Trade & Investment KwaZulu-Natal

YOUR KNOWLEDGE PARTNER IN BUSINESS

South Africa

KWAZULU-NATAL

Zulu Kingdom. Exceptional

ANNUAL REPORT 2023/2024

TRADE & INVESTMENT KWAZULU-NATAL'S GENERAL INFORMATION

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trade-&-investment-kwazulu-natal

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TABLE OF ACRONYMS

AFCFTA	African Continental Free Trade Area
AFS	Annual Financial Statements
AG	Auditor-General
APP	Annual Performance Plan
ASB	Accounting Standards Board
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BPO	Business Process Outsourcing
BREU	Business Retention and Expansion Unit
BRICS	Brazil, Russia, India, China and South Africa
BSF	Business Support Fund
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COVID-19	Coronavirus disease 2019
CS	Corporate Services
DDI	Domestic Direct Investment
DIRCO	Department of International Relations and Cooperation
DM	Destination Marketing
DRC	Democratic Republic of Congo
dtic	Department of Trade Industry and Competition
DTPC	Dube TradePort Corporation
EAP	Employee Assistance Programme
EDPU	Export Development and Promotion Unit
EDTEA	Economic Development, Tourism and Environmental Affairs
EIA	Environmental Impact Assessment
EM	Executive Management
EMDEs	Emerging Markets and Developing Economies
ESIEID	Economic Sectors Investment, Employment and Infrastructure Development
EU	European Union
EXCO	Executive Management Committee
FDI	Foreign Direct Investment
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Product
GM	General Manager
GRAP	Generally Recognised Accounting Practice
GRAP	Generally Recognised Accounting Practice
IATF	Intra-African Trade Fair
ICT	Information and Communications Technology
IDZ	Industrial Development Zone
IEH	Industrial Economic Hub
IPA	Investment Promotion Agency

IPAP2	Industrial Policy Action Plan 2
IPU	Investment Promotion Unit
IT	Information Technology
JSE	Johannesburg Stock Exchange
KECP	KwaZulu-Natal Export Competitiveness Programme
KMU	Knowledge Management Unit
KZN	KwaZulu-Natal
MANCO	Management Committee
MCU	Marketing and Communication Sub-Unit
MEC	Member of the Executive Council
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPL	Member of the Provincial Legislature
Msc	Master of Science
NDP	National Development Plan
NGP	National Growth Plan
OSS	One Stop Shop
PAA	Public Audit Act
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
PhD	Doctor of Philosophy
POPIA	Protection of Public Information Act
(PTY) LTD	Proprietary Limited
PUM	Programma Uitzending Managers
RBIDZ	Richards Bay Industrial Development Zone
S&O	Strategy and Operations
SA	South Africa
SADC	Southern African Development Community
SAITEX	South African International Trade Exhibition
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SEZ	Special Economic Zone
TAF	Technical Assistance Fund
TIKZN	Trade & Investment KwaZulu-Natal
TKZN	Tourism KwaZulu-Natal
TOR	Terms of Reference
UNCTAD	United Nations Conference on Trade and Development

A

GENERAL INFORMATION

01 MEC's Foreword

REV. MUSA ZONDI
KWAZULU-NATAL MEC:
ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

The year 2023/2024 presented a complex and challenging landscape for the global economy. While the shadow of the pandemic gradually receded, new obstacles emerged, testing the resilience of nations and businesses alike. Economic growth in 2023 fell short of expectations. The International Monetary Fund (IMF) revised its initial projections downward, settling on a global GDP growth figure of around 3%. Additionally, the war in Ukraine disrupted global supply chains and caused a spike in energy and commodity prices. Inflation remained a dominant concern throughout 2023. Global inflation hovered stubbornly above pre-pandemic levels. Russia, a major oil and gas exporter, saw sanctions disrupt global energy markets. The higher energy prices also contributed to rising food costs, as fertilizers and transportation rely heavily on energy.

After a brief rebound in 2022, global trade growth has stalled, marking a significant slowdown compared to pre-pandemic levels. The pandemic's shadow continued to loom large, compounded by supply chain disruptions. Shortages of key materials and disruptions in transportation networks hampered production and contributed to price increases.

Another concerning trend during the period under review was the rise of populism which, together with nationalistic sentiments and protectionist policies implemented by some governments, combined to create a less favourable environment for international commerce. This trend, if it continues, could lead to further fragmentation of the global trading system and it is something that we should be cognizant about as we consider our future investment prospects.

Climate change also predominated. Extreme weather events disrupted agricultural production and transportation routes, leading to food price volatility and shortages of key materials. Further evidence of this is to be found in Sudan where a combination of climate induced crises and internecine warfare has left millions facing starvation in what is described as the biggest famine the country has seen in decades.

Despite the challenges, the period under review also witnessed the emergence of new trends that may shape the future of global trade and investment. The continued growth of e-commerce platforms presented new opportunities for cross-border trade, particularly for small and medium-sized businesses, and most noticeably in Africa and large parts of the developing world.

Sustainability concerns gained traction, prompting businesses and governments to explore ways to make global trade more environmentally friendly. Strongly allied to this was the resurgence of renewable energy investments across the globe and here in KwaZulu-Natal, this interest has manifested itself in a few notable projects, with many more in the pipeline. With global trade facing headwinds, regional trade agreements and trading blocs emerged as potential drivers of growth. BRICS+, the recently expanded group of emerging economies, has the potential to be a major player on the world stage. With a combined GDP exceeding 35% of the global total, the bloc holds significant economic clout which could translate to more bargaining power in international trade negotiations and increased influence within institutions like the IMF and World Bank. Furthermore, closer cooperation within BRICS+ could lead to a surge in trade opportunities between member countries, whose economies would benefit through easier access to goods and potential trade deals. As a member of BRICS+, South Africa and therefore KZN can benefit enormously from the new trading opportunities that may arise, and this is something that Trade & Investment KwaZulu-Natal will investigate in the coming years.

Over the past three years, KwaZulu-Natal has navigated a series of disruptions, including the COVID-19 pandemic, social unrest, and climate change-induced disasters. We took a decision that we should face rather than shirk from these challenges, and in so doing came up with innovative, and sustainable solutions. During the COVID-19 pandemic, targeted support was provided to alleviate the burden on distressed businesses across KZN. Similarly, in response to the July 2021 unrest and the April 2022 floods, collaborative efforts like the Business Support Fund, that was managed by TIKZN, provided crucial assistance to impacted companies. By effectively navigating these challenges, KwaZulu-Natal was able to position itself as a reliable and attractive investment destination.

KwaZulu-Natal is fully committed to maximising the opportunities presented by the African Continental Free Trade Area Agreement (AfCFTA) the world's largest free trade area with a combined gross domestic product of $3.4trillion. To do this, the province will leverage its logistics advantages which include a multimodal logistics platform, the Dube TradePort, and two of the continent's busiest and largest ports, namely Durban and Richards Bay, both of which handle nearly 60% of South Africa's cargo tonnage.

These assets, coupled with a well-developed network of roads and railways, position KZN favourably in its quest to be a trade gateway to the rest of the world.

The total exports from KZN recorded an increase of 12.3% in the second quarter of 2023 while imports also recorded a corresponding increase of 10.5%. This shows that the province is continuing to experience less import saturation as the trade surplus continues to show robust growth.

On the investment front, TIKZN has facilitated a significant pipeline of investment projects with total commitments for the year reaching R6.4 billion, resulting in an estimated 4870 jobs.

The various crises that we have faced and the innovative ways deployed in resolving them have reinvigorated the provincial government and its entities such as TIKZN, under the capable leadership of Executive Management and Board. In the process TIKZN has become the first port of call for investors, with a unique suite of offerings that includes investment promotion, export development and the One Stop Shop, all geared to cater to the needs of domestic and international r investors.

As we reflect on the 2023/2024 financial year, a year defined by both challenges and triumphs, it's clear that change has become the defining characteristic of our times. The global landscape, shaped by ongoing economic uncertainties, geopolitical tensions, and the ever-present need for environmental sustainability, demanded adaptability and resilience.

TIKZN embraced these challenges as opportunities for innovation and growth. This annual report highlights the key initiatives and achievements that have driven our progress in a dynamic environment. We remained focused on our core values of dedication and customer service, a commitment that resonated with our stakeholders and fuelled our success.

