided AIDC with a reduced assessments indicating that no future liability is expected and SARS owes AIDC a refund amount of R539 thousands for the 2021 and 2022 year of assessments. This is a non-adjusting event as SARS did the reassessment after the reporting date.

TIHMC

Management submitted a request for write off of long outstanding debtors, amounting to R2.4 million to the respective governance structures for approval. The approval for the debts write-off for the 2022/23 financial year was obtained on the 29th of May 2023 from TIHMC Board. The debtors balance as disclosed includes the approved write off by board.

BOARD OF DIRECTORS' REPORT (continued)

5. POST REPORTING DATE EVENTS AIDC (CONTINUED)

GGDA HOLDING

The GGDA Board was dissolved on the 24th of March 2023. In a judgement on the 18th of May 2023 at The High Court of South Africa, the decision taken to dissolve the board of the GGDA and to terminate the board membership of the applicants with the GGDA was suspended with effect from 24th of March 2023. The Directors were reinstated accordingly.

There have been no other events that occurred after the reporting date that could have a material impact on the consolidated annual financial statements.

6. MEMBERS' INTEREST IN CONTRACTS

None of the directors at the date of this report have interests in contracts entered into by the Holding company and group.

7. ACCOUNTING POLICIES

The group annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with the Public Finance Management Act of 1999 as prescribed by the National Treasury and the Companies Act 71 of 2008.

8. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

The authorised share capital of the company is 4 000 shares.

There were no changes in the authorised share capital of the company during the 2022/2023 financial year.

ISSUED SHARE CAPITAL

As at 31 March 2023 the issued share capital comprised of 100 ordinary shares issued at R1 each to Gauteng Department of Economic Development.

There were no shares issued during the financial year.

9. DISTRIBUTIONS TO OWNERS

In terms of Section 53(3) of the PFMA, the Holding company is not allowed to retain surpluses without Treasury approval.

10. BORROWING LIMITATIONS

In terms of the PFMA, the Holding company is prohibited from borrowing. During the year under review, the company did not enter into any borrowing activities.

BOARD OF DIRECTORS' REPORT (continued)

11. BOARD

The board of directors of the company during the year and to the date of this report are as follows:

Name	Appointed
Ms S Vilakazi (Chairperson)	01 October 2021
Mr T Fakude (Deputy chairperson)	01 October 2021
Ms T Godongwana	01 October 2021
Ms T Kutumela	01 October 2021
Ms R Letwaba	01 October 2021
Mr E Magerman	01 October 2021
Mr D Maimela	01 October 2021
Adv K Maja	01 October 2021
Ms M Maroga	01 October 2021
Mr K Matabane	01 October 2021
Adv L Mokgatle	01 October 2021
Mr K Sukdev	01 October 2021

12. SECRETARY

The secretary of the company as at 31 March 2023 and up to the date of this report is Adv. P Holl.

Physical address
124 Main Street
Marshalltown
Johannesburg
2001

Postal address
Private Bag 10420
Johannesburg
2000

13. CORPORATE GOVERNANCE

GENERAL

Gauteng Growth and Development Agency SOC Ltd confirms and acknowledges its responsibility to comply with the Public Finance Management Act (PFMA), Act 1 of 1999, Treasury Regulations and where applicable and practical, with the Code of Corporate Practices and Conduct ("the Code") laid out in the King IV report on Corporate Governance for South Africa, 2016. The Board discusses the responsibilities of management in this respect at Board meetings and monitors the company's compliance with the Code on a quarterly basis.

The salient features of the company's adoption of the Code is outlined below:

BOARD OF DIRECTORS

The Board:
- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
  - non-executive directors, all of whom are independent directors as defined in the Code; and
  - executive directors.

BOARD OF DIRECTORS' REPORT (continued)

13. CORPORATE GOVERNANCE (CONTINUED)

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

The Chairperson is a non-executive and independent director (as defined by the King IV Report on Corporate Governance). The roles of the Chairperson and Chief Executive Officer are separate.

BOARD MEETINGS

The directors have met in line with the requirements of the King IV Report on Corporate Governance.

During the current year 22 meetings were held.

Board of Directors Name	Total meetings	Meetings attended
Dr S Vilakazi (Chairperson)	22	22
Mr T Fakude (Deputy Chairperson)	22	21
Ms T Godongwana	22	14
Ms T Kutumela	22	20
Ms R Letwaba	22	22
Mr E Magerman	22	22
Mr D Maimela	22	20
Adv K Maja	22	21
Ms M Maroga	22	11
Mr K Matabane	22	20
Adv L Mokgatle	22	19
Mr K Sukdev	22	21

AUDIT AND RISK COMMITTEE

The Audit Committee is responsible for monitoring compliance, internal control and risk, as well as the internal and external audit functions and the Annual Financial Statements.

The committee consists of Independent Non-Executive Members and is chaired by Mr K Sukdev. Additional 5 directors were appointed as members of the Committee after 2 meetings were already held.

Audit and Risk Committee Name	Total meetings	Meetings attended
Mr K Sukdev (Chairperson)	11	11
Mr T Fakude	11	11
Adv L Mokgatle	11	10
Mr E Magerman	11	11
Adv K Maja	11	10
Ms P Mangoma	9	9
Mr T Ditshwane	9	9
Mr A Latchu	9	8
Mr G Yende	9	9
Ms T Godongwana	9	7

13. CORPORATE GOVERNANCE (CONTINUED)

NOMINATION, HUMAN RESOURCE AND REMUNERATION COMMITTEE

The committee consists of Independent Non-Executive Members and is chaired by Adv L Mokgatle. The committee met in line with the requirements of the King IV Report of Corporate Governance to review matters necessary to fulfil its role. Additional 4 directors were appointed as members of the Committee after 1 meeting was already held.

NOMINATION, HUMAN RESOURCE AND REMUNERATION COMMITTEE

Nomination, Human Resource and Remuneration Committee Name	Total meetings	Total attended
Adv L Mokgatle (Chairperson)	6	6
Mr K Sukdev	6	6
Ms R Letwaba	6	6
Ms T Godongwana	6	3
Dr S Vilakazi	5	5
Mr B Gantile	5	3
Ms J Phiri	5	4
Mr R Maboe	5	5

SOCIAL AND ETHICS COMMITTEE

The committee is chaired by Ms T Kutumela. The committee met in line with the requirements of the King IV Report on Corporate Governance to review matters necessary to fulfil its role. Additional 5 directors were appointed as members of the Committee after 1 meeting was already held.

Social and Ethics Committee Name	Total meetings	Total attended
Ms T Kutumela (Chairperson)	4	4
Ms M Maroga	4	3
Ms R Letwaba	4	4
Ms T Godongwana	3	3
Mr G More	3	3
Mr R Moeng	3	3
Mr P Nyandu	3	3
Mr M Sebothoma	3	2
Mr P Mofokeng	3	3

13. CORPORATE GOVERNANCE (CONTINUED)

GROUP INFRASTRUCTURE, TRADE AND INVESTMENT COMMITTEE

During the current financial year five (5) meetings were held. Additional 7 directors were appointed as members of the Committee after 1 meeting was already held

Group Infrastructure, Trade and Investment Committee Name	Total meetings	Meetings attended
Mr D Maimela (Chairperson)	5	5
Mr T Fakude	5	5
Mr E Magerman	5	5
Mr K Matabane	5	5
Ms C Maluleke	4	4
Mr B Mboniswa	4	4
Dr S Vilakazi	4	4
Mr S Mbele	4	4
Ms T Kutumela	4	4
Dr R Mamphiswana	4	4
Mr B Mabizela	4	3

14. INTERNAL AUDIT

Gauteng Growth and Development Agency SOC Ltd has co-sourced its internal audit function and complies with the Public Finance Management Act 1, 1999 (PFMA).

15. AUDITORS

The Auditor General of South Africa will continue in office in accordance with Public Audit Act No.25 of 2004 and Section 90 of the Companies Act 71 of 2008.

COMPANY SECRETARY'S CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Adv. P Holl
Company Secretary

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

		Group		Controlling entity	
	Note(s)	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Assets					
Current Assets					
Cash and cash equivalents	3	1 192 015	1 023 949	583 764	587 507
Receivables from exchange transactions	4	30 475	66 439	623	20 445
Receivables from non-exchange transactions	5	480	–	–	–
Inventories	6	184	–	–	–
Other financial assets	7	11 509	10 947	–	–
Prepayments	8	11 307	5 975	1 797	1 252
Deposits paid	9	3 767	3 666	616	566
Current tax receivable	10	11 447	6 152	6 456	1 101
VAT receivable	11	23 548	–	–	–
Operating lease asset	13	3 228	4 325	4	–
		1 287 960	**1 121 453**	**593 260**	**610 871**
Non-Current Assets					
Investment property	14	1 212 672	1 026 424	–	–
Property, plant and equipment	15	697 959	637 599	8 430	8 582
Intangible assets	16	5 347	5 314	3 086	2 928
Heritage assets	17	188 685	188 589	–	–
Investments in controlled entities	18	–	–	259 084	259 084
Deferred tax	19	46 328	39 764	2 512	2 778
Prepayments	8	421	73	–	–
Operating lease asset	13	81 527	62 740	24	5
		2 232 939	**1 960 503**	**273 136**	**273 377**
Total Assets		**3 520 899**	**3 081 956**	**866 396**	**884 248**
Liabilities					
Current Liabilities					
Current tax payable	10	1 219	–	–	–
Finance lease obligation	22	25	95	–	–
Operating lease liability	13	275	–	275	–
Payables from exchange transactions	20	88 115	55 365	22 115	24 280
Payables from non-exchange transactions	21	–	–	–	18 675
VAT payable	12	1 494	2 338	–	–
Provisions	24	39 620	46 789	13 135	13 965
Unutilised conditional government	23	938 371	841 373	476 547	488 163
Deposits received	25	12 798	10 812	–	–
		1 081 917	**956 772**	**512 072**	**545 083**

**See Note 48*

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

		Group		Controlling entity	
	Note(s)	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Non-Current Liabilities					
Finance lease obligation	22	3 128	3 153	–	–
Operating lease liability	13	194 731	171 241	2 901	2 299
Deferred tax	19	20 280	17 430	–	–
Provisions	24	11 870	11 429	–	–
		230 009	**203 253**	**2 901**	**2 299**
Total Liabilities		**1 311 926**	**1 160 025**	**514 973**	**547 382**
Net Assets		**2 208 973**	**1 921 931**	**351 423**	**336 866**
Share capital		–	–	–	–
Accumulated surplus	26	2 180 542	1 897 286	351 423	336 866
		2 180 542	1 897 286	351 423	336 866
Non-controlling interest		28 431	24 645	–	–
Total Net Assets		**2 208 973**	**1 921 931**	**351 423**	**336 866**

**See Note 48*

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

		Group		Controlling entity	
	Note(s)	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Revenue from exchange transactions	27	268 688	225 904	–	–
Revenue from non-exchange transactions	28	737 684	464 088	612 427	497 198
Other income	29	3 836	4 018	692	3 067
Grants transferred	30	–	–	(411 535)	(320 486)
Administrative expenses		(41 633)	(34 838)	(19 609)	(14 904)
Operating expenses		(393 275)	(379 113)	(69 703)	(55 422)
Employee costs	31	(323 304)	(288 128)	(124 779)	(103 294)
Operating surplus (deficit)	32	**251 996**	**(8 069)**	**(12 507)**	**6 159**
Finance income	33	47 349	23 853	32 890	18 163
Finance costs	34	(1 610)	(2 219)	–	(868)
Surplus before taxation		**297 735**	**13 565**	**20 383**	**23 454**
Taxation	35	(10 693)	(16 482)	(5 826)	(7 090)
Surplus (deficit) for the year		**287 042**	**(2 917)**	**14 557**	**16 364**
Attributable to:					
Net asset holders of the company		283 256	(2 533)	14 557	16 364
Non-controlling interest		3 786	(384)	–	–
		287 042	**(2 917)**	**14 557**	**16 364**

**See Note 48*

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2023

	Share capital R'000	Accumulated surplus/ deficit R'000	Total attributable to owners of the group/ controlling entity R'000	Non-controlling interest R'000	Total net assets R'000
Group					
Opening balance as previously reported		1 900 496	1 900 496	25 029	1 925 525
Adjustments					
Prior year adjustments 48		(677)	(677)	-	(677)
Balance at 01 April 2021 as restated*		**1 899 819**	**1 899 819**	**25 029**	**1 924 848**
Restated Deficit for the year		(2 533)	(2 533)	(384)	(2 917)
Total changes		(2 533)	(2 533)	(384)	(2 917)
Restated* Balance at 01 April 2022		**1 897 286**	**1 897 286**	**24 645**	**1 921 931**
Surplus for the year		283 256	283 256	3 786	287 042
Total changes		283 256	283 256	3 786	287 042
Balance at 31 March 2023		**2 180 542**	**2 180 542**	**28 431**	**2 208 973**
Note(s)	26				
Controlling entity					
Balance at 01 April 2021		**320 502**	**320 502**	**-**	**320 502**
Surplus for the year		16 364	16 364	-	16 364
Total changes		16 364	16 364	-	16 364
Balance at 01 April 2022		**336 866**	**336 866**	**-**	**336 866**
Surplus for the year		14 557	14 557	-	14 557
Total changes		14 557	14 557	-	14 557
Balance at 31 March 2023		**351 423**	**351 423**	**-**	**351 423**
Note(s)	26				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

		Group		Controlling entity	
	Note(s)	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Cash flows from operating activities					
Receipts					
SARS – VAT refund		6 694	4 422	–	–
Receipts from customers		264 858	232 904	–	–
Government grants – MTEF		585 355	608 914	585 355	608 914
Interest income		45 630	23 637	31 827	19 149
Finance income earned on the dtic Funding		956	29	956	29
Conditional grants – non-MTEF		247 236	126 469	14 500	8 400
Other income		17 654	16 347	2 019	4 808
Receipts from subsidiaries		–	–	20 497	15 068
SARS – income tax refund		1 131	4 558	1 131	4 558
		1 169 514	1 017 280	656 285	660 926
Payments					
Employee costs		(329 620)	(294 302)	(129 805)	(114 194)
Payments to suppliers		(423 602)	(343 318)	(189 468)	(136 966)
Finance costs		(315)	(342)	–	(13)
SARS VAT payments		(17 775)	(16 657)	–	–
Taxation	38	(19 584)	(14 069)	(12 016)	(8 787)
Return of funds to DBSA		–	(5 800)	–	–
Government grants transferred to subsidiaries		–	–	(327 500)	(278 847)
		(790 896)	(674 488)	(658 789)	(538 807)
Net cash flows from operating activities	37	**378 618**	**342 792**	**(2 504)**	**122 119**
Cash flows from investing activities					
Acquisition of property, plant and equipment	15	(19 560)	(9 552)	(1 079)	(1 524)
Acquisition of investment property	14	(190 323)	(30 390)	–	–
Acquisition of intangible assets	16	(478)	(833)	(160)	(472)
Purchase of heritage assets	17	(96)	–	–	–
Net cash flows from investing activities		**(210 457)**	**(40 775)**	**(1 239)**	**(1 996)**
Cash flows from financing activities					
Finance lease payments		(95)	(1 553)	–	(295)
Net increase/(decrease) in cash and cash equivalents		**168 066**	**300 464**	**(3 743)**	**119 828**
Cash and cash equivalents at the beginning of the year		1 023 949	723 485	587 507	467 679
Cash and cash equivalents at the end of the year	3	**1 192 015**	**1 023 949**	**583 764**	**587 507**

**See Note 48*

ACCOUNTING POLICIES

1. PRESENTATION OF GROUP ANNUAL FINANCIAL STATEMENTS

The group annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999) and Companies Act of 2008.