Hon Rev M Zondi, MPL
MEC for Economic Development, Tourism and Environmental Affairs

This report showcases the dedication and ingenuity of TIKZN Executive Management and Board as it embarked on strategic investments that are aligned with the Provincial Growth and Development Strategy as well as the country's national development objectives, we remain optimistic about the future and thus invite you to delve into this report and discover how TIKZN navigated the complexities of this past year and emerged stronger than ever.

02 Board Chairperson's Statement

MR KHANYISANI SHANDU
INTERIM BOARD CHAIRPERSON
TRADE & INVESTMENT KWAZULU-NATAL

On behalf of the Board of Directors, I am pleased to present the Trade & Investment Annual Report for the 2023/24 financial year.

The past year has been one of both challenges and progress for our organisation. The sad passing of our Board Chair Ms Ina Cronjé, and the resignation of the Chair of Trade and Investment Committee Mr Garry Bell, left an indelible mark to the organisation. This was further exacerbated by the vacuum left by the vacancies of the critical positions of CEO and CFO. Despite this, I am proud to announce that Trade & Investment KwaZulu-Natal has continued to deliver impressive results, primarily due to the swift response by our Shareholder in appointing an interim chair, while the Board moved decisively to appoint acting individuals to occupy these two vacant positions.

As it celebrates 30 years of democracy, South Africa is experiencing upheavals on both domestic and international front, unlike anything we have seen ever since COVID 19. A brief scan since the advent of democracy reveals much to be proud of. In the arts and sports fields the country has made enormous strides on the global stage from the Grammy's to boxing, and while Bafana Bafana made an impressive return to the African football stage and the Boks managed to retain the rugby World Cup title.

On social media our dances have gone viral captivating local and international audience as well as the biggest names in music. All this bodes well for the country outlook and has built positive sentiments for our national brand.

However, we still feel the impact of the geopolitical tensions and wars that have plagued the world over the past few years. The difference now is that we are not simply standing back and letting these devastate us, instead we as a country, and as the province of KwaZulu-Natal, have been busy identifying gaps that these global disturbances have produced and have considered various strategies, including import substitution and this is beginning to pay off, as evident in some strides that have been made on the economic front.

Despite going into a technical recession in the first quarter of 2023, the province rebounded albeit little with both Q2 and Q3 showing marginal increases of 0.6%, driven mainly by agriculture (4.1%), manufacturing (2.1%) and services sectors (finance, government services at 0.9%). The Provincial Recovery and Reconstruction Plan has yielded positive results, with TIKZN playing a more crucial role in driving this recovery.

It does well to mention the positive strides being made on the trade front in KwaZulu-Natal. The total exports from KZN recorded an increase of 12.3% in the second quarter of 2023 while imports also recorded a corresponding increase of 10.5%. This shows that the province is continuing to experience less import saturation as the trade surplus continues to show robust growth. The African Continental Free Trade Area agreement (AfCFTA) has yielded positive results from the onset, and this was evidenced in the province hosting the 13th meeting of the AfCFTA Council of Ministers which was held on the 30-31 of January 2024. On the 31 January, His Excellency President Cyril Ramaphosa launched the Preferential Trade Agreement within AfCFTA and this historic occasion marked a major milestone in the journey towards economic integration and trade facilitation on the African continent.

Loadshedding continues to be thorn in the side of the South African economy, and certainly KwaZulu-Natal has not escaped unscathed. But once again South Africa is hard at work finding solutions and the latest stats from Stats SA reveal that the country experienced fewer days of loadshedding in the 4th quarter of 2023 (63 days) compared to the 3rd quarter (91 days). All the above however provides a picture of a province as well as a country that is clearly resilient and committed to seeing a positive change in its economy.

Given this backdrop, it is encouraging to note that TIKZN has been at the forefront of driving strategies to stimulate economic growth and has worked with organs of state as well as strategic partners in driving a positive sentiment for the country and the province. Our trade promotion initiatives have helped domestic businesses access new markets, forge valuable partnerships, and increase their exports. Similarly, our investment attraction efforts have yielded significant foreign direct investment, creating jobs and fuelling economic growth across key sectors. On the business retention and expansion front, the team has worked tirelessly with businesses on their expansion initiatives and has been instrumental in saving business operations that were impacted by flooding. This has gone a long way in saving jobs for the province.

The province has shown resilience, toughing it out through two major floods in as many years, the destructive looting which shook business confidence. The great efforts that have been made to deal with port delays and decisive action to deal with crime, all in efforts to make the province conducive for doing business.

Looking ahead, we remain resolute in our mission to champion KwaZulu-Natal as a premier destination for trade and investment. To that end, we will be doubling down on strategies to enhance our competitiveness, foster innovation, and capitalize on emerging market trends. This includes strengthening our digital capabilities, forging deeper international linkages, and providing more targeted support to companies of all sizes.

APPRECIATION

One must acknowledge that TIKZN's performance would not have been possible without the guidance of our Shareholder, the support of our Board, the expertise of our management team, and the tireless efforts of our staff.

I am deeply grateful for their commitment to our shared vision of a thriving globally connected KwaZulu-Natal Economy. As we celebrate our successes and chart the course for the future, I am confident that TIKZN will continue to play a pivotal role in driving sustainable economic development and prosperity for our province.

Mr Khanyisani Shandu
Interim Board Chairperson
Trade & Investment KwaZulu-Natal

03 Chief Executive Officer's Review

MR SIHLE NGCAMU
ACTING CHIEF EXECUTIVE OFFICER
TRADE & INVESTMENT KWAZULU-NATAL

The conclusion of the 2023/24 year, marks a time for taking stock, reflecting and making strides to carry key learnings to the 2024/25 year has come. At the barest minimum, each person, business and government entity can only hope that their contribution throughout the year has met their expectations. At most, the hope is that they were exceeded, not only for a personal sense of achievement but for the betterment of the communities we serve.

In November 2023, the Finance Minister delivered the Medium-Term Budget Policy Statement which highlighted the fact that domestic economy has weakened, driven mainly by continued electricity and rail capacity constraints that have plagued South Africa for a substantial period. This coupled with the challenges of slower and uncertain global environment, have delivered unfavourable news for South Africa's public finances.

According to the Finance Minister, this lower projection is driven in part by lower household expenditure as households continue to struggle with finances, mainly due to high interest rates, elevated inflation (specifically food and fuel inflation), the impacts of loadshedding on costs of living, lower real disposable income, and higher household debt.

All this points to a need to stimulate the economy thus driving growth, which is crucial for job creation to offset burden on consumers who are struggling to make ends meet due to increased costs of living.

On 8 February 2024, the President delivered the State of the Nation Address. Amongst other issues raised by the President were the following key deliverables that impact on Trade & Investment in KwaZulu-Natal:

- As signatories to the African Continental Free Trade Area (AfCFTA), South Africa needs to take advantage of the opportunities provided by AfCFTA to increase trade and expand our industries. To this effect, our Export Development and Promotions unit has upped its ante in the implementation of the Africa Export Strategy.
- To mitigate the risk posed by rolling blackouts as a result of loadshedding, the President announced that government will deliver on its commitment to bring substantial new power through private investment onto the grid. There have been strides made on this front which are already helping in reducing loadshedding. This bodes well for investor confidence and requires TIKZN to highlight this in our investment promotion activities.

- To deal with severe inefficiencies in the freight logistics systems, the government is taking action to improve our ports and rail network and restore them to world-class standards. To this effect, a clear roadmap has been developed to stabilize the performance of Transnet and reform our logistics system.
- The government, in collaboration with business and labor, have established a dedicated team to turn around five strategic corridors for the transport of goods for export purposes. TIKZN's efforts need to leverage on this initiative in promoting trade and investment in the province.
- The President pronounced that new and innovative funding mechanism will be utilized to increase construction of infrastructure. The Department of Water and Sanitation aims to enhance water resource management by initiating infrastructure projects to secure water supply and diversifying water sources to reduce dependence on surface water. This provides a great opportunity to bolster investment into the country as well as in our province which is often struck by droughts.
- To strengthen service delivery initiatives, the government introduced the District Development Model, bringing together all spheres of government and key stakeholders to address the service delivery challenges in communities, and to drive a conducive environment for investment into districts. The plan is to continue to broaden and deepen this process and as such TIKZN needs to entrench ourselves in districts and ensure we play a crucial role in the broadening of this process.
- Crime and security remain major hindrances to investment and trade initiatives and contributes significantly to lowering investor confidence. To this end the government has introduced strategic initiatives, such as Operation Shanela to address the issue of crime.
- The Presidency plans to use their foreign policy to pursue the country's development goals. The new chapter in the BRICS family of countries with the expansion of the group from five to ten members, presents opportunities for trade and a strengthening of political and diplomatic ties between countries in the global South. Therefore, our efforts as an organisation will also need to focus on this opportunity as well.

The above clearly argues that it is imperative for Investment Promotion Agencies to be at the forefront of driving economic reforms. They can be the glue that binds the private sector and government to ensure mutually beneficial collaboration in the quest to drive economic reforms.

TIKZN, therefore has, for the 2023/24 financial year, strived to be at the forefront of these economic reforms in KwaZulu-Natal, ensuring that the province is able to regain lost ground and drive employment in the province.

OPERATIONAL REVIEW

In the 2023/24 financial year, as TIKZN, we strategically positioned ourselves to become a meaningful player in the KwaZulu-Natal economy and and an effective conduit between government and business to create an enabling environment for province's economic growth and prosperity. We worked with both business and government to actively promote KwaZulu-Natal as an ideal location for trade and investment and continue to be best placed to position KwaZulu-Natal as a leader in sustainable development as we build a more resilient and inclusive province for future generations.

TIKZN was not without its internal challenges as an organisation. Vacancies in critical positions in the organisation such as that of CEO and CFO created instability in the organisation. To mitigate this risk, capable individuals were appointed to act in these positions. The sad passing of Board Chair and the resignation of the chair of the Trade and Investment Committee unfortunately compromised the effective operations of both Board and Board Committees subsequently an interim Board Chairperson was appointed and the restructuring of Board Committees, restoring stability and business continuity.

Although budget constraints are not unique to our organisation as many others have been faced with the same plight because of a weak fiscus, this however did impact negatively on the implementation and execution of some of the entity's strategic programmes.

However, despite these setbacks, it is pleasing to note that our efforts paid off as evident in the organisational performance. Of the 44 output indicator targets the organisation set out to achieve in 2023/24, 77% were exceeded, 16% were met, with 7% not met for the year. This achievement was possible through the strategic collaborations with key stakeholders globally regionally and domestically, making it possible for the organisation to achieve this despite budgetary constraints faced.

KEY HIGHLIGHTS

On the Investment Promotion front, the entity was hard at work to ensure domestic and foreign investment projects were committed. Consequently, the organisation was able to commit R6.4billion worth of investments into the province. These projects collectively accounted for 4870 jobs.

In ensuring inclusive economic growth, TIKZN also upped its ante on district outreach activities and through these was able to source leads for priority groups looking to get into the investment space. Consequently, TIKZN managed to facilitate investment opportunities for 28 priority groups. In the transformation process, TIKZN endeavored to ensure that the previously disadvantaged individuals become increasingly integrated and participate in the provincial economy as industrialists, owners of businesses, shareholders, managers and entrepreneurs.

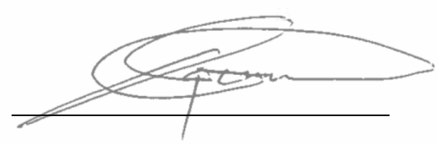
On the Business Retention and Expansion front, the rand value of expansion and retention projects committed through targeted business expansion and retention support activities amounted to R1.5 billion. During these difficult times when unemployment is at an all-time high, 2983 jobs were created from targeted retention and expansion support interventions facilitated by the organisation. The organisation further assisted 125 companies through business retention interventions and embarked on 18 technical business support programmes.

For the 2023/24, R62.6 million was the turnover generated by the exporters capacitated, a testament of the strides made by the organisation to capacitate exporters in KwaZulu-Natal. These exporters created 271 new jobs. 70 emerging companies were trained for export readiness, with 61% of these being from the priority groups. This is in line with the government's call to ensure that previously disadvantaged individuals are able to contribute meaningfully to export trade. 171 companies participated at trade related events in targeted markets, with a significant number of these being female owned enterprises.

APPRECIATION

I would like to extend my heartfelt appreciation to our Shareholder, our Board, led by the Board Chair Mr Khanyisani Shandu, and our exceptional team of employees. Your unwavering commitment, invaluable guidance, and tireless efforts have been instrumental in driving Trade & Investment remarkable success this past financial year. Together, we have achieved growth and delivered outstanding results, solidifying our position in the province. This remarkable performance is testament to your resilience, innovation, and unwavering dedication to our shareholder vision.

I am truly honored to work alongside such a talented and passionate group of individuals, and I am confident that with your continued support, we will continue to reach new heights in the years to come.



Mr Sihle Ngcamu
Acting Chief Executive Officer
Trade & Investment KwaZulu-Natal

04 **Statement Of Responsibility** And Confirmation Of Accuracy Of The Annual Report

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General;
- The Annual Report is complete, accurate and free of any omissions;
- The Annual Report has been prepared in accordance with Annual Report guidelines, as 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 and for judgements made 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 2024;

Mr Sihle Ngcamu
Acting Chief Executive Officer

Date: 31 March 2024

Mr Xolile Cele
Acting Chief Financial Officer

Date: 31 March 2024

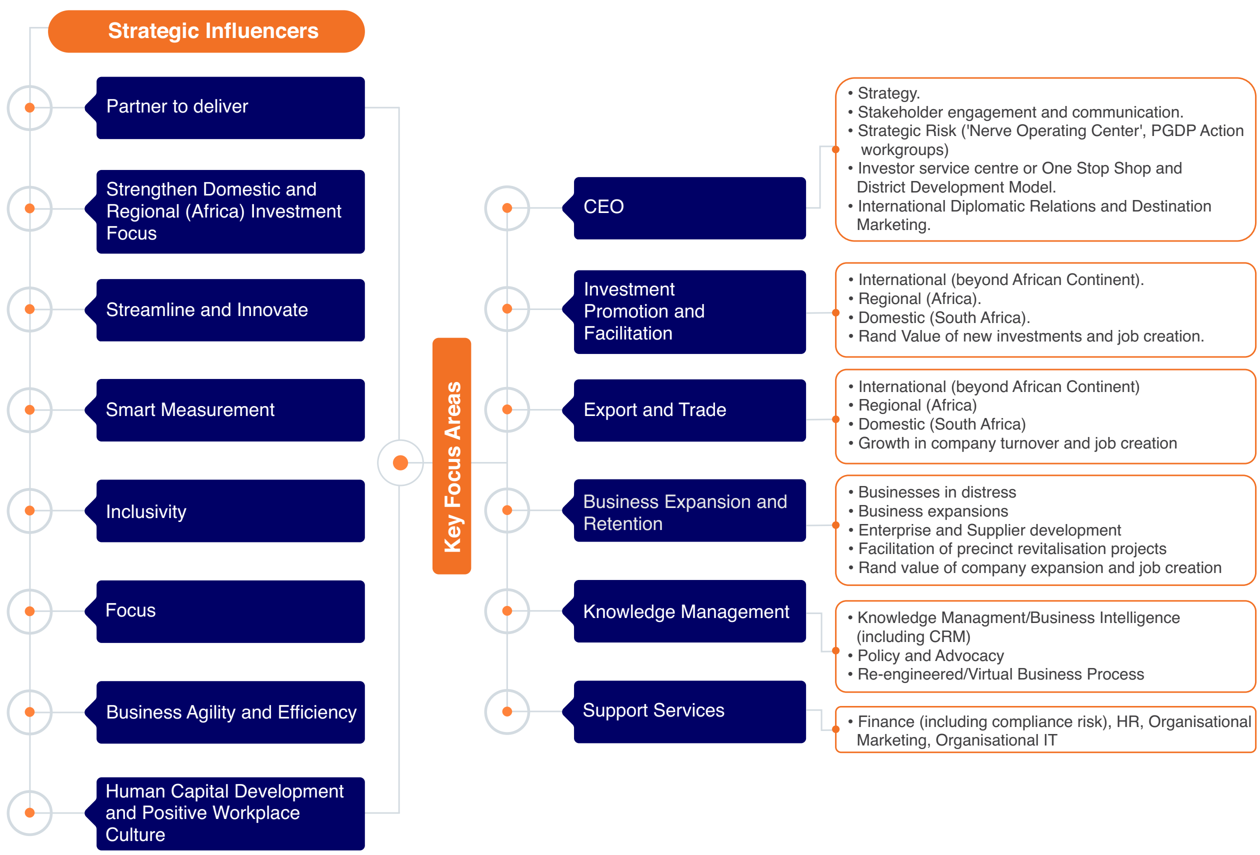
05 Strategic Overview

OVERVIEW

Trade & Investment KwaZulu-Natal is a South African trade and inward investment promotion agency, established as a Schedule 3C Public Entity, to promote the province of KwaZulu-Natal as an investment destination and to facilitate trade by assisting local companies to access international markets. The organisation is also tasked with identifying, developing, and packaging investment opportunities with a view of bolstering investment into the province. This is done through targeted interventions aimed at enticing investors to invest in the province and to positioning KZN as a prime investment destination.