BASIS OF PREPARATION

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

BASIS OF MEASUREMENT

These group Annual Financial Statements are presented in South African Rands which is the group's functional currency. All financial information presented has been rounded to the nearest thousand.

1.1 GOING CONCERN ASSUMPTION

These group annual financial statements have been prepared based on the expectation that the group will continue to operate as a going concern for at least the next 12 months.

1.2 MATERIALITY

Information is material if its omission or misstatement could influence the discharge of accountability by the group, or the decisions that users make on the basis of the annual financial statements prepared for that reporting period. Materiality depends on both the nature and amount of the item judged in the particular circumstances of the group.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.3 CONSOLIDATION

Basis of Consolidation

The group annual financial statements of subsidiaries are included in the consolidated group annual financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

The annual financial statements of the group and its subsidiaries are prepared at the same reporting date.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated group annual financial statements.

ACCOUNTING POLICIES (continued)

1.4 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the group annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the group annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the group annual financial statements. Significant judgments include:

Recoverability of Receivables from Exchange and Non-Exchange, Loans and/or Other Receivables

The group assesses its receivables for impairment at each reporting date individually. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the group makes judgments as to whether there is observable data, for example the assessment of debtor collectability indicating a measurable decrease in the estimated future cash flows from the receivables. An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Useful Lives and Residual Values of Property, Plant, Equipment and Intangible Assets

The group's management determines the estimated useful lives and residual values of property, plant, equipment and intangible assets. These assessments are made when there are indicators that the useful lives may have changed from the previous period.

This estimate involves a matter of judgment based on the experience of the Group with similar assets. The group considers all facts and circumstances in estimating the useful lives of assets, which include the consideration of financial, technical and other factors. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives.

Impairment Testing of Non-Financial Assets

Value in use of cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including supply and demand, together with economic factors such as interest.

Value in Use of Non-Cash Generating Assets

The group reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable service amounts of non-cash-generating assets have been determined based on the higher of value in use calculations and fair values less costs to sell.

If there are indications that impairment may have occurred, the remaining service potential of the asset is determined for each group of assets. The group selects the most appropriate approach to determine the remaining service potential. This is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the provisions note.

Effective Interest Rate

The group used the prime interest rate to discount future cash flows unless stated otherwise.

ACCOUNTING POLICIES (continued)

1.5 INVESTMENT PROPERTY

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life range
Property – land	indefinite
Property – buildings	20-50 years

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

The Group derecognises investment property on disposal or when the investment property is permanently withdraw from use and no future economic benefits or service potential are expected from its disposal.

The group separately discloses expenditure to repair and maintain investment property in the notes to the group annual financial statements.

The group discloses relevant information relating to assets under construction or development, in the notes to the group annual financial statements: the cumulative expenditure recognised in the carrying value of investment property, the carrying value of investment property that is taking a significantly longer period of time to complete than expected, and the carrying value of investment property where construction or development has been halted.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

1.6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Indefinite
Buildings	20 – 50 years
Facilities equipment	3 – 20 years
Furniture and fixtures	3 – 25 years
Motor vehicles	5 – 15 years
Office equipment	3 – 15 years
IT equipment	3 – 15 years
Training equipment	3 – 20 years
Communication equipment	5 – 20 years
Infrastructure	3 – 25 years

The residual value, and the useful life and depreciation method of each asset are reviewed when at reporting date there is an indicator that a change is required. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Construction work in progress is not depreciated until it is completed and in the condition and location for use as intended by management. The group discloses relevant information relating to assets under construction or development, in the notes to the group annual financial statements:

- the cumulative expenditure recognised in the carrying value of property, plant and equipment,
- the carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected,
- and the carrying value of property, plant and equipment where construction or development has been halted.

The group separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see not.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost.

Should an intangible asset be acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

ACCOUNTING POLICIES (continued)

1.7 INTANGIBLE ASSETS (CONTINUED)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life to its estimated residual value.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Average useful life
Computer software	3–10 years
Financial and risk management software	Indefinite

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

The group derecognise intangible assets:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.8 HERITAGE ASSETS

Heritage assets are measured at cost.

The cost of an item of heritage assets are the purchase price and other costs attributable bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the group.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.
The group does not recognise in the carrying amount of heritage assets the costs of the day-to-day servicing of such assets. Rather, these costs are recognised in surplus or deficit when incurred.

Costs of day-to-day servicing are primarily the cost of inspecting the heritage assets, cost of labour and consumables, and may include the cost of parts or repairs.

The group separately discloses expenditure to repair and maintain heritage assets in the notes to the group annual financial statements.

The group assess at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the group estimates the recoverable amount or the recoverable service amount of the heritage asset.

The group derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

ACCOUNTING POLICIES (continued)

1.9 INVESTMENTS IN CONTROLLED ENTITIES

In the Company's separate Annual Financial Statements, investments in controlled entities are carried at cost less accumulated impairment.

1.10 FINANCIAL INSTRUMENTS

The group has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Financial assets:	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Deposits paid	Financial asset measured at amortised cost

The group has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Financial liabilities:	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Deposits received	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

The group measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The group measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at amortised cost.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

The group assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The group derecognises financial assets using trade date accounting.

ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS (CONTINUED)

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.11 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the Group.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 TAX

Current Tax Assets and Liabilities

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the Statement of Financial Position date.

ACCOUNTING POLICIES (continued)

1.12 TAX (CONTINUED)

Deferred Tax Assets and Liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable surplus will be available against which the unused tax losses can be utilised.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus nor taxable surplus or deficit. In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable surplus will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority.

Value Added Tax

The group has companies that are VAT Vendors in accordance with the VAT Act. Revenue, expenditure and the cost of assets is recorded net of VAT and the amount due to SARS is included as a asset or liability. The group entities are registered on the accrual basis.

1.13 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the group assesses the classification of each element separately.

ACCOUNTING POLICIES (continued)

1.13 LEASES (CONTINUED)

Finance Leases – Lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. If this is practicable to determine; if not, the group's incremental borrowing rate shall be used. Any initial direct costs of the group are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating Leases – Lessor

Operating lease revenue is recognised as revenue on a straight-line basis in the Statement of Financial Performance over the lease term. The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability. This operating lease asset or liability is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term (the negotiated period in the contract) on a straight-line basis.

Operating Leases – Lessee

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 operating lease asset or liability is not discounted.

1.14 BUDGET INFORMATION

The group does not present a comparison of their budget and actual amounts as required by GRAP 24.12 as the group is specifically excluded from the scope of GRAP 24 due to the group budgets not being made publicly available.

1.15 COMMITMENTS

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.16 IMPAIRMENT OF CASH-GENERATING ASSETS

Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of group's objective of using the asset.

The group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the group designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

ACCOUNTING POLICIES (continued)

1.16 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The group assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in Use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the group estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the group applies the appropriate discount rate to those future cash flows.

Basis for Estimates of Future Cash Flows

In measuring value in use the Group:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of Estimates of Future Cash Flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.
-

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the Group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount Rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

ACCOUNTING POLICIES (continued)

1.16 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

Recognition and Measurement (Individual Asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the Group recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-Generating Units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash- generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the Group use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash- generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

ACCOUNTING POLICIES (continued)

1.17 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash generating.

The designation is made on the basis of an group's objective of using the asset. The group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the group designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The Group assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the group estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in Use

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated Replacement Cost Approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost of an asset is determined on an "optimised" basis. The rationale is that the Group would not replace the asset with a like asset if the asset to be replaced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost of an asset on an optimised basis thus reflects the service potential required of the asset.

ACCOUNTING POLICIES (continued)

1.17 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (CONTINUED)

Recognition and Measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the group recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.18 SHARE CAPITAL ORDINARY SHARES

Ordinary shares are classified as net assets in the separate group annual financial statements. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from net assets, net of any tax effects.

1.19 EMPLOYEE BENEFITS

Short-term Employee Benefits

Short-term employee benefits include items such as:

- salaries;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example cellphones and group life cover) for current employees.

When an employee has rendered service to the group during a reporting period, the company recognise the undiscounted amount of short- term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the group recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The group recognise the expected cost of bonus related payments when the group has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the group has no realistic alternative but to make the payments.

1.20 PROVISIONS AND CONTINGENCIES

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the group settles the obligation.

The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

ACCOUNTING POLICIES (continued)

1.20 PROVISIONS AND CONTINGENCIES (CONTINUED)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

1.21 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts.

Rental Revenue

Rental income from investment property, rental of facilities and equipment is recognised in the Statement of Financial Performance on a straight-line basis over the term of the lease.

Rendering of Services

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by reference to reviews of work performed.

Admission Fees

Admission fees and sales have been classified as revenue from the sale of goods. Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
b) the entity does not retain:
   - effective control over the goods sold; or
   - continuing managerial involvement to the degree usually associated with ownership;
c) the amount of revenue can be measured reliably; and
d) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Project Income

Project income relates to project management fees charged at arm's length on site development.

1.22 REVENUE FROM NON-EXCHANGE TRANSACTIONS

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Group.

ACCOUNTING POLICIES (continued)

1.22 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Government Grants, Sponsorships and Donations
The group recognises grants, sponsorships and donations as revenue from non-exchange transactions.

Services In-Kind
Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the group disclose the nature and type of services in-kind received during the reporting period.

1.23 FINANCE INCOME

Finance income comprises interest income on funds invested, receivables from exchange transactions and interest earned from SARS. Interest income is recognised as it accrues in the Statement of Financial Performance.

1.24 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.25 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Any irregular, fruitless and wasteful expenditure is recognised in the period in which it is incurred and details thereof disclosed in the note . Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

1.26 SEGMENT INFORMATION

Reportable segments are the actual segments which are reported on in the segment report.

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the group annual financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.27 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the group, including those charged with the governance of the group in accordance with legislation, in instances where they are required to perform such functions.

The group is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the group to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the group is exempt from the disclosures in accordance with the above, the group discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its group annual financial statements.

ACCOUNTING POLICIES (continued)

1.28 EVENTS AFTER REPORTING DATE

The group will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The group will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 FINANCE COSTS

The finance costs relates to interest on finance lease and discounting of receivable. The finance charge on finance lease is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.30 ACCOUNTING BY PRINCIPALS AND AGENTS

Identification

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 principal-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).

Identifying whether an entity is a principal or an agent.

When the company is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an company is a principal or an agent requires the company to assess whether the transactions it undertakes with third parties are for the benefit of another company or for its own benefit.

Recognition

The group, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The group, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The group recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.31 ACCUMULATED SURPLUS (DEFICIT)

The accumulated surplus/(deficit) represents the net difference between the total assets and the total liabilities of the group. Any surpluses and deficits realised during a specific reporting period are credited/debited against accumulated surplus/(deficit). Prior year adjustments, relating to income and expenditure, are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the Group has not adopted any standards and interpretations that are effective for the current financial year and that are relevant to its operations.

2.2 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The Group has not applied the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
• GRAP 25 (amended): Employee Benefits (replacement of 2009 version)	01 April 2023	Unlikely there will be a material impact

2.3 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

No standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2023 or later periods and not relevant to its operations.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	Group		Controlling entity	
	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Cash on hand	89	49	8	6
Current accounts	529 951	315 290	88 906	13 652
Call accounts	661 975	708 610	494 850	573 849
	1 192 015	**1 023 949**	**583 764**	**587 507**

Cash and cash equivalents earn interest at variable rates based on daily bank deposits. The Group does not have any restriction on realisation or utilisation on cash balances. Included in the bank balance is an amount of R217 million (2022: R217 million) ring fenced to be paid to the Department of Trade, Industry and Competition (DTIC). The Group does not have access to overdraft facilities.

The Cash and cash equivalents balance includes amounts that are not available for use by the Group pending treasury's approval for retentions.