In addition to investment promotion the organisation is also tasked with driving trade (exports) which is achieved through identifying new markets for trade as well as developing export capacity within the province in order to drive positive trade balances. Furthermore the Business Retention and Expansion unit, ensures that investments in the province are sustained and growth driven. Significantly, these are critical building blocks in setting a firm foundation for job creation.

The key strategic focus areas are illustrated in the figure below.



Operating in globally competitive markets, TIKZN is internationally acclaimed for positioning South Africa (SA) and KZN as a world-class trade and investment destination, which is strategically located on SA's East Coast and covers an area of more than 94 000 square kilometres. The warm waters of the Indian Ocean, world-class game reserves and rich history, biodiversity, and major seaports, combine to make the province a prime tourist destination and an important hub for industrial development; a crucial gateway to rapidly emerging sub-Saharan economies and markets.

KZN delivers:

- Superb natural resources;
- Exceptional productive capacity;
- A Strong manufacturing sector and a leader in logistics;
- Lower cost of living than other provinces and an enviable quality of life;
- A valuable coastal location, featuring both SA's primary harbours - Durban, one of the busiest in Africa, and Richards Bay, which is SA's premier modern break-bulk harbour;
- Richards Bay Coal Terminal which is one of the world's largest coal export terminals and the largest in Africa;
- Richards Bay Industrial Development Zone (RBIDZ), a Special Economic Zone (SEZ), which is a purpose-built and secure industrial estate boasting award-winning industrial infrastructure on the north-eastern coast of KZN;
- Dube TradePort Special Economic Zone, a multimodal logistics platform, home to the King Shaka International Airport and the heart of SA's first purpose-built aerotropolis, or airport city;
- World class tourist destinations;
- A diverse economy with strong manufacturing and agricultural attributes; and
- An enviable lifestyle complemented by an idyllic climate;
- Accessibility to the province through six international direct route networks.

KZN provides for a wide range of economic activities, including capital-intensive manufacturing, transport, storage, communications, finance, business services, and agriculture, forestry, fishing, and accommodation sectors. Against this background, TIKZN sets out to promote all the province's competitive advantages. In so doing, it can leverage an ever-increasing share of the world's investment market.

TIKZN's ultimate goal is, to facilitate the establishment of both greenfield and brownfield local and foreign investments to protect the existing investments thus sustaining jobs and to stimulate company growth through building their export capacity, exposing them to domestic, regional, and international markets.

TIKZN is focused on outcome-based reporting in accordance with the new treasury regulations built around the theory of change. TIKZN has redeveloped some of the performance measures to include a greater focus on influencing impact as part of the revised strategy and alignment to the district development model, namely:

- Increased engagement with municipal entities. This has been implemented across programmes and is aligned with stakeholder requirements of the organisation to work more closely with districts in an integrator/ coordinator role;
- TIKZN leading the KZN Executive Liaison engagements to support district economic development.
- A more balanced approach to engaging both public sector and private sector. This correlates to the role of the organisation being a key link between business and government; and
- The organisation is achieving good partnerships. This approach of “partnering to deliver” will be escalated in the organisation's future planning as resourcing is reduced.

VISION

To position the province of KwaZulu-Natal as a premier destination for investment and the leader in developing and promoting trade in the province.

This will be undertaken through:

- Attracting new investments;
- Facilitating export opportunities; and
- Facilitating business retention and expansion programmes.

Ultimately, the success of TIKZN in delivering on its mandate, will assist in supporting sustainable growth in KZN for the benefit of all its citizens.

MISSION

The mission of TIKZN is:

- To retain and ensure competitiveness of KwaZulu-Natal companies;
- To support KwaZulu-Natal companies that are experiencing distress;
- Identify and package trade and investment opportunities in KZN;
- Brand and market KwaZulu-Natal as an investment destination;
- Identify and package export trade and investment opportunities in KwaZulu-Natal;
- Link opportunities to the developmental needs of the KwaZulu-Natal community; and
- Ensure easy access to investment and export trade opportunities.

VALUES

The values of TIKZN are to espouse:

- Professionalism;
- Integrity; and
- Passion.

OBJECTIVES

To meet shareholder and stakeholder expectations, TIKZN sets out to deliver exceptional levels of professional services and support to clients and stakeholders, delivering on the following key strategic objectives:

- To promote and facilitate new fixed investment in the KZN Province (new investment, expansion and retention);
- To Develop and facilitate export opportunities for the KZN province;
- To improve market visibility and brand awareness of TIKZN's services locally and internationally;
- To generate and disseminate comprehensive business information to stakeholders;
- To facilitate trade and investment opportunities in the KZN Province through the Gauteng Office;
- To advocate for a conducive business environment in the KZN Province;
- To improve organisational capability and effectiveness through continuously learning human capital; and
- To comply with national and provincial treasury regulatory reporting standards

SERVICES

TIKZN undertakes a diverse range of key activities and, in addition, provides support services designed to ensure the successful promotion of business investment and trade development. Such activities and support services include:

- Joint venture facilitation
- Business linkages between small and big businesses
- The timely provision of relevant and reliable information to both potential and existing investors and traders
- Assistance to both existing and new investors regarding applications for both investment and export marketing incentives
- Advice on business permits for foreign investors;
- Negotiation for Local Government incentives on behalf of investors
- The provision of project support and after-care services to investors
- The provision of assistance to existing and emerging international traders
- Building export capacity;
- Providing access to markets for exporters;

- International trade enquiry assistance;
- The location of suitable premises for investors; and
- Facilitate linkages with banking institution in securing project and operational finance.

STRATEGIC ECONOMIC DEVELOPMENT PARTNERS

TIKZN has, through its strategic partnerships, aligned with several like-minded stakeholders to synergistically and consistently promote KZN's attributes. Such partnerships have led to numerous successful collaborations on projects, including inbound and outbound missions, events and promotional activities, all designed to leverage the expansion of the entity's overall business activities.

Strategic partners include:

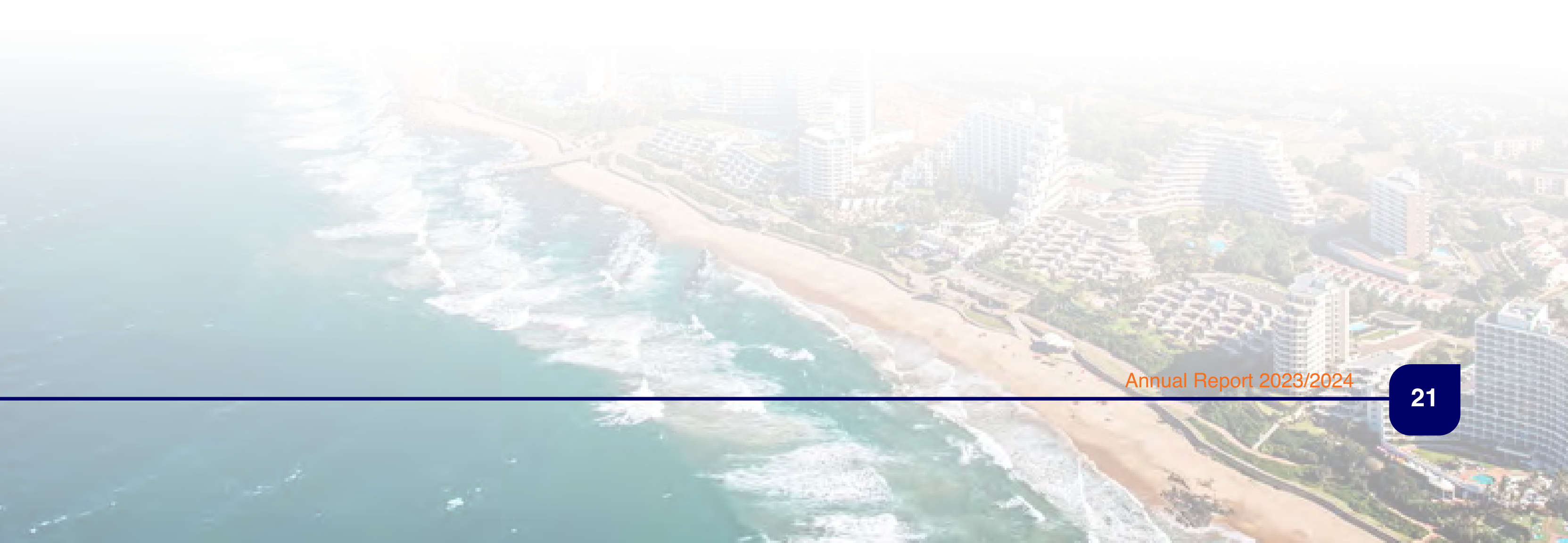
- Public entities;
- Financial institutions;
- Academia and research institutions;
- Organised Business formations such as chambers of commerce and industry associations;
- Economic development agencies; Municipalities in KZN;
- Other investment promotion agencies (national and international);
- Provincial and National Government departments; and
- Foreign missions.

TIKZN has in place the professional expertise, experience and national and international networks required to maintain and expand KZN's competitive advantages as a prime investment destination and leader in export trade.

06 Legislative and Other Mandates

As a Schedule 3C Public Entity, TIKZN is required to comply with and adhere to the:

- Constitution of the Republic of South Africa Third Amendment Act, 1996. (Act No. 07 of 1996);
- KwaZulu-Natal Trade and Investment Agency Act, 2010 (Act No. 5 of 2010);
- Public Finance Management Act, 1999 (Act No. 1 of 1999) and Treasury Regulations;
- National Development Plan;
- Provincial Growth and Development Plan;
- Department of Economic Development, Tourism and Environmental Affairs Economic Transformation Plans (including Operation Vula, KZN Economic Recovery and Rebuild Plans and the like);
- Policies and directives of the Department of Economic Development, Tourism and Environmental Affairs;
- Memoranda of Understanding signed with various countries around the world;
- Bilateral and Multilateral agreements signed by DIRCO, dtic, and other National Government Departments; and
- Industrial Policy Action Plan.



07 Organisational Structure

Trade & Investment KwaZulu-Natal is a public entity in compliance with the PFMA and is managed by a Board of Non-Executive Directors appointed by the Executive Authority. Detailed below is a list of the Board members in the 2023/24 financial year.

BOARD OF DIRECTORS

MR KS SHANDU[1]
Chairperson of the Board

MS CM CRONJÉ[2]
Chairperson of the Board

MR GW BELL[3]
Board Member
Chairperson of the Trade and Investment Committee

MS U MAHARAJ
Board Member and Chairperson of the Audit, Risk and Compliance Committee

ADV EM NKOSI[4]
Board member and Chairperson of the HR, Social and Ethics Committee

MR EB MKHIZE[5]
Board member and Chairperson Trade and Investment Committee

MR D NAIDOO
Board Member

DR SK MPUNGOSE
Board Member

MR NST MATJIE[6]
Chief Executive Officer

MR RN NGCAMU[7]
Acting Chief Executive Officer

MS ZM MSOMI[8]
Chief Financial Officer

MR XM CELE[9]
Acting Chief Financial Officer

MS F PUPUMA
Ex-officio member representing the Department of Economic Development, Tourism and Environmental Affairs

MS NNC GUMBI[10]
Company Secretary

MS NM SAJINI[11]
Acting Company Secretary

1. Mr KS Shandu was appointed Interim Chairperson of the Board on 8 November 2023
2. Ms CM Cronjé resigned on 17 October 2023
3. Mr GW Bell resigned from TIKZN Board on 31 October 2023
4. Adv EM Nkosi was appointed Chairperson of the HR, Social and Ethics Committee on 14 November 2023
5. Mr EB Mkhize was appointed Chairperson of the Trade and Investment Committee on 14 November 2023
6. Mr NST Matjie's term of office came to an end on 30 September 2023
7. Mr RN Ngcamu was appointed Acting Chief Executive Officer on 1 October 2023
8. MS ZM Msomi resigned as Chief Financial Officer on 31 July 2023
9. Mr X Cele was appointed Acting Chief Financial Officer on 1 August 2023

10: Resigned on 12 June 2024
11: Appointed 1 May 2024
*The Chief Executive Officer and Chief Financial Officer are Ex-officio members of the Board.

Executive Management

MR SIHLE NGCAMU
ACTING CHIEF EXECUTIVE OFFICER

MS THULISILE GALELEKILE
Executive Manager: Strategy and Operations

MR XOLILE CELE
Acting Chief Financial Officer

MS DUMISILE NENE
Executive Manager: Corporative Services

MR CLAUDE MOODLEY
Executive Manager: Export Development And Promotion

MR INNOCENT HLONGWANA
Acting Executive Manager: Investment Promotion

MR MENZI DLAMINI
Executive Manager: Knowledge Management

B

PERFORMANCE INFORMATION

08 Overview of the Economic Environment

AUDITOR'S REPORT

The Auditor-General of South Africa currently performs the necessary audit procedures regarding the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with material findings reported on in the 'Report on the annual performance' section of the Auditor's Report. Please refer to the Auditor's Report on page 92

ECONOMIC OUTLOOK

The Global Economy

Contrary to expectations, global foreign direct investment (FDI) increased by 3% and ended the year at an estimated $1.37 trillion, primarily driven by FDI in environmental technologies such as green hydrogen, wind, and solar energy, which has emerged as the fastest-growing sector outside of services.

Despite a resilient growth rate of 3.1% in 2023, growth is at lower levels than before 2020. The global economy is expected to stay stable at 3.2% in 2024 and 2025. On the other hand, downward risks dominate, including geopolitical tensions, trade fragmentation, higher-for-longer interest rates, and climate-related disasters. The International Monetary Fund (IMF) forecasts modest growth in advanced countries and stronger growth in emerging markets and developing economies.

The global economy is slowly recovering from what the International Monetary Fund (IMF) has dubbed as the largest global economic shock in 75 years, the Covid-19 pandemic. Despite the legacy challenges of the pandemic, the global economy can now be on its way to recovery with limited supply chain disruptions and distorted supplier delivery times.

Following the global inflation rise that began in mid-2021, inflationary pressures are expected to lessen, with most economies attaining their goal levels in 2024 and 2025, while commodity prices have remained generally flat since late 2023, contributing to inflation's lowering.

The International Monetary Fund (IMF) expects marginal growth from advanced economies, and more robust growth rates from emerging markets and developing economies. Growth prospects for advanced countries point to an economic growth slow-down for 2023 and 2024. Growth in the United Kingdom is projected to decline from 4.1% in 2022 to 0.1% in 2023, then slightly increase to 0.9% in 2024. In the United States growth is projected to remain at 2.5% in 2023 and moderate at 2.7% in 2024.

Economic Growth from the emerging economies is supported by a well-balanced Chinese economic outlook despite some turbulence and downside risks in the country's real estate sector. China remains unchanged at 5.2% for 2023 then moderate slightly to 4.6% in 2024. Growth in India is projected at 7.8% in 2023 and 6.8% 2024 on the back of improving private consumption.

Growth forecasts for 2023 in Latin America and the Caribbean are expected to decline owing to fading rapid growth post the pandemic reopening and lower commodity prices. In Latin America and the Caribbean growth is expected to slow down from 4.1% in 2022 to 2.3% in 2023 and for Sub-Saharan countries growth is projected to decline to 3.3% in 2023 before picking up to 4% in 2024.