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Group		Controlling entity	
	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Trade receivables	46 388	52 490	–	–
Accrued Income	544	–	–	–
Other receivables*	11 821	35 189	623	20 445
Less: Impairment of trade and other receivables	(28 278)	(21 240)	–	–
	30 475	**66 439**	**623**	**20 445**

* Included in the prior year other receivables was the gross amount of R20.9 million charged to the contractor for construction materials. It was discovered that materials off site which had been certified and paid for in a previous payment certificate could not be verified in the 2019/20 financial year. GGDA subsequently issued an invoice to the contractor to recoup the costs in order to replace the materials and lift based on the implementation of the BioPark project on behalf of TIHMC. There were no restrictions placed on the other receivables balance. The receivable was settled in full during the current year.

Ageing of trade receivables

The ageing of amounts are as follows:

Current	12 820	22 821	–	–
31–60 days	5 442	5 631	–	–
61–90 days	1 184	3 771	–	–
Older than 90 days	26 942	20 267	–	–
	46 388	**52 490**	**–**	**–**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(21 240)	(16 859)	–	2 283
Provision for impairment	(14 836)	(12 247)	–	–
Amounts written off as uncollectible	418	-		–
Unused amounts reversed	7 380	7 866	–	(2 283)
	(28 278)	**(21 240)**	**–**	**–**

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Non-MTEF grant recovery	480	-	-	-

An amount of R0.48 million receivable from non-exchange transaction relates to the Start Support Programme grant that was awarded to the beneficiary during the current financial year. However, the beneficiary was in breach of the grant contract, and the funds need to be recovered.

6. INVENTORIES

	Group		Controlling entity	
	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Inventories	187	–	–	–
	187	–	–	–
Inventories (write-downs)	(3)	–	–	–
	184	**–**	**–**	**–**
Inventory per category				
Inventory kept for sale	184	–	–	–
Inventory Reconciliation				
Purchases	190	–	–	–
Sold during the year	(3)	–	–	–
Write-off	(3)	–	–	–
	184	**–**	–	–

The inventory consists of stock items kept for the purpose of selling to the public and the selling price less cost to sell (Net Realisable Value) is anticipated to exceed the carrying value. ConHill has not pledged any of its inventory at hand as security or guarantee on any debts at year end.

7. OTHER FINANCIAL ASSETS

At amortised cost				
Guaranteed trust fund	11 509	10 947	–	–
Current assets				
At amortised cost	11 509	10 947	–	–

Other financial assets – Guaranteed Trust fund

The effective interest rate on the fund is 5.14% p.a (2022:4.4%) p.a. The funds are held in the trust as an interim temporary guarantee towards the upgrade of the Innovation Hub external bulk services as required by the City of Tshwane. Funds are withdrawn as and when payments for external bulk services are incurred in line with the City of Tshwane service level agreement. Refer note 24 for expenditure provision details.

8. PREPAYMENTS

GGDA prepayments consist mainly of licenses, insurance and Business Intelligence subscriptions.

AIDC prepayment consists mainly of insurance and software licenses.

TIHMC share the electricity bill with its tenant in terms of which TIHMC buys bulk prepaid electricity from City of Tshwane and internally bills its tenant as per their consumption.

	Group		Controlling entity	
	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Prepayments	11 307	5 975	1 797	1 252
Prepayments – Non-current Portion	421	73	–	–
	11 728	**6 048**	**1 797**	**1 252**
GGDA Holdings	1 797	1 252	1 797	1 252
AIDC	6 208	1 689	–	–
CONHILL	344	844	–	–
GIDZ	967	844	–	–
TIHMC	2 412	1 419	–	–
	11 728	**6 048**	**1 797**	**1 252**

9. DEPOSITS PAID

Deposits paid are mainly rental deposits held by leasing agent and deposits paid for electricity.

Deposits paid	3 767	3 666	616	566
GGDA Holdings	616	566	616	566
AIDC	1 030	979	–	–
GIDZ	2 088	2 088	–	–
TIHMC	33	33	–	–
	3 767	**3 666**	**616**	**566**

10 CURRENT TAX RECEIVABLE

Current tax receivable represents amounts receivable from South African Revenue Services.

Current tax receivable	11 447	6 152	6 456	1 101
Current tax payable	(1 219)	–	–	–
	10 228	**6 152**	**6 456**	**1 101**
GGDA Holdings	6 456	1 101	6 456	1 101
AIDC	(1 219)	287	–	–
GIDZ	2 299	2 072	–	–
TIHMC	2 692	2 692	–	–
	10 228	**6 152**	**6 456**	**1 101**

11. VAT RECEIVABLE

	Group		Controlling entity	
	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
South African Revenue services	23 548	–	–	–
GIDZ	23 548	–	–	–

12. VAT PAYABLE

	Group 2023 R'000	Group 2022 Restated* R'000	Controlling entity 2023 R'000	Controlling entity 2022 R'000
South African Revenue Services	1 494	2 338	–	–
AIDC	333	816	–	–
CONHILL	1 161	1 329	–	–
GIDZ	–	193	–	–
	1 494	**2 338**	**–**	**–**

13. OPERATING LEASE ASSET/(LIABILITY)

	Group 2023 R'000	Group 2022 Restated* R'000	Controlling entity 2023 R'000	Controlling entity 2022 R'000
Non-current assets	81 527	62 740	24	5
Current assets	3 228	4 325	4	–
Non-current liabilities	(194 731)	(171 241)	(2 901)	(2 299)
Current liabilities	(275)	–	(275)	–
Minimum lease commitments – as lessee:				
– within one year	27 496	24 400	21 343	18 703
– in second to fifth year	64 489	80 959	34 546	53 234
– later than five years	1 213 358	1 221 729	-	-
	1 305 343	**1 327 088**	**55 889**	**71 937**

The above represents the lease rentals for operating leases of InvestSA offices, Vaal SEZ, 124 Main street and the GIDZ ACSA lease which is amortised on a straight line basis over the period of the lease.

	Group 2023 R'000	Group 2022 Restated* R'000	Controlling entity 2023 R'000	Controlling entity 2022 R'000
Minimum lease payments due – as lessor:				
– within one year	(116 677)	(89 357)	(381)	(353)
– in second to fifth year	(263 009)	(201 542)	(339)	(720)
– later than five years	(396 620)	(368 312)	–	–
	(776 306)	**(659 211)**	**(720)**	**(1 073)**

The above future minimum lease rentals represent rental payable under non-cancellable operating leases in the aggregate and for each period.

14. INVESTMENT PROPERTY

Group	2023			2022		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Investment property	1 609 776	(397 104)	1 212 672	1 410 471	(384 047)	1 026 424

Reconciliation of investment property – Group – 31 March 2023

	Opening balance	Additions	Additions through grant	Depreciation	Total
Investment property	1 026 424	190 324	25 539	(29 615)	1 212 672

Reconciliation of investment property – Group – 31 March 2022

	Opening balance	Additions	Additions through grant	Impairments	Depreciation	Total
Investment property	1 029 171	30 390	13 217	(16 558)	(29 796)	1 026 424

Investment property in the process of being constructed or developed

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Cumulative expenditure recognised in the carrying value of Investment property				
Opening balance	65 260	193 848		–
Additions	214 018	43 607	–	–
Transfers to completed investment property	–	(172 195)	–	–
	279 278	**65 260**	**–**	**–**
Carrying value of Investment property that is taking a significantly longer period of time to complete than expected				
Visitor Centre Building – ConHill	49 045	23 819	–	–
JMP Southern Precinct Top Structures Construction	230 233	–	–	
	279 278	**23 819**	**–**	**–**

14. INVESTMENT PROPERTY (CONTINUED)

Visitors' Centre Building – Conhill

Construction commenced in April 2022 and project was planned to be completed in August 2023. Due to several challenges experienced, the completion has been extended to December 2023.

JMP Southern Precinct Top Structures Construction

The practical completion date moved from 03 August 2022 to 03 June 2023 due to work stoppages by the previous Professional Resources Team (PRT).

	Group		Controlling entity	
	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Details of Group entity carrying values				
AIDC	376 230	387 547	–	–
CONHILL	130 538	108 526	–	–
GIDZ	529 471	352 028	–	–
TIHMC	176 433	178 323	–	–
	1 212 672	**1 026 424**	**–**	**–**

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period which varies between three and 12 years. Subsequent renewals are negotiated with the lessee. No contingent rent is charged.

The entity subsequently accounts for investment property on the cost model. The carrying amount of the investment property is the cost less the accumulated depreciation and any impairment losses.

None of the above investment properties have been pledged as security.

In terms of the PFMA, investment properties can only be sold with the approval of the Executive Authority.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	122 310	112 340	–	–
From Investment property that generated rental revenue				
Direct operating expenses (excluding repairs and maintenance)	(64 984)	(59 153)	–	–
Direct operating expenses from non-rental generating property	(6 554)	(7 115)	–	–
	(71 538)	**(66 268)**	**–**	**–**
Expenditure incurred to repair and maintain Investment property				
Repairs and maintenance expenditure	12 303	4 710	–	–

15. PROPERTY, PLANT AND EQUIPMENT

Group	2023			2022		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Land	5 168	–	5 168	5 168	–	5 168
Buildings	448 529	(87 109)	361 420	381 641	(90 648)	290 993
Furniture and fixtures	35 130	(20 115)	15 015	35 253	(18 980)	16 273
Motor vehicles	3 819	(2 091)	1 728	4 148	(2 105)	2 043
Office equipment	21 403	(13 790)	7 613	20 760	(12 330)	8 430
IT equipment	51 856	(28 695)	23 161	52 625	(29 179)	23 446
Infrastructure	321 877	(94 558)	227 319	312 102	(80 704)	231 398
Facilities equipment	8 516	(3 870)	4 646	8 164	(4 610)	3 554
Training equipment	79 058	(31 220)	47 838	78 035	(25 993)	52 042
Other property, plant and equipment	3 180	(312)	2 868	3 180	(222)	2 958
Communication equipment	2 681	(1 498)	1 183	2 682	(1 388)	1 294
Total	**981 217**	**(283 258)**	**697 959**	**903 758**	**(266 159)**	**637 599**

Controlling entity	2023			2022		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Furniture and fixtures	6 777	(3 841)	2 936	6 786	(3 537)	3 249
Motor vehicles	420	(62)	358	765	(346)	419
IT equipment	7 948	(2 812)	5 136	7 398	(2 484)	4 914
Total	**15 145**	**(6 715)**	**8 430**	**14 949**	**(6 367)**	**8 582**

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment – Group – 31 March 2023

	Opening balance R'000	Additions R'000	Disposals for write-offs R'000	Depreciation R'000	Total R'000
Land	5 168	–	–	–	5 168
Buildings	290 993	77 171	–	(6 744)	361 420
Furniture and fixtures	16 273	965	(106)	(2 117)	15 015
Motor vehicles	2 043	–	–	(315)	1 728
Office equipment	8 430	765	(5)	(1 577)	7 613
IT equipment	23 446	5 335	(460)	(5 160)	23 161
Infrastructure	231 398	9 775	–	(13 854)	227 319
Facilities equipment	3 554	1 687	–	(595)	4 646
Training equipment	52 042	1 034	(6)	(5 232)	47 838
Other property, plant and equipment	2 958	–	–	(90)	2 868
Communication equipment	1 294	–	–	(111)	1 183
	637 599	**96 732**	**(577)**	**(35 795)**	**697 959**

Reconciliation of property, plant and equipment – Group – 31 March 2022

	Opening balance R'000	Additions R'000	Additions through grant R'000	Disposals for write offs R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Land	5 168	–	–	–	–	–	5 168
Buildings	308 010	–	–	–	(6 734)	(10 283)	290 993
Furniture and fixtures	18 260	672	–	(465)	(2 194)	–	16 273
Motor vehicles	1 566	763	–	–	(286)	–	2 043
Office equipment	8 337	1 685	–	(127)	(1 465)	–	8 430
IT equipment	24 653	5 496	–	(1 213)	(5 490)	–	23 446
Leasehold improvements	299	–	–	–	(299)	–	–
Infrastructure	242 788	1 277	608	–	(13 275)	–	231 398
Facilities equipment	3 789	257	–	(61)	(431)	–	3 554
Training equipment	57 243	46	–	(53)	(5 194)	–	52 042
Other property, plant and equipment	3 048	–	–	–	(90)	–	2 958
Communication equipment	1 536	–	–	(66)	(176)	–	1 294
	674 697	**10 196**	**608**	**(1 985)**	**(35 634)**	**(10 283)**	**637 599**

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment – Controlling entity – 31 March 2023

	Opening balance R'000	Additions R'000	Disposals for write offs R'000	Donations R'000	Depreciation R'000	Total R'000
Furniture and fixtures	3 249	–	(3)	–	(310)	2 936
Motor vehicles	419	–	–	(16)	(45)	358
IT equipment	4 914	1 079	(308)	–	(549)	5 136
	8 582	**1 079**	**(311)**	**(16)**	**(904)**	**8 430**

Reconciliation of property, plant and equipment – Controlling entity – 31 March 2022

	Opening balance R'000	Additions R'000	Additions through accrual R'000	Disposals R'000	Depreciation R'000	Total R'000
Furniture and fixtures	3 684	22	–	(136)	(321)	3 249
Motor vehicles	26	420	–	–	(27)	419
IT equipment	5 320	1 082	42	(757)	(773)	4 914
Leasehold improvements	299	–	–	–	(299)	–
	9 329	**1 524**	**42**	**(893)**	**(1 420)**	**8 582**

Change in estimate

In terms of the requirements of GRAP 17 the useful lives of all asset items were reviewed by management at year end. The remaining useful lives expectations of some asset items increased from previous estimates. This resulted in a revision of some of the previous estimates which was accounted for as a change in accounting estimate.

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Assets subject to finance lease (carrying amount)				
IT equipment	12	113		–
Other property, plant and equipment*	2 868	2 958	–	–
	2 880	**3 071**	**–**	**–**

* *Included in other property, plant and equipment is a right of use asset (land) held under a finance lease. The finance lease arose from sublease of land comprising of 4735 sqm of a total land lease with Airports Company South Africa of 75303 sqm under GIDZ.*

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Work-in-Progress – Group – 31 March 2023

	Included within Infrastructure R'000	Included within Buildings R'000	Total R'000
Opening balance	12 455	57 583	70 038
Additions/capital expenditure	9 474	77 171	86 645
Transfer to completed items	(6 234)	–	(6 234)
	15 695	**134 754**	**150 449**

Reconciliation of Work-in-Progress – Group – 31 March 2022

	Included within Infrastructure R'000	Included within Buildings R'000	Total R'000
Opening balance	11 178	67 866	79 044
Additions/capital expenditure	1 277	–	1 277
Impairment	–	(10 283)	(10 283)
	12 455	**57 583**	**70 038**

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Carrying value of Property, plant and equipment that is taking a significantly longer period of time to complete than expected				
BioPark building – TIHMC	134 754	57 583	–	–
We are the People Park – ConHill	11 073	6 221	–	–
	145 827	**63 804**	**–**	**–**

Biopark building – TIHMC

The construction delays were due to the following factors:

- Significant deficiencies in the basement 1 slab which was designed by the previous PRT (under designed);
- Contractor did not have drawings from the previous PRT to continue with the construction work;
- The ongoing Loadshedding;
- The revised practical completion date is December 2023

We are the People Park – Conhill

Due to the impact of COVID-19 National Treasury had issued instruction that prohibits government entities to issue any tender advert and/or tender activities that would have contravened the COVID-19 lockdown regulations. This has caused significant delays on the SCM processes to appoint the service provider, however the Professional Resource Team (PRT) has been appointed working on the design and tender document during the 2022 financial year.

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Expenditure incurred to repair and maintain property, plant and equipment

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance				
Buildings	3 970	2 455	–	–
Motor vehicles	12	–	–	–
Office equipment	370	204	–	–
IT equipment	25	–	–	–
	4 377	**2 659**	**–**	**–**

The Group does not have any restrictions or commitments on property, plant and equipment.

16. INANGIBLE ASSETS

Group	2023			2022		
	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Computer software	7 752	(2 405)	5 347	7 517	(2 203)	5 314

Controlling entity	2023			2022		
	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Computer software	3 097	(11)	3 086	2 938	(10)	2 928

16. INANGIBLE ASSETS (CONTINUED)

Reconciliation of intangible assets – Group – 31 March 2023

	Opening balance	Additions	Amortisation	Total
Computer software	5 314	478	(445)	5 347

Reconciliation of intangible assets – Group – 31 March 2022

	Opening balance	Additions	Disposals for write offs	Amortisation	Total
Computer software	6 377	833	(1 044)	(852)	5 314

Reconciliation of intangible assets – Controlling entity – 31 March 2023

	Opening balance	Additions	Amortisation	Total
Computer software	2 928	160	(2)	3 086

Reconciliation of intangible assets – Controlling entity – 31 March 2022

	Opening balance	Additions	Disposals for write offs	Amortisation	Total
Computer software	2 537	742	(240)	(111)	2 928

The Group does not have any restrictions or commitments on intangible assets.

Intangible assets with indefinite useful lives

The following classes of intangible assets are not amortised as they are regarded as having indefinite useful lives:

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Cost and carrying value of software:				
Financial and risk management system	3 110	2 632	3 062	2 902

The financial and risk management system is expected to be available for use over an indefinite period. The company expects to derive economic benefits from the system beyond the current reporting period. The useful lives of the intangible assets remain unchanged from the previous year.

Change in Estimate

In terms of the requirements of GRAP 31 the useful lives of all asset items were reviewed by management at year end. The remaining useful lives expectations of some asset items increased from previous estimates. This resulted in a revision of some of the previous estimates which was accounted for as a change in accounting estimate.

17. HERITAGE ASSETS

Group	2023			2022		
	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Art Collections, antiquities and exhibits	11 098	–	11 098	11 002	–	11 002
Historical buildings	177 587	–	177 587	177 587	–	177 587
Total	**188 685**	**–**	**188 685**	**188 589**	**–**	**188 589**

Reconciliation of heritage assets Group – 31 March 2023

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	11 002	96	11 098
Historical buildings	177 587	–	177 587
	188 589	**96**	**188 685**

Reconciliation of heritage assets Group – 31 March 2022

	Opening balance	Total
Art Collections, antiquities and exhibits	11 002	11 002
Historical buildings	177 587	177 587
	188 589	**188 589**

Ancillary use of Heritage Asset

The financial statements shall disclose information about the alternative use and value of heritage assets that are used by the entity for more than one purpose

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Revenue from venue hire	4 089	1 549	–	–
Rental for offices	3 490	4 028	–	–
Admission fees	2 682	718	–	–
Other	3 509	978	–	–

Heritage assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Heritage assets

Opening balance	6 381	6 381	–	–

17. HERITAGE ASSETS (CONTINUED)

The heritage asset wip consists of exhibition procured for new visitors centre building still under construction by the service provider. The delay in completing the manufacturing and installation of these exhibitions is due to delays on construction of Visitors Centre Building.

Expenditure incurred to repair and maintain heritage assets

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Expenditure incurred to repair and maintain heritage assets included in Statement of Financial Performance				
Artefacts	93	10	–	–
Historic buildings	9 409	1 419	–	–
	9 502	**1 429**	**–**	**–**

18. INVESTMENTS IN CONTROLLED ENTITIES

Name of company	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
Supplier Park Development Company	100 %	100 %	27	27
The Innovation Hub Management Company*	100 %	100 %	–	–
Gauteng IDZ Development Company*	100 %	100 %	–	–
Constitution Hill Development Company	87 %	87 %	384 380	384 380
Total cost amount			384 407	384 407
Accumulated impairment of investment in controlled entities	–	–	(125 323)	(125 323)
Total carrying amount			259 084	259 084

The net asset values of investments in subsidiaries is shown below:-

The Innovation Hub Management Company	– R414m (2022: R370m)
Supplier Park Development Company	– R727m (2022: R714m)
Constitution Hill Development Company	– R334m (2022: R306m)
Gauteng IDZ Development Company	– R646m (2022: R460m)

The investment in Constitution Hill Development Company (ConHill) is made up of equity loans which have no repayment terms and are interest free. The primary factor that was considered when impairing the loan account to Conhill was the accumulated loss posted by Conhill. The only impaired investment is the Conhill loan. The minority interest in Conhill relates to the Johannesburg Development Agency who own 13% shares in Conhill.

** The investment in TIHMC and the GIDZ is made up of 100 shares valued at R1, thus the amount is rounded to zero as the financials are rounded to R'000.*

Reconciliation of provision for impairment of investments in controlled entities

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Balance at the beginning of the year			(125 323)	(125 323)
Adjustments			–	–
Balance at the end of the year			**(125 323)**	**(125 323)**

Refer to note 42 for related-party transactions and balances.

19. DEFERRED TAX

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Deferred tax asset				
Provisions	15 331	18 165	3 546	3 770
Amounts received in advance	129	132	129	132
Assessed loss	40 817	31 181	–	–
Straight lining of leases	858	621	858	621
Doubtful debt allowances	178	178	–	–
Finance lease	848	852	–	–
Lease liability	51 794	45 625	–	–
Total gross deferred tax asset	**109 955**	**96 754**	**4 533**	**4 523**
Deferred tax liability				
Property, plant and equipment	(36 924)	(33 916)	(1 249)	(1 248)
Investment property	(4 578)	(3 395)	–	–
Intangible assets	(482)	(217)	(482)	(217)
Prepayments	(1 882)	(642)	(161)	(148)
Lease asset	(17 715)	–	–	–
Straight lining of leases	(4 950)	(18 024)	–	–
Doubtful debt allowances	(1 702)	(1 126)	–	–
Finance lease	–	(16)	–	–
Section 24 C allowance	(15 635)	(17 084)	(129)	(132)
Other	(39)	–	–	–
Total gross deferred tax liability	**(83 907)**	**(74 420)**	**(2 021)**	**(1 745)**

Entity	2023 Deferred tax asset	2023 Deferred tax Liability	2023 Net Deferred Tax asset/(liability)	2022 Deferred tax asset	2022 Deferred tax Liability	2022 Net Deferred Tax asset/(liability
GGDA Holdings	4 533	(2 021)	2 512	4 523	(1 745)	2 778
AIDC	6 734	(27 014)	(20 280)	6 677	(24 107)	(17 430)
GIDZ	89 072	(54 507)	34 565	76 358	(45 988)	30 370
TIHMC	9 616	(365)	9 251	9 196	(2 580)	6 616
	109 955	**(83 907)**	**26 048**	**96 754**	**(74 420)**	**22 334**

19. DEFERRED TAX (CONTINUED)

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Net deferred tax asset	46 328	39 764	2 512	2 778
Net deferred tax liability	(20 280)	(17 430)	–	–
Reconciliation of deferred tax asset/(liability)				
At beginning of year	22 334	27 355	2 778	3 422
Increases (decrease) in tax loss available for set	3 092	–	–	–
Taxable / (deductible) temporary difference movement	(266)	(126)	(266)	(956)
Other movements -originating temporary differences	888	(4 427)	–	–
Prior year over/(under) provision	–	359	–	415
Adjustment due to rate change	–	(827)	–	(103)
Balance at the end of year	**26 048**	**22 334**	**2 512**	**2 778**

The prior year categories within the deferred tax asset and liability note have been split to enhance the note.

20. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	53 052	2 877	1 219	265
Payments received in advanced – contract in process	5 620	4 834	–	–
Other payables	2 152	8 166	–	–
Accrued expenses	27 291	39 488	20 896	24 015
	88 115	**55 365**	**22 115**	**24 280**

The ageing of all trade and other payables is current (within 30 days).

21. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

The Innovation Hub Management Company	–	–	–	18 675

The prior year payable from non-exchange transactions represents the obligation to replace the materials and lift based on the implementation of the BioPark project on behalf of TIHMC. It was discovered that materials off site which had been certified and paid for in a previous payment certificate could not be verified in the current year. GGDA subsequently issued an invoice to the contractor to recoup the costs. At the time of the claim, GGDA was made aware of the financial difficulty of one of the partners in the JV (the contractor) and was going under liquidation. The payable was settled in full during the current year.

22. FINANCE LEASE OBLIGATION

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Minimum lease payments due				
– within one year	339	413	–	–
– in second to fifth year	1 308	1 319	–	–
– later than five years	8 993	9 320	–	–
	10 640	11 052	–	–
less: future finance charges	(7 487)	(7 804)	–	–
Present value of minimum lease payments	**3 153**	**3 248**	**–**	**–**
Present value of minimum lease payments due				
– within one year	26	95	–	–
– in second to fifth year	69	74	–	–
– later than five years	3 058	3 079	–	–
	3 153	**3 248**	**–**	**–**
Non-current liabilities	3 128	3 153	–	–
Current liabilities	25	95	–	–
	3 153	**3 248**	**–**	**–**

The Group holds certain IT equipment under finance lease obligations.

23. UNUTILISED CONDITIONAL GOVERNMENT GRANT

Reconciliation of unutilised government grant				
Balance at the beginning of the year	841 373	584 089	488 163	367 742
Receipts – Grant	580 374	716 939	585 355	608 914
The dtic receipts	238 441	8 400	14 500	8 400
Conditional grants received	7 474	4 077	–	–
Surrender of funds to DBSA	–	(5 800)	–	–
Transfers to subsidiaries	–	–	(411 534)	(320 486)
Operating and capital expenditures	(717 054)	(436 766)	(200 893)	(176 706)
Capitalisation of the dtic interest	8 624	1 098	956	29
Strategic project expenses	(20 861)	(30 664)	–	–
Asset received from AIDC	–	–	–	270
	938 371	**841 373**	**476 547**	**488 163**
Current liabilities	938 371	841 373	476 547	488 163

Unutilised government grants represent the amount of grant funding that was received for specific GGDA projects and/or operational expenditure in relation to projects, which had not been utilised (i.e. transferred/ deferred/ expensed/ committed) at year end.

At Group level unutilised grants comprise MTEF grants of R562 113 (2022: R569 220), and Non-MTEF grants of R376 258 (2022: R272 153).

23. UNUTILISED CONDITIONAL GOVERNMENT GRANT (CONTINUED)

Controlling Entity

Included in unutilised grants are third-party funds relating to the Special Economic Zone (SEZ) and the Department of Trade and Industry (DTI) for conditional grants:

	Controlling entity	
	2023 R'000	2022 R'000
Unutilised grants MTEF		
Balance at the beginning of the year	468 002	354 604
Receipts – Grant	585 355	608 914
Asset received from AIDC	–	270
Transfers to subsidiaries	(411 534)	(320 486)
Operating and capital expenditures	(196 562)	(175 300)
	445 261	**468 002**
Unutilised grant Non-MTEF		
Balance at the beginning of the year	20 161	13 138
Receipts – Grant	14 500	8 400
Capitalisation of interest	956	29
Income recognition during the year	(4 331)	(1 406)
	31 286	**20 161**
Total unutilised government grant	**476 547**	**488 163**

24. PROVISIONS

Reconciliation of provisions – Group – 31 March 2023

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Change in discount factor R'000	Total R'000
Bonus	39 421	25 210	(28 982)	(4 058)	–	31 591
Leave pay	7 368	5 135	(4 034)	(440)	–	8 029
External bulk infrastructure – road	11 429	–	–	–	441	11 870
	58 218	**30 345**	**(33 016)**	**(4 498)**	**441**	**51 490**

Reconciliation of provisions – Group – 31 March 2022

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Change in discount factor R'000	Total R'000
Bonus	42 250	18 917	(14 054)	(7 692)	–	39 421
Leave pay	7 710	3 791	(3 841)	(292)	–	7 368
External bulk infrastructure – road	11 992	–	(393)	–	(170)	11 429
	61 952	**22 708**	**(18 288)**	**(7 984)**	**(170)**	**58 218**

24. PROVISIONS (CONTINUED)

Reconciliation of provisions – Controlling entity – 31 March 2023

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Bonus	11 068	9 750	(8 382)	(2 686)	9 750
Leave pay	2 897	3 385	(2 897)	–	3 385
	13 965	**13 135**	**(11 279)**	**(2 686)**	**13 135**

Reconciliation of provisions – Controlling entity – 31 March 2022

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Bonus	14 025	4 422	(3 472)	(3 907)	11 068
Leave pay	2 715	2 897	(2 715)	–	2 897
	16 740	**7 319**	**(6 187)**	**(3 907)**	**13 965**

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Non-current liabilities	11 870	11 429	–	–
Current liabilities	39 620	46 789	13 135	13 965
	51 490	**58 218**	**13 135**	**13 965**

The bonus and leave provision represent management's best estimate of the company liability.