Sub-Saharan Africa performed poorly in 2023, but its economy is now predicted to rise significantly by 3.8% in 2024 and 4.0% in 2025, outpacing the global average of 3.2% and making it the world's second-fastest-growing area. This bodes well for the future Foreign Direct Investment prospects for Sub-Saharan Africa, particularly as it aligns with growth trends for many other developing economies. These trends are also indicative of the economic trajectory and growth prospects of KwaZulu-Natal, in that despite various obstacles, the province has prevailed and most notably TIKZN has been able to secure notable investments across a range of sectors throughout the province. Strikingly, non-resource-intensive economies such as Ethiopia, Uganda, Rwanda, Senegal, and Côte d'Ivoire are predicted to experience strong GDP growth and contribute considerably to the Sub-Saharan growth momentum.

While some minor improvements in the region's two major countries, Nigeria and South Africa, compared to 2023, should help the region's economic prospects. South Africa is poised to overtake Nigeria and Egypt as the continent's largest economy until Egypt reclaims the mantle in 2027, while Nigeria is anticipated to remain in fourth place for many years.

The Domestic Economy

Following two consecutive quarters of positive economic growth, the South African economy receded to negative territory during the third quarter of 2023. Escaping recession slightly the national economy grew by a revised 0.4% in the first quarter of 2023, strengthening further in the second quarter to record a moderate growth of 0.6%. With that said the cumulative impact of the challenges facing the country, inter alia; severe electricity shortages, logistics and supply chain disruptions, heightened borrowing costs, economic activity slowed down by a modest -0.2% in the third quarter of 2023. The third quarter GDP performance is in line with market predictions

Whilst inflationary pressures have abated slightly both domestically and globally, interest rates remain intensely elevated for the coming months as the South African Reserve Bank attempts to anchor inflation within the SARB target band. Effectively prime-linked credit remains expensive adding to a lacklustre household spending behaviour, particularly the middle class. Since November 2021, rates have increased by a total of 475bps, taking the Repo rate to its highest level since April 2009, effectively the highest interest rate in 14 years.

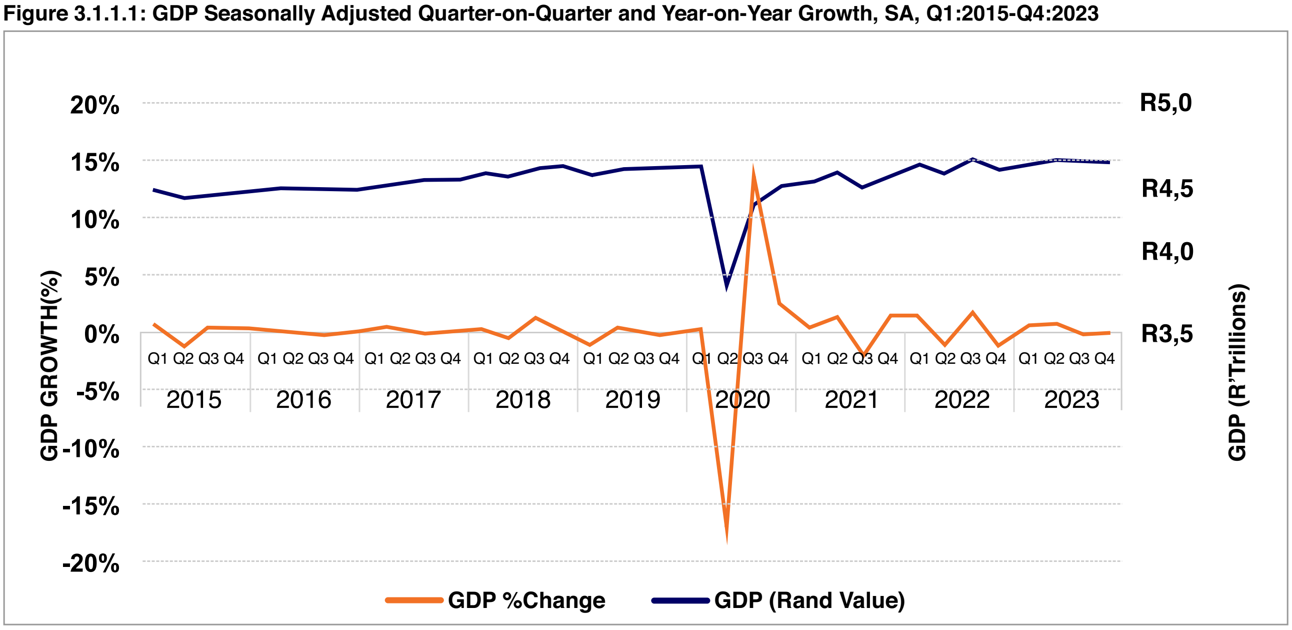
On the upside, there is a growing policy consensus by the South African Government to encourage the rolling-out of alternative energy through independent power producers which would provide much-needed relief to the national power grip and enhance economic activity.

During the fourth quarter of 2023, the South African economy recovered slightly from the third quarter (0.2%) slump to record a positive growth of 0.1%. In rand terms, the country's GDP grew by an estimated R2.8 billion between the third and fourth quarter of 2023, a somewhat modest growth considering that the fourth quarter more often than not is supported by the December holiday spending. This shows signs of financial constraint in household and private sector consumption owing to high living costs and challenging business conditions. The country's economic growth is still plagued by several challenges that could fundamentally deter the growth trajectory of the economy in the near-term. To chart a path to recovery and growth of the economy in a sustainable manner, the following is required:

- Sound and prudent macro-economic policy to arrest inflation and keep the cost of borrowing at a minimal;
- Solid fiscal strategy that aims to lower the sovereign credit risk premium, reduce the budget deficit, and improve investor; and
- Prioritise and accelerate structural reforms that will drive economic growth, particularly in the energy, water and freight and rail sectors.

Whilst the global economy is projected to grow by 3.1% in 2024 and 3.2% in 2025, the Reserve Bank forecasts economic growth in South Africa to average 1.2% in 2024 and 1.3% in 2025.

Figure 3.1.1.1: GDP Seasonally Adjusted Quarter-on-Quarter and Year-on-Year Growth, SA, Q1:2015-Q4:2023