For the performance bonuses, the provision raised estimates the amount of the provision based on the anticipated performance of employees. This anticipated performance is based on experience with the employees of the company, taking into account performance trends in the prior periods. The amount of the performance bonus is determined with reference to the salary scales as at the end of the financial year.

For the provision for leave pay, the amount is based on accumulated leave day balances at the end of the financial year after taking into account the forfeited leave days as per the approved GGDA Group policies.

External Bulk Infrastructure – Road (TIHMC)

Provision for external bulk infrastructure cost is for the residual obligation in terms of site development for road works as required by the City of Tshwane. TIHMC was granted 121 000sqm of development rights (bulk gross floor area) however, the current Service Level Agreement has placed a cap or limitation on the TIHMC bulk uptake to 40 000 sqm. TIHMC may not exercise its total development rights (allowable bulk) of 121 000sqm until it has discharged its residual obligations in terms of such agreement. It is therefore required from the entity to construct the agreed upon external road infrastructure in line with the Service Level Agreement to be able to utilise the full development rights. Provision has been made for this cost based on the estimated present value of future cash flows arising from the road construction cost expected as at 31 March 2023. The discount rate used for the present value calculation was based on prime rate.

25. DEPOSITS RECEIVED

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Deposits received	12 798	10 812	–	–

Deposit received as at 31 March 2023 relates to the deposit charged on all tenants accounts' upon signature of the lease. The deposit is required as a security to cover amongst others, possible damages to rental property, non payment of rental, earlier termination of lease, etc. The deposit is refundable on expiry of the lease term and vacation of occupied space by tenant.

AIDC	6 744	5 594	–	–
CONHILL	254	241	–	–
GIDZ	1 727	1 349	–	–
TIHMC	4 073	3 628	–	–
	12 798	**10 812**	**–**	**–**

26. SHARE CAPITAL

Authorised				
4 000 Ordinary shares of R1 each				
Issued				
100 Ordinary shares issued at R1 each*	–	–	–	–

* *The 100 ordinary shares issued relate to shares issued to the Gauteng Department of Economic Development.*

27. REVENUE FROM EXCHANGE TRANSACTIONS

Rental income	125 768	118 074	–	–
Rental of facilities and equipment	6 980	618	–	–
Project income	11 100	5 895	–	–
Rendering of services	122 144	100 599	–	–
Admission fees	2 682	718	–	–
Sale of goods	14	–	–	–
	268 688	**225 904**	**–**	**–**

28. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Grants for operating expenditure	407 751	385 872	199 654	174 404
Grants for capital expenditure	292 532	47 166	1 239	2 308
Donations	–	385	–	–
Transfers to subsidiaries	–	–	411 534	320 486
Grants for projects	37 401	30 665	–	–
	737 684	**464 088**	**612 427**	**497 198**

29. OTHER INCOME

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Sundry income	3 836	4 018	692	3 067
GGDA Holdings	692	3 067	692	3 067
AIDC	1 397	–	–	–
CONHILL	365	366	–	–
GIDZ	3	339	–	–
TIHMC	1 379	246	–	–
	3 836	**4 018**	**692**	**3 067**

30. GRANTS TRANSFERRED

Supplier Park Development Company SOC Ltd	–	–	74 281	72 698
The Innovation Hub Management Company SOC Ltd	–	–	165 110	122 139
Constitution Hill Development Company SOC Ltd	–	–	74 394	40 040
Gauteng IDZ Development Company SOC Ltd	–	–	97 750	85 609
	–	**–**	**411 535**	**320 486**

31. EMPLOYEE RELATED COSTS

Salaries and pension	280 872	258 708	107 670	95 824
Bonus	21 037	12 858	6 947	515
Medical aid – company contributions	578	610	–	–
UIF	814	745	238	202
WCA	366	450	–	–
SDL	2 857	2 468	1 070	867
Salaries – Leave Accrual	1 291	1 068	488	182
Staff travel claims	1 321	467	431	90
Staff Uniforms	560	129	–	–
Staff Welfare	1 657	92	1 449	43
Staff Recruitment	3 306	3 461	2 880	1 806
Staff training	4 344	3 352	1 211	1 931
Life Insurance	4 301	3 720	2 395	1 834
	323 304	**288 128**	**124 779**	**103 294**

32. OPERATING SURPLUS (DEFICIT)

Operating surplus (deficit) for the year is stated after accounting for the following:

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Operating lease charges				
Premises				
• Contractual amounts	20 530	23 363	20 530	23 363
Equipment				
• Contractual amounts	(8)	75	–	–
	20 522	**23 438**	**20 530**	**23 363**
Loss on disposal of property, plant and equipment	(522)	(1 985)	(311)	(894)
Loss on disposal of intangible assets	–	(1 044)	–	(240)
Impairment on property, plant and equipment	57	10 283	–	–
Impairment on investment property	–	16 558	–	–
Impairment on trade and other receivables	7 462	12 247	–	–
Amortisation on intangible assets	445	852	2	111
Depreciation on property, plant and equipment*	35 795	35 634	904	1 420
Depreciation on investment property*	29 614	29 502	–	–
Employee costs	323 304	288 128	124 779	103 294

* *Restated refer to note 48.*

33. FINANCE INCOME

	Group 2023 R'000	Group 2022 R'000	Controlling entity 2023 R'000	Controlling entity 2022 R'000
Cash and Cash equivalents	44 674	23 642	31 826	19 149
Interest charged on trade and other receivables	1 021	873	–	–
Interest received – other	1 654	(662)	1 064	(986)
	47 349	**23 853**	**32 890**	**18 163**

34. FINANCE COSTS

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Finance leases	324	429	–	13
Late payment of tax	–	1	–	–
Other interest paid	1 286	1 789	–	855
	1 610	**2 219**	**–**	**868**

35. TAXATION

Major components of the tax expense

	Group 2023 R'000	Group 2022 R'000	Controlling entity 2023 R'000	Controlling entity 2022 R'000
Current				
Local income tax – current period	14 407	11 398	5 560	6 445
Deferred				
Originating and reversing temporary differences	(3 714)	4 906	266	957
Adjustment due to rate change	–	1 275	–	103
Other deferred tax	–	(2 245)	–	–
Prior year under/(over) provision arising from temporary differences	–	1 148	–	(415)
	(3 714)	**5 084**	**266**	**645**
	10 693	**16 482**	**5 826**	**7 090**
Reconciliation of the tax expense				
Reconciliation between accounting surplus and tax expense.				
Accounting surplus	297 889	13 986	20 383	23 454
Tax at the applicable tax rate of 27% (2022: 28%)	80 430	3 916	5 503	6 567
Tax effect of adjustments on taxable income				
Deferred tax effect on temporary differences	(52 782)	1 042	–	–
Non-deductible expenses	323	2 610	323	835
Non-taxable income	(15 794)	(615)	–	–
Adjustment due to rate change	–	1 275	–	103
Prior year over/(under)provision	–	1 350	–	(415)
Utilisation of assessed loss	(6 344)	–	–	–
Permanent differences	4 860	6 904	–	–
	10 693	**16 482**	**5 826**	**7 090**

* *Restated refer to note 48*

36. AUDITORS' REMUNERATION

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
External audit	7 673	6 987	3 187	3 077
Internal audit	8 596	5 967	7 980	5 307
	16 269	**12 954**	**11 167**	**8 384**

37. CASH GENERATED FROM (USED IN) OPERATIONS

	Group 2023 R'000	Group 2022 R'000	Controlling entity 2023 R'000	Controlling entity 2022 R'000
Surplus*	287 041	(2 920)	14 557	16 364
Adjustments for:				
Depreciation and amortisation*	65 854	65 994	906	1 531
Loss on disposal of assets	578	3 031	311	1 134
Finance costs – Finance leases	(1 282)	(853)	–	–
Impairment loss	–	29 090	–	–
Debt impairment	2 874	–	–	–
Bad debts written off	244	–	–	–
Movements in operating lease assets and accruals	6 075	9 024	854	1 512
Movements in provisions	(5 443)	(2 805)	(830)	(2 775)
Movement in tax receivable and payable	(4 076)	1 882	(5 355)	2 168
Annual charge for deferred tax	(3 714)	5 084	266	645
Other non-cash items – interest accrual, straight lining lease, deemed grant	(84 032)	(14 293)	–	(312)
Asset donation	–	–	17	–
Changes in working capital:				
Receivables from exchange transactions	32 953	(2 545)	19 822	(1 023)
Receivables from non-exchange transactions	(480)	–	–	–
Prepayments	(5 680)	(1 354)	(545)	286
Other financial assets	(563)	3 682	–	3 600
Payables from exchange transactions	20 120	(15 941)	(2 166)	(21 582)
VAT	(24 392)	2 148	–	–
Unspent conditional grants and receipts	109 625	257 311	(11 616)	120 420
Payables from non-exchange transactions	(18 675)	–	(18 675)	–
Deposits Paid	(101)	5 301	(50)	–
Deposits received	1 876	956	–	151
Inventories	(184)	–	–	–
	378 618	**342 792**	**(2 504)**	**122 119**

38. TAX PAID

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Balance at beginning of the year	6 152	8 499	1 101	3 269
Current tax for the year recognised in surplus or deficit	(14 407)	(11 906)	(5 560)	(6 445)
Refund from SARS	(1 131)	(4 558)	(1 131)	(4 558)
SARS interest & penalties	30	48	30	48
Balance at end of the year	(10 228)	(6 152)	(6 456)	(1 101)
	(19 584)	**(14 069)**	**(12 016)**	**(8 787)**

39. COMMITMENTS

	Group 2023 R'000	Group 2022 R'000	Controlling entity 2023 R'000	Controlling entity 2022 R'000
Authorised capital expenditure				
Already contracted for but not provided for				
Property, plant and equipment	23 369	10 256	–	–
Investment property	333 749	377 824	–	–
Heritage assets	5 981	5 981	–	–
	363 099	**394 061**	**–**	**–**
Total capital commitments				
Already contracted for but not provided for	363 099	394 061	–	–
Authorised operational expenditure				
Already contracted for but not provided for				
Operational and other commitments	160 039	159 557	42 001	26 678
Contracts	421 551	352 171	408 609	336 078
	581 590	**511 728**	**450 610**	**362 756**
Total operational commitments				
Already contracted for but not provided for	581 590	511 728	450 610	362 756
Total commitments				
Total commitments				
Authorised capital expenditure	363 099	394 061	–	–
Authorised operational expenditure	581 590	511 728	450 610	362 756
	944 689	**905 789**	**450 610**	**362 756**

40. CONTINGENCIES

CONTINGENT LIABILITIES

GGDA

GGDA has a contractual dispute with a professional engineering firm that claims an amount of R6.7 million. It relates to a project that was terminated due to non-performance, while the firm believes termination is unlawful.
The matter is pending an arbitration hearing and will be finalized in the 2024 financial year.

GIDZ

The contractor that has terminated their construction early, has put in a counter claim against GIDZ, of R52,5 million, which GIDZ disputes as invalid. This will be adjudicated during a dispute resolution and legal process, which the parties are engaged in.

AIDC

Construction Contractor

AIDC has contractual dispute with a construction contractor. The dispute is with regards construction works for alleged additional work rendered and not paid by AIDC. The claim against AIDC is R1.5 million.

Consulting Services

AIDC has contractual dispute emanating from the SLA for the investment transaction advisory services. The transaction advisory services related to the ASP phase 3 and 5 expansion project. State institute funders terminated the processing, after it had been provisionally confirmed for processing. AIDC informed the Service Provider of the unsuccessful transaction and terminated the SLA. The parties subsequently engaged in discussions to settle the matter amicably to no avail. The claim against AIDC amounts to R7 million.

Labour Matters

AIDC has two (2) labour matters at CCMA and labour court. The claim for one (1) labour court matter amounts to R117 thousand while the amounts for the one (1) matter at the CCMA which amount to R262 thousand.

TIHMC

Litigation is in the process against Bytes Documents Solutions relating to a dispute for the services rendered of IT printing maintenance services. Summons against TIHMC claiming an amount of R126.9 thousand has been issued. The Legal Costs on the matter compared to the Claim amount cannot be justified further. The Parties entered into settlement negotiations and could not reach consensus on settlement amount.

CONTINGENT ASSETS

GGDA

GGDA instituted legal proceedings against a professional engineering firm for the losses incurred during the construction of a building overseen by the firm. GGDA terminated the agreement as a result of the losses.
The matter is currently pending arbitration and will be finalized within the 2024 financial year. A minimum amount of R3.7 million from the firm is estimated to flow to GGDA upon award.

GIDZ

GIDZ has a contingent asset of R37 million with regards to an amount that is owed to them by a construction company, who terminated their construction early, and who has also simultaneously returned security material which was on site, to their own supplier. In addition, GIDZ has damage claims against the same contractor, of a further R13,5 million. GIDZ is following a legal process to recover the money.

41. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Irregular expenditure	1 670	16 244	1 143	13 589
Fruitless and wasteful expenditure	240	1 163	–	855
Closing balance	**1 910**	**17 407**	**1 143**	**14 444**

Details of irregular expenditure – 2023

Incident	Disciplinary steps taken/criminal proceedings	R'000
Voice contract extension	Investigation completed. The identified official left the organisation, and therefore consequence management could not be taken	128
SCM regulations and processes not followed – Legal expenses	Disciplinary steps note yet taken pending assessment	1 143
SCM regulations and process not followed – PRT services	The case is still under investigation	380
Picture used on GIDZ website without owner rights	Disciplinary steps note yet taken pending assessment	19
		1 670

GGDA

During the financial year, legal service provider was contracted without following a competitive bidding process. This transaction was non- compliant to the Treasury regulations and procurement regulations. Disciplinary steps are yet to be taken pending investigation. An amount of R1.1 million is considered to be irregular.

CONHILL

The transgression occurred when the project manager instructed the Professional Resource Team (PRT) to perform services that were not initially contracted for. These deviation occurred without obtaining appropriate approval from Gauteng Provincial Treasury as the scope variation exceeded the 20% on initial contract value. The affected official is no longer employed by ConHill.

TIHMC

During the financial year, TIHMC identified noncompliance with the PFMA & Treasury regulations on the extension of Voice telecommunications (system and support services). The transgression occurred in the extension of ICT services which exceeded the allowable deviation of 15% as per the above-mentioned regulation. The above non-compliance started in 2017 amounting to R1,72 million. The amount disclosed in the prior year relates to the same noncompliance.
An additional amount of R128 thousand is considered to be irregular.

GIDZ

During 2022/23 financial year, the Gauteng IDZ was informed by a third party that the ring manufacturing image reflected on the web site was not open for public use without payment. Following this, engagements were held with the third party company, acting on behalf of the Image Owners. The engagements, which were undertaken with the support of GGDA Legal confirmed that there was a basis for the third party's request. In lieu of this, It became apparent that the GIDZ must consider payment for utilization of the image. A settlement agreement amounted to R19 166.00, inclusive of bank fees and VAT.

41. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Details of irregular expenditure – prior year

Incident	Disciplinary steps taken/criminal proceedings	R'000
SCM regulations and processes not followed – security services	The affected employee was charged with allowing/ authorising an irregular expenditure and issued with a final written warning	463
Emergency repair of faulty generator without CSD Tax compliance checks being done as this was an emergency	The company is currently conducting a determination test in terms of the Irregular Expenditure Framework	37
Emergency repairs of HT switch without CSD Tax compliance checks being done as this was an emergency	The company is currently conducting a determination test in terms of the Irregular Expenditure Framework	54
Non-compliance with the CIDB regulations and procedures – ORTIA SEZ Precinct 2 fence	Disciplinary steps are yet to be taken pending investigation	1 469
SCM regulations and processes not followed – EkasiLab Equipment	Disciplinary steps not yet taken pending assessment	14
SCM regulations and processes not followed – Voice contract extension	Disciplinary steps not yet taken pending assessment	184
SCM regulations and processes not followed -project expenses	Disciplinary steps not yet taken pending assessment	13 589
Overpayment on IT services	The company is currently conducting a determination test in terms of the Irregular Expenditure Framework	43
Overpayments on outsourced services	The company is currently conducting a determination test in terms of the Irregular Expenditure Framework	4
Overpayment on pest control services	The company is currently conducting a determination test in terms of the Irregular Expenditure Framework	20
Non declaration of interest by the supplier	test in terms of the Irregular Expenditure Framework Disciplinary steps not yet taken	367
		16 244

41. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

GGDA

Project Expenses

During the financial year, there was a non-compliance with Treasury instruction note 2016/17. The transgression occurred in the construction contract exceeding the allowable deviation of 20% without obtaining prior written approval from Treasury.

The construction contract was for the JMP superblock building at the GIDZ precinct. The project encountered numerous scope changes resulting in creeps from additional requirements by the respective tenants which as a consequence resulted in multiple variation orders which triggered several extensions of time claims by the contractor.

Disciplinary steps are yet to be taken pending investigation.

The final contract amount of R13.6 million is considered to be irregular.

AIDC

Cleaning Services

During the 2020/21 financial year the AIDC procured cleaning services for a period of six(6) months, ending in May 2021, through participation in a contract arranged by means of the competitive bidding process by TIHMC. This was a continuation of the contract which the Internal Auditors had brought to AIDC management's attention that the procurement was not fully compliant with TR16A6.6 in the prior period.

An amount of R463 thousand is considered to be irregular.

Emergency Repairs:

During the prior financial year the AIDC procured emergency repair services for a faulty generator at building C1 and emergency repair works at mini sub station 1A and 5A within ASP. The procurement of both services was not fully compliant with regulations.

An amount of R91 thousand is considered to be irregular.

Overpayment of Suppliers

Three suppliers of the AIDC were overpaid in the 2021/22 financial year as a result of system error (PO printing incorrectly) and services being provided while PO value was exhausted.

An amount of R67 thousand is considered to be irregular.

GIDZ

ORTIA SEZ Precinct 2 Fence

During the prior year an irregular expenditure relating to the Fence installation at the ORTIA SEZ Precinct 2 was incurred due to non compliance with CIDB regulations. Treasury Regulation 16A6.3 (a) (ii) which requires bid documentation and the general conditions of a contract to be in accordance with the prescripts of the Construction Industry Development Board for construction related tenders. CIDB Regulation 24 which requires organs of state who are soliciting competitive tenders to publish the invitation to tender on the CIDB's website; and CIDB Regulation 25 which requires organs of state to stipulate that only submissions by contractors registered in the category of registration required in terms of sub-regulation 3 or higher may be evaluated for that tender.

Disciplinary steps are yet to be taken pending investigation

An additional amount of R1.4 million is considered to be irregular.

41. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

TIHMC

Ekasi Lab

During the prior financial year, management identified noncompliance with the treasury regulations on the extension of a contract for the printers at some of the EkasiLabs. The contract expired and was subsequently extended on a month-to-month basis, which resulted in the amount exceeding the allowable variation of 15%, as indicated in the abovementioned prescript. The irregular expenditure has been reported to the TIHMC Board of Directors. The irregular expenditure has not yet been condoned because an assessment is still underway.

An amount of R14 thousand is considered to be irregular.

Voice Contract Extension

During the prior financial year, management identified noncompliance with the PFMA & Treasury regulations on the extension of Voice telecommunications (system and support services). The transgression occurred in the extension of ICT services which exceeded the allowable deviation of 15% as per the above-mentioned regulation. The above non-compliance started in 2017 amounting to R1,72 million. The amount disclosed in the prior year relates to the same noncompliance.

An additional amount of R184 thousand is considered to be irregular.

Non Declaration of Interest By The Supplier

During the 2021/22 audit it was noted that one supplier in the employment of the state did not declare his interest to The Innovation Hub. The transgression occurred during the award of the openIX Project. The irregular expenditure has been reported to the TIHMC Board of Directors. The irregular expenditure will be submitted to the relevant authority for approval.

An amount of R367 thousand is considered to be irregular.

Details of fruitless and wasteful expenditure – Current year

AIDC

Overpayment of Salaries

During the year under review it was discovered that employees who were employed between January 2021 to September 2022 were overpaid on their salaries as a result of system configuration error, internal investigation confirmed that the system configuration resulted in this over payment. The amount of the amount of the error is R409 thousand, as of the 31 March 2023 an amount of R267 thousand has been recovered and balance of R142 thousand .
The prior year amounts have been restated to reflect the overpayment incurred.

GIDZ

South African Revenue Services (SARS)

SARS charged GIDZ an amount of R14 thousand for four days delay in effecting VAT payment for the month of February 2023. SARS currently owe GIDZ net VAT Input of R13 thousand however it was made clear that it is not SARS principle to offset net VAT from one month to another.

41. IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

TIHMC

South African Revenue Services (SARS)

During the submission of EMP201, SARS noticed a discrepancy on the declaration, resulting in a lower TIHMC amount declared. The difference in declared amount resulted in interest and penalties amounting to R152,45.

City of Tshwane

The R2033.26 refers to the interest accrued on the same invoice disclosed in the prior year by the City of Tshwane.

Details of fruitless and wasteful expenditure – Prior year:

AIDC

SARS Penalty

The AIDC incurred penalties and interest charges amounting to R 724.07 due to short payment of PAYE, which resulted from short payment of new appointee, subsequent to calculations and submission of EMP201 return in January 2021.

Duplication of vat charged

During the prior year under, the company overpaid 3 suppliers as a result of double counting of VAT. The over payment resulted in an amount of R84 thousand. An amount of R74 thousand was recovered and the balance was recovered subsequent to March 2023

GGDA

Late Payment of Infrastructure Supplier

During prior year, the GGDA incurred interest on late payment of the certificates for the JMP Superblock infrastructure project. The project encountered numerous scope changes resulting in creeps from additional requirements by the respective tenants which as a consequence resulted in multiple variation orders which triggered several extensions of time claims by the contractor. Due to engagements with various stakeholders to understand the work completed, interest was charged in terms of the contractual agreements as time lapsed.

TIHMC

City of Tshwane

TIHMC incurred interest of R50 thousand on late Receipt of City of Tshwane Municipal Services for one of the vacant land during the year. TIHMC did not receive any invoices relating to these services prior to this invoice, which included interest charge; TIHMC is working with the municipality to resolve the issue.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

42. RELATED PARTIES

Relationships

Provincial Government	Gauteng Provincial Government
Ultimate controlling entity	Gauteng Department of Economic Development
Subsidiaries of Gauteng Growth & Development Agency	The Innovation Hub Management Company Supplier Park Development Company Constitution Hill Development Company Gauteng IDZ Development Company
Gauteng Department of Economic Development Agencies	Gauteng Growth & Development Agency Gauteng Gambling Board Gauteng Tourism Authority Gauteng Enterprise Propeller Gauteng Liquor Board Cradle of Human Kind Dinokeng
Shared management team	AIDC Development Centre ESDA Non Profit Company
Executive management and non-executive directors	Refer to note 43

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Related party balances				
Amounts included in Payables from exchange transactions regarding related parties				
Gauteng Department of Economic Development	100	–	100	–
Gauteng Office of the Premier	157	–	–	–
Amounts included in receivables from exchange transactions regarding related parties				
Gauteng Department of Sports Arts and Culture	264	457	–	–
Gauteng Department of Economic Development	370	–	370	–
Gauteng Tourism Authority	171	–	171	–
Amounts included in payables from non-exchange transactions regarding related parties				
The Innovation Hub Management Company SOC Limited	–	–	–	18 675
AIDC Development Centre ESDA Non Profit Company	–	274	–	–

Investments in controlled entities

Refer to note 18 which details investments in controlled entities which are held at cost less any impairments.

42. RELATED PARTIES (CONTINUED)

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Related party transactions				
Grants received/returned from related parties				
Gauteng Department of Economic Development	585 355	608 914	585 355	608 914
Grants paid to related parties				
Supplier Park Development Company SOC Limited	–	–	74 281	72 698
Constitution Hill Development Company SOC Limited	–	–	74 394	40 040
Gauteng IDZ Development Company SOC Limited	–	–	97 750	85 609
The Innovation Hub Management Company SOC Limited	–	–	165 110	122 139
Rent and other expenses paid to related parties				
Gauteng Office of the Premier	–	–	–	–
Constitution Hill Development Company SOC Limited	–	–	84	19
Gauteng Department of Economic Development	26 253	21 477	26 253	21 477
AIDC Development Centre ESDA Non Profit Company	–	2 694	–	–
Donations to / (from) related parties				
Constitution Hill Development Company SOC Limited	–	–	17	–
Rendering of services to related parties				
Gauteng Department of Sports Arts and Culture	280	1 000	–	–

* *Included in the related party transactions for these entities is a transaction relating to services-in-kind in terms of GRAP 23 for infrastructure projects carried out on their behalf. This is not significant in relation to the entities operations and the services fail to satisfy the criteria recognition of revenue from non-exchange transactions as they cannot be measured reliably and thus no value has been attached to the transactions.*

The GGDA Holdings in addition makes payments on behalf of its subsidiaries for the following expenses namely insurance, board fees, internal audit fees and ICT expenses, these costs are then invoiced to the subsidiaries to recoup the payment made on their behalf.

43. EXECUTIVE MANAGEMENT AND DIRECTORS EMOLUMENTS

EXECUTIVE

2023

	Remuneration R'000	Other benefits R'000	Total R'000
Mr S Zamxaka (Acting Group CEO) – appointed 28 March 2023	12	–	12
Mr S Hamilton (Acting Group CEO) – resigned	838	56	894
Ms M Tshabalala (Group CEO) -resigned	624	192	816
Mr J Chand (Group COO)	2 508	106	2 614
Mr M Baatjies (Group CFO)	2 381	108	2 489
Mr S Marala	2 350	172	2 522
Mr M Mathema	2 285	74	2 359
Mr I Mogorosi	1 757	61	1 818
Mr S Molalabangwe	1 957	75	2 032
Mr A Motlhale	2 227	107	2 334
Ms Z Mtshali (Acting)	440	71	511
Adv P Holl	1 282	43	1 325
Ms F Kubheka	827	40	867
	19 488	**1 105**	**20 593**

2022

	Remuneration R'000	Other benefits R'000	Total R'000
Ms M Tshabalala (Group CEO)	3 043	129	3 172
Mr J Chand (Group COO)	2 366	98	2 464
Mr M Baatjies (Group CFO)	2 246	85	2 331
Mr S Marala (Acting)	2 158	73	2 231
Mr M Mathema	1 977	68	2 045
Mr S Mhlongo (Acting)	1 656	41	1 697
Mr I Mogorosi	1 657	57	1 714
Mr S Molalabangwe	1 846	63	1 909
Mr A Motlhale	264	43	307
Ms Z Mtshali (Acting)	1 943	46	1 989
Mr O Nkoane	750	25	775
Mr MS Ramoroka (Acting)	1 741	56	1 797
	21 647	**784**	**22 431**

43. EXECUTIVE MANAGEMENT AND DIRECTORS EMOLUMENTS (CONTINUED)

NON – EXECUTIVE

2023

	Fees R'000	Total R'000
Board of Directors		
Dr S Vilakazi (Chairperson)	453	453
Mr T Fakude (Deputy Chairperson)	214	214
Ms T Godongwana	177	177
Ms T Kutumela	252	252
Ms R Letwaba	241	241
Mr E Magerman	243	243
Mr D Maimela	240	240
Adv K Maja	170	170
Ms M Maroga	121	121
Mr K Matabane	199	199
Adv L Mokgatle	234	234
Mr K Sukdev	221	221
Board Subcommittee Members*		
Dr B Mabizela	24	24
Dr C Morema	18	18
Dr D Konar	18	18
Dr N Skeepers	18	18
Dr R Mamphiswana	32	32
Mr B Gantile	24	24
Mr B Mboniswa	32	32
Mr G More	29	29
Mr M Sebothoma	21	21
Mr P Nyandu	29	29
Mr P Mofokeng	29	29
Mr R Moeng	29	29
Mr R Maboe	29	29
Mr S Mbele	32	32
Mr X Zulu	13	13
Ms C Maluleka	32	32
Ms J Phiri	29	29
Ms N Thanjekwayo	18	18
Ms N Mashologu	18	18
Mr A Latchu	8	8
Mr T Ditshwane	8	8
Mr G Yenda	8	8
Ms P Mangoma	8	8
	3 271	**3 271**

* *These subcommittee members do not form part of the Board of Directors*

43. EXECUTIVE MANAGEMENT AND DIRECTORS EMOLUMENTS (CONTINUED)

MEMBERS OF AUDIT AND RISK COMMITTEE

2023

	Fees R'000	Total R '000
Mr K Sukdev (Chairperson)	182	182
Mr T Fakude	140	140
Mr E Magerman	148	148
Adv K Maja	143	143
Adv L Mokgatle	133	133
Mr A Latchu	95	95
Mr G Yenda	103	103
Mr T Ditshwane	103	103
Ms P Mangoma	103	103
Ms T Godongwana	72	72
	1 222	**1 222**

NON-EXECUTIVE

2022

	Fees R'000	Total R '000
Incumbent Board of Directors		
Dr S Vilakazi (Chairperson)	249	249
Mr T Fakude (Deputy Chairperson)	138	138
Ms T Godongwana	116	116
Ms T Kutumela	134	134
Ms R Letwaba	133	133
Mr E Magerman	135	135
Mr D Maimela	115	115
Adv K Maja	139	139
Ms M Maroga	61	61
Mr K Matabane	96	96
Adv L Mokgatle	108	108
Mr K Sukdev	130	130

43. EXECUTIVE MANAGEMENT AND DIRECTORS EMOLUMENTS (CONTINUED)

NON-EXECUTIVE (CONTINUED)

2022

	Fees R'000	Total R '000
Outgoing Board of Directors		
Mr E Mahlaule(Chairperson)	119	119
Dr T Ratshitanga(Deputy Chairperson)	68	68
Ms Q Gungubele	104	104
Mr P Mafojane	123	123
Mr S Mahlalela	61	61
Ms M Maroga	51	51
Dr G Martins	117	117
Ms B Mothelesi	89	89
Ms K Selane	47	47
Mr T Setiloane	77	77
Ms I Tlhase	101	101
Ms T Zondi	87	87
	2 598	**2 598**

MEMBERS OF AUDIT AND RISK COMMITTEE

2022

	Fees R'000	Total R '000
Incumbent committee members		
Mr K Sukdev (Chairperson)	72	72
Mr T Fakude	64	64
Mr E Magerman	51	51
Adv K Maja	59	59
Adv L Mokgatle	54	54
Outgoing committee members		
Ms T Zondi (Chairperson)	141	141
Ms B Mothelesi	110	110
Ms K Selane	65	65
	616	**616**

44. COMPARATIVE FIGURES

Certain comparative figures have been reclassified. Refer to note 48 for prior year and reclassification adjustments.

45. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Total Financial Assets – Group

	At amortised cost 2023 R'000	Total 2023 R'000	At amortised cost 2022 R'000	Total 2022 R'000
Cash and cash equivalents	1 192 015	1 192 015	1 023 949	1 023 949
Receivables from exchange transactions	30 475	30 475	66 439	66 439
Other financial assets	11 509	11 509	10 947	10 947
Deposits paid	3 767	3 767	3 666	3 666
	1 237 766	**1 237 766**	**1 105 001**	**1 105 001**

Total Financial Liabilities – Group

	At amortised cost 2023 R'000	Total 2023 R'000	At amortised cost 2022 R'000	Total 2022 R'000
Payables from exchange transactions	88 115	88 115	55 365	55 365
Deposits received	12 798	12 798	10 812	10 812
Finance lease obligation	3 153	3 153	3 248	3 248
	104 066	**104 066**	**69 425**	**69 425**

Total Financial Assets – Company

	At amortised cost 2023 R'000	Total 2023 R'000	At amortised cost 2022 R'000	Total 2022 R'000
Cash and cash equivalents	583 764	583 764	587 507	587 507
Receivables from exchange transactions	623	623	20 445	20 445
Deposits paid	616	616	566	566
	585 003	**585 003**	**608 518**	**608 518**

Total Financial Liabilities – Company

	At amortised cost 2023 R'000	Total 2023 R'000	At amortised cost 2022 R'000	Total 2022 R'000
Payables from exchange transactions	22 115	22 115	24 280	24 280

45. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The Group manages its capital to ensure that the company will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt, cash and cash equivalents and equity. Equity includes all Funds and Reserves of the company, presented in the Statement of Net Assets.

FINANCIAL RISK MANAGEMENT

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely trading nature of activities and the way in which they are financed, the Group is exposed to various financial risks noted below. However, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the Group in undertaking its activities.

The Group manages the financial risks relating to the operations through internal policies and procedures. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by the external auditors. The Group does not enter into or trade financial instruments for speculative purposes. Further quantitative disclosures are included throughout these Annual Financial Statements.

SIGNIFICANT RISKS

The company has exposure to the following risks from its operations:

- Market risk;
- Interest rate risk;
- Credit risk;
- Liquidity risk.

Risks and exposures are disclosed as follows:

MARKET RISK

The Group ensures that it reviews its cash management strategies to ensure interest income is maximised.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

INTEREST RATE RISK

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, other receivables, bank and cash balances.

In the case of deposits received and paid, no interest is accrued on such deposits, which limits the Group's exposure. The net effect of deposits received and paid is insignificant to the Group's operations.

45. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

CREDIT RISK

The Group has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses its own trading records to assess its major customers. The Group's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, rental and lease debtors, other debtors, bank and cash balances.

Trade and Other Receivables are amounts owed by tenants and other organs of state are presented net of impairment losses. The Group has a credit risk policy in place, but the exposure to credit risk is monitored on an ongoing basis. The Group is compelled in terms of its constitutional mandate to collect all revenue due.

In the case of debtors whose accounts become in arrears, necessary actions are instituted against these debtors including a "restriction of services" However, as a last resort, accounts are "handed over for collection" as applicable in terms of Debt Management Policy.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The Group's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The Group has no significant concentration of credit risk, with exposure spread over a large number of entities, and is not concentrated in any particular sector or geographical area.

The Group establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Cash and cash equivalents	1 192 015	1 023 949	583 764	587 507
Receivables from exchange transactions	30 475	66 439	623	20 445
Other financial assets	11 509	10 947	–	–
Deposits paid	3 767	3 666	616	566
Maximum credit risk exposure	**1 237 766**	**1 105 001**	**585 003**	**608 518**

The major concentrations of credit risk that arise from the company's trade and other receivables in relation to customer classification are as follows:

	Group 2023	Group 2022	Controlling entity 2023	Controlling entity 2022
Exchange debtors:				
– Rental	84%	55%	–%	–%
– Other services	1%	–%	–%	–%
Other debtors	15%	45%	–%	100 %
Total credit risk for trade and other receivables	**100%**	**100%**	**–%**	**100 %**

Credit quality of financial assets:
The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

45. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

	Group		Controlling entity	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Receivables from Exchange Transactions				
Counterparties without external credit rating:				
B rating	8 796	15 581	–	–
C rating	8 520	8 064	–	–
Below C rating	11 421	12 345	–	–
Unrated	1 116	9 811	–	–
	29 853	**45 801**	**–**	**–**

Credit quality groupings:

- B rating – Good behaviour, minor risk
- C rating – Fair trade risk
- Below C rating – Poor trade risk

None of the financial assets that are fully performing have been renegotiated in the year under review. Financial assets that are neither past due nor impaired and either past due or impaired:

	Group		Controlling entity	
Financial assets neither past due nor impaired:				
Exchange debtors				
– Rental	14 168	24 893	–	–
– Other services	3 726	126	–	–
Other debtors	1 292	11 550	610	31
Total Financial assets neither past due nor impaired	**19 186**	**36 569**	**610**	**31**
Financial assets past due, but not impaired:				
Exchange debtors – Rental	5 220	8 913	–	–
– Other services	5 696	116	–	–
Other debtors	372	20 840	12	20 414
Total financial assets past due but not Impaired	**11 288**	**29 869**	**12**	**20 414**
Financial assets impaired:				
Exchange debtors – Rental	22 089	17 215	–	–
– Other services	5 694	82	–	–
Other debtors	495	3 943	–	–
Total financial assets impaired	**28 278**	**21 240**	**–**	**–**

45. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and negotiating access to additional funding with its shareholder. The Group continuously monitors forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Group

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2023				
Payables from exchange transactions	82 495	–	–	–
Deposits received	12 798	–	–	–
Finance lease obligation	25	70	3 058	–

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2022				
Payables from exchange transactions	50 469	–	–	–
Deposits received	10 812	–	–	–
Finance lease obligation	106	63	3 079	–

Controlling entity

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2023				
Payables from exchange transactions	22 115	–	–	–

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2022				
Payables from exchange transactions	24 280	–	–	–

The Group has access to funding to be provided by the Gauteng Provincial Government for the 2023/2024 financial year in the amount of R621 million. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The company expects to maintain current debt to equity ratio.

46. ACCOUNTING BY PRINCIPALS AND AGENTS

The AIDC is a party to a principal-agent arrangement. Details of the arrangement are as follows:
The AIDC and City of Tshwane (COT) have formed strategic partnership aimed at assisting Tshwane based small medium and micro enterprises (SMME's). AIDC will assist COT in fleet management (repairs and maintenance). AIDC recognises income in a form of admin fees and 5% of labour costs for repairs of the vehicles.

The following was considered in determining that AIDC is an agent:
- AIDC does not have the power to determine the significant terms and conditions of the transactions with service providers.
- The resources that result from the fleet services with the auto sector providers are substantially utilised by the party considered as the principal not AIDC. The City utilises the fleet as part of it service delivery to the community.
- COT is the party exposed to variability in the results of the transaction with the auto sector providers. AIDC facilitates the transaction between City and service providers and charges a management fee for its services.

AIDC is to ensure repairs and maintenance of COT fleet is done in accordance with OEM service standards and monitor the reprocess. COT is responsible for the payment of full services fees (repair cost, admin fee and the 5% of labour). There are no changes to the terms and conditions during the current reporting period.

The purpose of the principal-agent relationship is to contribute to the economic growth and job creation while supporting the governments automotive related objectives. Significant risk associated with the agreement is principal not being able to service the city should the agent not administer the repairs and maintenance in an efficient manner. Part of the strategy to mitigate the risk is to maintain good relations with principal and suppliers by having regular meetings and visits to workshops. The benefits of the relationship is being part of economic growth, especially towards SMME's which leads to job creation.

ENTITY AS AGENT

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

The remittance of resources during the period amounts to R10.1 million (2022: R15.7 million).

REVENUE RECOGNISED

The revenue that the company recognised in the current financial year as compensation for the transactions carried out on behalf of the principal is R102 thousand (2022: R593 thousand)

LIABILITIES AND CORRESPONDING RIGHTS OF REIMBURSEMENT RECOGNISED AS ASSETS

Liabilities incurred on behalf of the principal that have been recognised by the company are all for repairs and maintenance of COT's fleet and amounts to R321 thousand (2022: R 7.2 million).

Corresponding rights of reimbursement that have been recognised as assets amounts to R1.4 million (2022: R8.9 million).

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

47. SEGMENT INFORMATION

GENERAL INFORMATION

Identification of Segments
The Group is organised and reports to management on the basis of six major functional areas (Programmes): Gauteng Growth and Development Agency Holdings (GGDA), Supplier Park Development Company t/a Automotive Industry Development Centre (AIDC), The Innovation Hub Management company (TIHMC), Gauteng IDZ Development Company (IDZ), Constitution Hill (Conhill). Management uses these same programmes for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

TYPES OF GOODS AND/OR SERVICES BY SEGMENT

Automotive Sector
The Automotive Industry Development Centre (AIDC) is a project-driven organisation which focuses on excellence in technical project implementation and service delivery. The AIDC manages the Automotive Supplier Park, an automotive supplier logistics node in Rosslyn, Pretoria which provides a unique value proposition to suppliers of original equipment manufacturers (OEMs) in Gauteng.

The purpose of the AIDC is to develop the automotive manufacturing sector to globally competitive standards of excellence through a world-class value proposition which enables effective and sustainable socio-economic growth.

Innovation Sector
The Innovation Hub Management Company (TIHMC) manages The Innovation Hub, which is southern Africa's first Science and Technology Park. TIHMC serves as a catalyst for innovation and entrepreneurship. It is an important driver of the knowledge and green economies in Gauteng.

The purpose of TIH is to establish and manage an enabling environment and initiatives that support innovation, enterprise development and skills development in targeted sectors, in order to contribute towards the growth of Gauteng's economy, creation of decent jobs and poverty alleviation.

Industrial Development Zone
The Gauteng IDZ (GIDZ) Development Company was formed to develop and operate the Industrial Development Zone (IDZ) at OR Tambo International Airport (ORTIA).