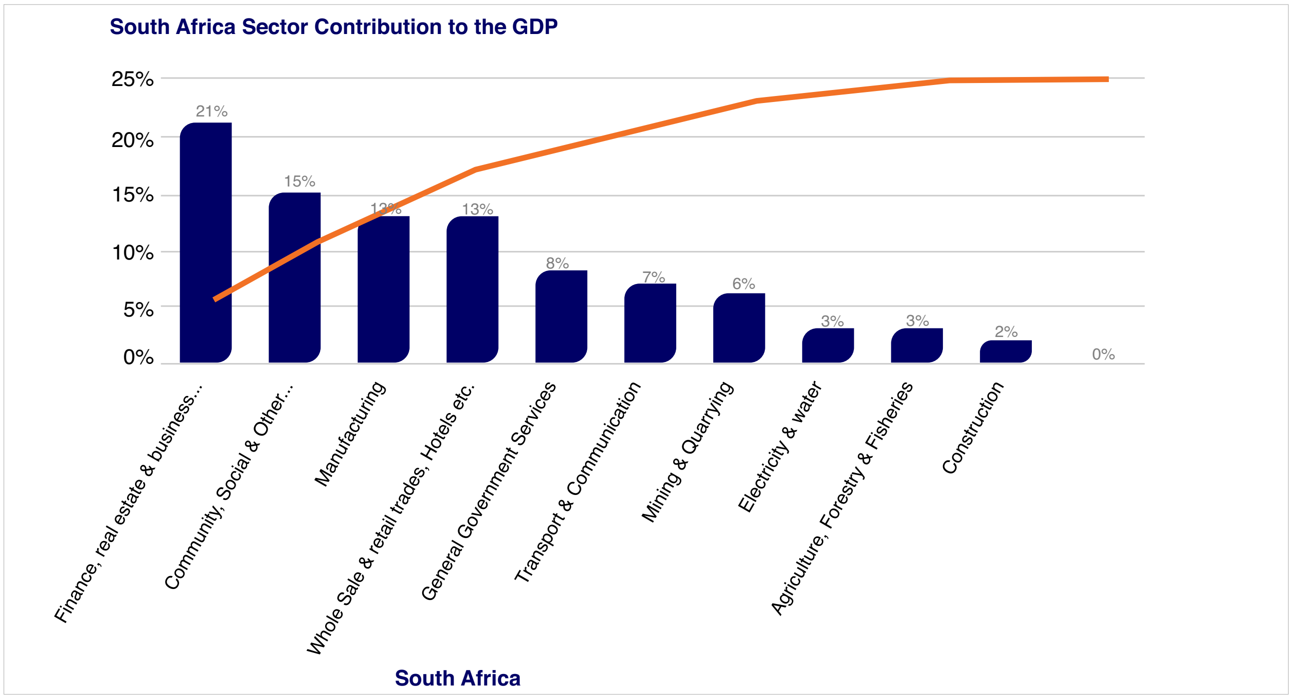


Source: Quantec Research, 2024

KwaZulu Natal Provincial Economy

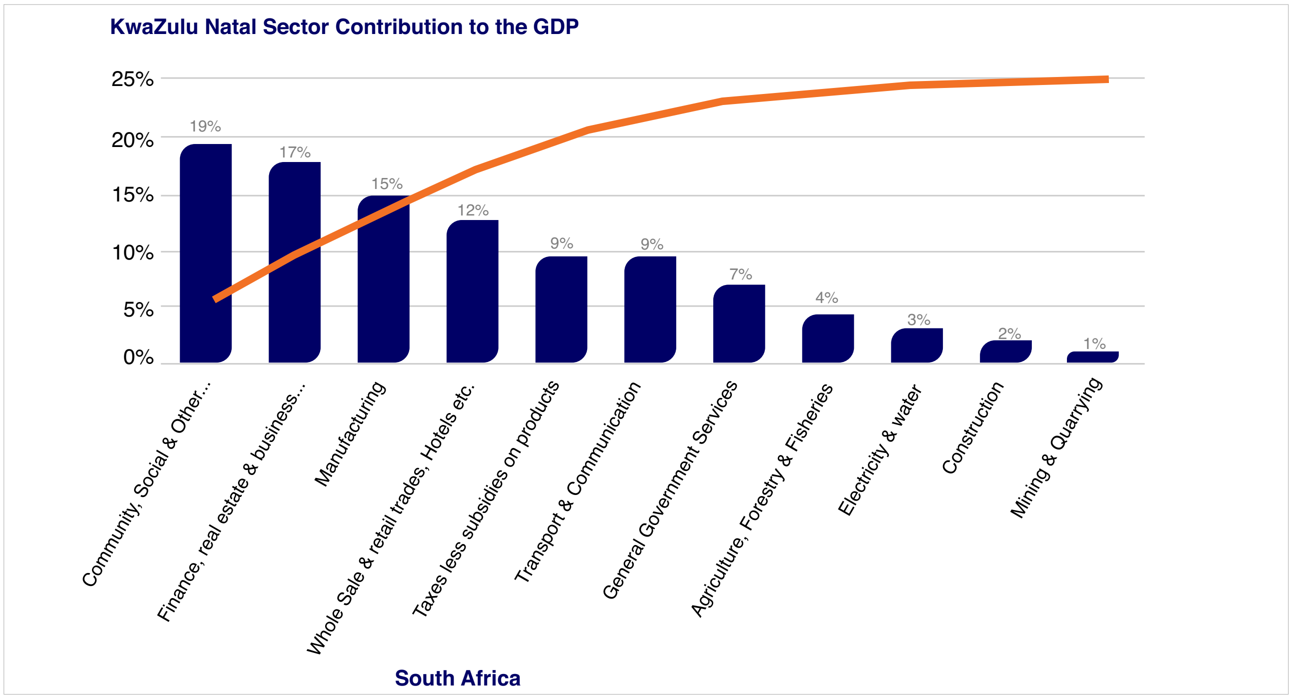
KwaZulu-Natal remains the second largest regional economy after Gauteng province which provides 33.1% to the national GDP. The Western Cape comes 3rd at 13.9%. During the 4th quarter of 2023, the KwaZulu-Natal economy posted a growth of 0.1% (like that of South Africa) after shrinking by 0.3% in the 3rd quarter of the same year. Annually, the province recorded a growth rate of 0.4% in 2023 (slightly below the national economy which grew at 0.6%), compared to 1.1% in 2022.

South Africa Sectoral Real GDP %Share, 2023



Source: Quantec, 2023

Kwazulu-Natal Sectoral Real GDP %Share, 2023



Source: Quantec, 2023

In the year 2023 overall provincial economy grew by 6.3% against a 1.45% decline in some sectors. Manufacturing led the sectoral growth by 0,7% from 16,3% in the previous year 2022 to 17.0% in year 2023, followed by wholesale and retail trade/ hotel and restaurants increasing by 0.3%, transport and communications and Electricity and water both at 0.2%, and general government services at 0.1% as the main performing sectors for 2023. However, sectors such as Agriculture, Forestry, and Fisheries registered a slight decline of -0.6% from R 48.4 billion in 2022, followed by community social and other personal services at -0.5% from 21.5% in the previous year 2022, mining and quarrying at -0.2% (R14.7billion) from R16.1billion in 2022 and lastly construction declining by -0.01% fromR26.1 billion in the previous year 2022.

South African Trade

In nominal terms, South Africa's cumulative global exports' Rand value for the fourth quarter of 2023 totalled approximately R513.75 billion, while imports' Rand value amounted to roughly R504.95 billion, resulting in an overall trade surplus of approximately R8.80 billion, representing a -256.3% decline from an R5.70 billion trade deficit recorded in quarter one of 2023.

South Africa's top ten exported products in 2023 included:

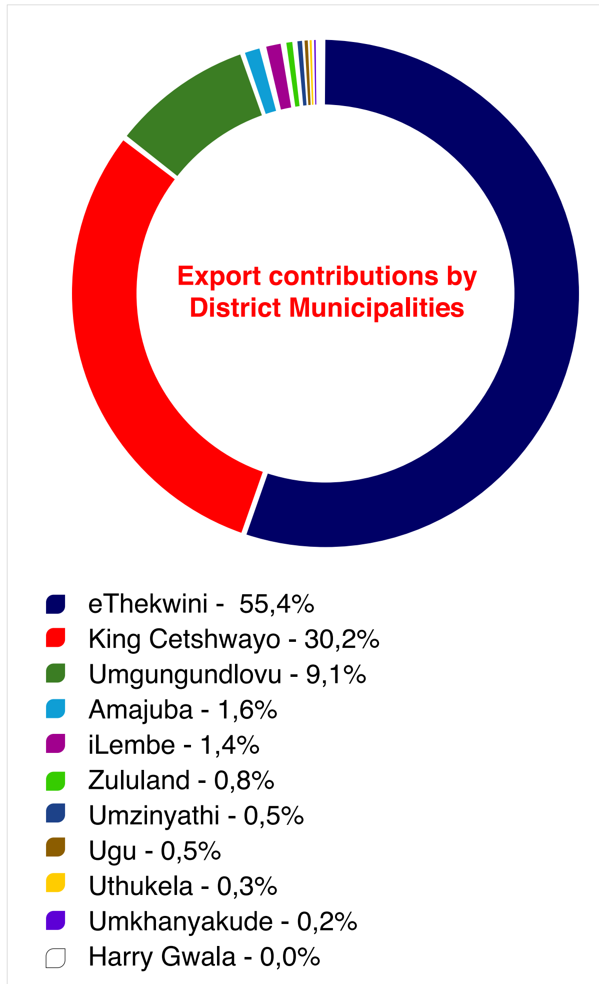
- Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles (371 billion) Ores, slag and ash (300 billion)
- Vehicles other than railway or tramway rolling stock, and parts and accessories (232 billion)
- Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes (213 billion)
- Iron and steel (119 billion)
- Nuclear reactors, boilers, machinery, and mechanical appliances (115 billion)
- Edible fruit and nuts, peel of citrus fruits or melons (80 billion)
- Aluminium and articles (40 billion)
- Electrical machinery and equipment, sound recorders and reproducers, television image (36 billion)
- Cereal (27 billion)

At the provincial level, KZN's top ten exported products in 2023 included:

- Vehicles other than railway or tramway rolling stock (48.6 billion).
- Aluminium (35,9 billion)
- Ores, slag, and ash (22,5 billion)
- Nuclear reactors, boilers, machinery, and mechanical appliances (10,1 billion)
- Sugar and sugar confectionery (8,3 billion)
- Cereal (6,4 billion)
- Iron and Steel (5,9 billion)
- Miscellaneous chemical products (4,4 billion)
- Paper and paperboard (4,2 billion)
- Articles of iron and steel (4,1 billion)

At a district level, the district municipalities with the highest percentage contribution to exports in 2023 in KZN include eThekwini (58.4%), uThukela (29%) and uMgungundlovu (8%). Figure 10.2.3 below shows export contribution by KZN's district municipalities.