Heritage Tourism Sector
Constitution Hill (Conhill) is a multi-million rand inner city regeneration project that has rejuvenated the site and uplifted the adjoining localities. The intention is to develop the available portions as iconic infrastructure in such a way that it is sensitive to the context, the architecture as well as the overall ambition of the stakeholders.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

47. SEGMENT INFORMATION (CONTINUED)

SEGMENT SURPLUS OR DEFICIT, ASSETS AND LIABILITIES

Group – 31 March 2023

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Revenue					
Revenue from exchange transactions	67 937	163 811	231 651	73 409	536 808
Revenue from non-exchange transactions	166 496	23 283	64 035	14 958	268 772
Other income	1 397	1 379	3	365	3 144
Finance income	9 483	1 542	2 860	574	14 459
Total segment revenue	**245 313**	**190 015**	**298 549**	**89 306**	**823 183**
Expenditure					
Employee costs	85 547	73 003	18 698	21 277	198 525
Administrative expenses	4 908	12 595	2 000	2 521	22 024
Other operating expenses	129 527	60 859	95 944	37 188	323 518
Finance costs	6	1 289	315	–	1 610
Taxation	11 697	(2 635)	(4 195)	–	4 867
Total segment expenditure	**231 685**	**145 111**	**112 762**	**60 986**	**550 544**
Total segmental surplus/(deficit)	**13 628**	**44 904**	**185 787**	**28 320**	**272 639**
Assets					
Current Assets					
Receivables from exchange transactions	24 388	1 047	3 600	817	29 852
Receivables from non-exchange transactions	–	480	–	–	480
Cash and cash equivalents	158 993	22 531	416 192	10 535	608 251
Current tax receivable	–	2 692	2 299	–	4 991
VAT	–	–	23 548	–	23 548
Other financial assets	–	11 509	–	–	11 509
Prepayments	5 659	2 412	967	344	9 382
Deposits paid	1 030	33	2 088	–	3 151
Operating lease asset	2 914	194	–	116	3 224
Inventories	–	–	–	184	184
	192 984	**40 898**	**448 694**	**11 996**	**694 572**
Non-Current Assets					
Investment property	381 087	176 433	529 471	130 538	1 217 529
Property, plant and equipment	235 875	249 998	184 826	18 831	689 530
Intangible assets	819	1 393	–	318	2 530
Heritage assets	–	–	–	188 685	188 685
Deferred tax	–	9 251	34 565	–	43 816
Operating lease asset	15 050	550	65 609	294	81 503
Prepayments	421	–	–	–	421
	633 252	**437 625**	**814 471**	**338 666**	**2 224 014**
Total segment assets	**826 236**	**478 523**	**1 263 165**	**350 662**	**2 918 586**

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

47. SEGMENT INFORMATION (CONTINUED)

Group – 31 March 2023

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Equity and liabilities					
Current liabilities					
Finance lease obligation	–	12	13	–	25
Payables from exchange transactions	5 429	11 210	47 913	1 430	65 982
Provisions	10 701	9 553	3 321	2 910	26 485
Unutilised government grants	54 065	27 347	369 468	10 944	461 824
VAT payable	333	–	–	1 161	1 494
Deposits received	6 744	4 073	1 727	254	12 798
Current tax payable	1 219	–	–	–	1 219
	78 491	**52 195**	**422 442**	**16 699**	**569 827**
Non-Current Liabilities					
Finance lease obligation	–	–	3 128	–	3 128
Operating lease liability	–	–	191 830	–	191 830
Deferred tax	20 280	–	–	–	20 280
Provisions	–	11 870	–	–	11 870
	20 280	**11 870**	**194 958**	**–**	**227 108**
Equity					
Contribution from owners	27	–	–	424 980	425 007
Accumulated surplus	727 438	414 458	645 765	(91 017)	1 696 644
	727 465	**414 458**	**645 765**	**333 963**	**2 121 651**
Total segment equity and liabilities	**826 236**	**478 523**	**1 263 165**	**350 662**	**2 918 586**

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for the year ended 31 March 2023

47. SEGMENT INFORMATION (CONTINUED)

Group – 31 March 2022

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Revenue					
Revenue from exchange transactions	57 194	125 237	70 154	35 060	287 645
Revenue from non-exchange transactions	142 650	19 353	55 040	8 896	225 939
Other income	–	246	339	366	951
Finance income	3 563	901	382	844	5 690
Total segment revenue	**203 407**	**145 737**	**125 915**	**45 166**	**520 225**
Expenditure					
Employee costs	83 592	67 283	14 764	19 195	184 834
Administrative expenses	6 254	9 872	1 299	2 509	19 934
Other operating expenses	108 142	107 083	82 028	26 321	322 441
Finance costs	88	934	316	13	1 351
Taxation	6 834	(2 245)	4 803	–	9 392
Total segment expenditure	**204 910**	**182 927**	**103 210**	**48 038**	**537 952**
Total segmental surplus/(deficit)	**(1 503)**	**(37 190)**	**22 705**	**(2 872)**	**(17 727)**
Assets					
Current Assets					
Receivables from exchange transactions	31 126	5 750	7 557	1 561	45 994
Receivables from non-exchange transactions	–	18 675	–	–	18 675
Cash and cash equivalents	119 506	21 284	280 642	15 011	436 443
Current tax receivable	287	2 692	2 072	–	5 051
Other financial assets	–	10 947	–	–	10 947
Prepayments	1 488	1 419	844	844	4 595
Deposits paid	979	33	2 088	–	3 100
Operating lease asset	4 041	272	–	12	4 325
	157 427	**61 072**	**293 203**	**17 428**	**529 130**
Non-Current Assets					
Investment property	392 249	178 323	352 028	108 526	1 031 126
Property, plant and equipment	246 945	179 050	187 977	15 044	629 016
Intangible assets	971	1 684	–	–	2 655
Heritage assets	–	–	–	188 589	188 589
Deferred tax	–	6 616	30 370	–	36 986
Operating lease asset	13 444	97	48 901	293	62 735
Prepayments	73	–	–	–	73
	653 682	**365 770**	**619 276**	**312 452**	**1 951 180**
Total segment assets	**811 109**	**426 842**	**912 479**	**329 880**	**2 480 310**

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

47. SEGMENT INFORMATION (CONTINUED)

Group – 31 March 2022

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Equity and liabilities					
Current liabilities					
Finance lease obligation	41	42	12	–	95
Payables from exchange transactions	13 511	11 563	3 762	2 229	31 065
Provisions	13 284	12 042	3 340	4 158	32 824
Unutilised government grants	46 596	18 574	271 760	16 280	353 210
VAT payable	816	–	193	1 329	2 338
Deposits received	5 594	3 628	1 349	241	10 812
	79 842	**45 849**	**280 416**	**24 237**	**430 344**
Non-Current Liabilities					
Finance lease obligation	–	11	3 142	–	3 153
Operating lease liability	–	–	168 942	–	168 942
Deferred tax	17 430	–	–	–	17 430
Provisions	–	11 429	–	–	11 429
	17 430	**11 440**	**172 084**	**–**	**200 954**
Equity					
Contribution from owners	27	–	–	424 980	425 007
Accumulated surplus	713 810	369 553	459 979	(119 337)	1 424 005
	713 837	**369 553**	**459 979**	**305 643**	**1 849 012**
Total segment equity and liabilities	**811 109**	**426 842**	**912 479**	**329 880**	**2 480 310**

48. PRIOR-YEAR ADJUSTMENTS

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

STATEMENT OF FINANCIAL POSITION

Group – 31 March 2022

	As previously reported	Correction of error	Restated
Investment property	1 030 882	(4 458)	1 026 424
Property, plant and equipment	637 154	445	637 599
Receivable from Exchange transactions	64 838	1 601	66 439
Current taxation receivable	6 659	(507)	6 152
Deferred Tax	38 673	1 091	39 764
Accumulated surplus	(1 899 525)	2 239	(1 897 286)
Payables from Exchange transactions	(54 954)	(411)	(55 365)

STATEMENT OF FINANCIAL PERFORMANCE

Group – 31 March 2022

	As previously reported	Correction of error	Re-classification	Restated
Revenue from exchange transactions	224 303	1 601	–	225 904
Revenue from non -exchange transactions	463 702	386	–	464 088
Administrative expenses	(27 119)	–	(7 719)	(34 838)
Operating expenses	(402 637)	(4 577)	28 101	(379 113)
Employee costs	(267 746)	–	(20 382)	(288 128)
Taxation	(17 510)	1 028	–	(16 482)

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

48. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

Errors

The following prior period error adjustments occurred:

GIDZ

Componentisation of investment property and infrastructure assets

The restatement was mainly due to Top Structures and infrastructure projects completed in previous financial years not being componentised sufficiently due to inadequate information.

The impact of restatement was as follow:
Decrease in investment property by R4.5m.
Increase in property, plant and equipment by R165 thousand.
Increase in deferred tax by R1.1m.
Increase in operating expenses by R4m.
Decrease in taxation expense by R1.1m.
The accumulated surplus impact of the above error in 2021 is R170 thousand.

TIHMC

Understatement of rental income

The restatement was mainly due to the cases found where rental income was either not charged or incorrectly charged.

The impact of restatement was as follow:
Increase in receivable from exchange transactions by R1.6m.
Increase in revenue from exchange transactions by R1.6m.

Asset received: donation

The restatement was mainly due to assets received from project partners which not accounted for when the agreements ended.

The impact of restatement was as follow:
Increase in property, plant and equipment by R280 thousand.
Increase in current taxation receivable by R507 thousand.
Increase in revenue from non -exchange transactions by R385 thousand.
Increase in operating expenses by R106 thousand.
The accumulated surplus impact of the above error in 2021 is R507 thousand.

Understatement of accounts payable and operating expenses

Invoices were received by management in the current year that relate to previous years for municipal services.

The impact of restatement was as follow:
Increase in payable from exchange transactions by R411 thousand
Increase in operating expenses by R411 thousand

Reclassifications

The following reclassification adjustment occurred:

48. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

TIHMC

Reclassification of expenses
Project expenses was previously classified by function instead of the nature of the expense.

The impact of reclassification was as follow:
Increase in administration by R7.7m.
Increase in employee cost by R20.3m.
Decrease in operating expenses by R28.1m.

49. EVENTS AFTER THE REPORTING DATE

AIDC

The South African Revenue Services (SARS) initially disregarded the allowance for government grant on AIDC 2021 year of assessment which resulted in penalty and interest levied against the AIDC amounting to R18,6 million. The AIDC lodged an objection for suspension of payment and provided the necessary supporting documentation. SARS has subsequently finalised the reassessment to be in favour of AIDC. During June and July 2023, SARS provided AIDC with a reduced assessments indicating that no future liability is expected and SARS owes AIDC a refund amount of R539 thousands for the 2021 and 2022 year of assessments. This is a non-adjusting event as SARS did the reassessment after the reporting date.

TIHMC

Management submitted a request for write off of long outstanding debtors, amounting to R2.4 million to the respective governance structures for approval. The approval for the debts write-off for the 2022/23 financial year was obtained on the 29th of May 2023 from TIHMC Board. The debtors balance as disclosed includes the approved write off by board.

GGDA HOLDING

The GGDA Board was dissolved on the 24th of March 2023. In a judgement on the 18th of May 2023 at The High Court of South Africa, the decision taken to dissolve the board of the GGDA and to terminate the board membership of the applicants with the GGDA was suspended with effect from 24th of March 2023. The Directors were reinstated accordingly.

There have been no other events that occurred after the reporting date that could have a material impact on the consolidated annual financial statements.

DETAILED INCOME STATEMENT

		Group		Controlling entity	
	Note(s)	2023 R'000	2022 Restated* R'000	2023 R'000	2022 R'000
Revenue					
Rendering of services		122 144	98 544	–	–
Rental income		125 768	120 129	–	–
Rental of facilities and equipment		6 980	618	–	–
Project income		11 100	5 895	–	–
Admission fees		2 682	718	–	–
Sale of goods		14	–	–	–
Grants for operating expenditure		407 751	385 872	199 654	174 404
Grants for capital expenditure		292 532	47 166	1 239	2 308
Donations		–	385	–	–
Transfers to subsidiaries		–	–	411 534	320 486
Grants for projects		37 401	30 665	–	–
Sundry income		3 836	4 018	692	3 067
Interest received		47 349	23 853	32 890	18 163
Total revenue from exchange and non-exchange transactions		**1 057 557**	**717 863**	**646 009**	**518 428**
Expenditure					
Employee related costs	31	(323 304)	(288 128)	(124 779)	(103 294)
Administrative expenses		(41 633)	(34 838)	(19 609)	(14 904)
Depreciation and amortisation		(65 854)	(65 988)	(906)	(1 531)
Impairment loss		(57)	(26 841)	–	–
Finance costs	34	(1 610)	(2 219)	–	(868)
Lease rentals on operating lease		(20 522)	(23 438)	(20 530)	(23 363)
Debt Impairment		(7 462)	(12 247)	–	–
Repairs and maintenance		(15 622)	(11 724)	(17)	(149)
Bad debts written off		(244)	–	–	–
Projects		(52 810)	(25 571)	(25 167)	(19 228)
Grants transferred	30	–	–	(411 535)	(320 486)
Loss on disposal of assets		(522)	(3 029)	(311)	(1 134)
Other operating expenses		(230 182)	(210 275)	(22 772)	(10 017)
		(759 822)	**(704 298)**	**(625 626)**	**(494 974)**
Surplus before taxation		**297 735**	**13 565**	**20 383**	**23 454**
Taxation	35	10 693	16 482	5 826	7 090
Surplus (deficit) for the year		**287 042**	**(2 917)**	**14 557**	16 364
Attributable to:					
Owners of the controlling entity		283 256	(2 533)	14 557	16 364
Non-controlling interest		3 786	(384)	–	–
		287 042	**(2 917)**	**14 557**	**16 364**

**See Note 48*

The supplementary information presented does not form part of the Group Annual Financial Statements and is unaudited

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