Figure 10.2.3: Export contributions by District Municipalities



Source: Quantec, 2023

09 Overview of the Organisational Environment

The Chief Executive Officer (CEO) appointed by the Board, is supported by the Executive Management Team. The organisation boasts highly skilled staff tasked with ensuring the efficient implementation of strategy and its deliverables. The organisation is run through the following key Business Units:

- Investment Promotion and Facilitation, including the following sub-units
  - Business Retention and Expansion
  - Destination Marketing
- Export Development and Promotion
- Knowledge Management (Including ICT)
- Office of the CEO, including the following sub-units
  - Strategy and Operations
  - One Stop Shop Investment Centre (including advocacy)
- International Relations, housed within the Gauteng Office
- Support Services including the following sub-units:
  - Marketing and Communications
  - Finance (including Supply Chain Management)
  - Human Resources

The organogram, as approved by the Board of Directors in 2013, serves as the basis for monitoring and identifying positions requiring to be filled.

TIKZN's 2023/2024 budget, approved by EDTEA for the current medium-term expenditure framework, totalled R89 792 002 after budget cut.This was managed and expended in line with the Public Finance Management Act and Treasury Regulations.

11.1 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There have been no policy changes to the entity's mandate.

11.2 STRATEGIC OUTCOME-ORIENTATED GOALS

TIKZN has formulated a set of strategic performance objectives, endorsed by the organisation's Board.These encompass the need to:

- Market and position KZN as the preferred trade and investment destination.
- Comply with national and provincial treasury, regulatory and reporting standards.
- Improve human capital to ensure high performance.
- Improve organisational effectiveness and efficiency through the utilization of ICT.
- Promote, attract, and facilitate new fixed investment in KZN.
- Retain and expand businesses in KZN.
- Market and position KZN in key markets.
- Develop, grow, and promote exports from KZN.
- Comply with national and provincial performance monitoring and evaluation standards and legislation.
- Become, through international best practice, a central point of contact, an advocate for and communicator of regulatory guidelines to investors.
- Be KZN's research, knowledge, and business intelligence leader.
- Facilitate trade and investment opportunities in KZN through the Gauteng Office.

PERFORMANCE INFORMATION BY PROGRAMME

TIKZN's key organisational strategic objectives are contained within eight programmes, each with measurable indicators. Theseprogrammes include:

- **Programme 1:** Investment Promotion
- **Programme 2:** Destination Marketing
- **Programme 3:** Export Development and Promotion
- **Programme 4:** Business Retention and Expansion
- **Programme 5:** Office of the CEO
- **Programme 6:** Knowledge Management
- **Programme 7:** Support Services
- **Programme 8:** International Relations -Gauteng Office.

PROGRAMME 1: INVESTMENT PROMOTION									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Growth and expansion (including transformation) of the economy through new Greenfields fixed investments.	New fixed domestic and foreign investments committed in the KZN province through targeted investment support.	Rand value of new fixed investment (domestic and foreign) commitments, in the province, facilitated through targeted investment support.	R2.22bn	R8.331bn	R2.283bn	R2.5bn	R6.4bn	R3.9bn	The organisation has exceeded this target, mainly driven by the entity committing projects in the property development sector, which by their very nature require substantial investment due to their infrastructural requirements.
	Potential new jobs facilitated through targeted investment support.	Number of potential new jobs facilitated through targeted investment support.	6554	3182	3889	3500	4870	1370	The entity has exceeded this target, once again due to some of the projects being in the property development sector which is known to contribute significantly to both temporal and permanent job creation at both construction and operational phases, respectively.
	Investment project opportunities facilitated for priority groups.	Number of investment opportunities facilitated for priority groups.	19	22	20	25	28	3	In line with the Governments requirement to drive transformation, the entity has partnered with District Municipalities and District Development Agencies, where relevant, to identify priority group projects that require facilitation. This concerted effort has resulted in the entity exceeding this target for the year.

PROGRAMME 2: DESTINATION MARKETING									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Increased investment opportunities through targeted destination marketing.	Destination marketing activations facilitated to create new investments.	Number of international trade and investment platforms hosted.	14	18	15	20	10	10	The organisation did not meet this target for the year, mainly driven by the vacant Destination Marketing Manager position, which has meant that some of the activities could not be carried out. The position has since been advertised and will be filled in the new financial year.
	Provincial / International investment conferences / webinars hosted.	Number of international investment conferences coordinated in the province.	2	2	1	2	3	1	The entity has exceeded this target for the year, mainly driven by the strategic partnerships forged with key stakeholders, resulting in the organisation successfully executing three conferences.

PROGRAMME 3: EXPORT DEVELOPMENT AND PROMOTION									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Growth and expansion (including transformation) of the economy through export promotion activities.	Increased turnover by exporters assisted by TIKZN.	Rand value increase in the turnover of KZN exporters assisted.	R37.65m	R102.35m	R66.59m	R50m	R62.6m	R12, 6m	This result was due to the facilitation of participation of exporters in several trade events like Decorex, AGOA, BRICS/KZN Trade & Investment Summit, AFWL, IATF, etc. which resulted in sales of products. The administering of the first Bi-Annual Feedback in Q3 and the 2nd BiAnnual Feedback in March 2024 contributed positively to the annual target being exceeded on this indicator.
	Jobs created by exporters assisted by TIKZN from a trade Development and Promotion perspective.	Number of jobs created by KZN exporters assisted.	21	547	287	110	271	161	This result was due to the facilitation of participation of exporters in several trade events like Decorex, AGOA, BRICS/KZN Trade & Investment Summit, AFWL, IATF, etc. which contributed to employment growth due to increased sales. The administering of the first Bi-Annual Feedback in Q3 and the 2nd Bi -Annual Feedback in March 2024 contributed positively to the annual target being exceeded on this indicator
	Emerging Companies developed for export readiness.	Number of emerging companies capacitated for export readiness.	69	59	60	45	70	25	This result was due to the facilitation of participation in several capacity building initiatives for KZN exporters including access to various incentives, training on exports and quality improvement.

PROGRAMME 3: EXPORT DEVELOPMENT AND PROMOTION									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Growth and expansion (including transformation) of the economy through export promotion activities.	Emerging Companies developed for export readiness.	Percentage of emerging companies capacitated for export within priority groups.		New	New	60%	61%	1%	This achievement was due to the facilitation of participation in several capacity building initiatives for KZN exporters including access to various incentives, training on exports and on quality improvement for priority group companies i.e. Women, Youth and Persons with Disabilities.
	KZN exporters exposed to trade related events in targeted markets.	Number of companies that have participated in trade related events in targeted markets	New	New	151	77	171	94	This result was due to the facilitation of participation of exporters in several trade events like AASW@023, SAITEX, Decorex, AGOA, BRICS/KZN Trade & Investment Summit, AFWL and IAF 2023 to name a few key events.
	Exporter companies assisted.	Number of exporters capacitated.	27	65	55	53	64	11	This result was due to the facilitation of participation in several capacity building initiatives for KZN exporters including access to various incentives and participation in a number of mentorship programmes.
	Trade related queries from KZN exporters are facilitated to completion.	Number of trade related enquiries facilitated to completion.	New	New	79	55	58	3	This result was due to the follow up on the closure of enquiries and leads worked on during the financial period.

PROGRAMME 4: BUSINESS RETENTION AND EXPANSION									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Transforming of the economy through expansion and retention of investments and jobs.	Businesses supported through business retention interventions.	Number of businesses supported through business retention interventions.	104	130	135	100	125	25	The year under review saw many businesses experiencing challenges such as water and electricity supply issues, access to finance and incentives, and many more, which saw the entity having to intervene to resolve these challenges through business support measures. This resulted in the organisation exceeding the target for the year.
	Expansion and retention projects committed.	Rand value of expansion and retention projects committed through targeted business expansion and retention support activities.	R835m	R611.3m	R1.397bn	R1.0bn	R1.500bn	R500m	The organisation got involved and intervened in a number of high valued investment projects, resulting in the entity exceeding this target for the year.
	Jobs created and retained from business support expansion and retention support interventions.	Number of potential jobs from targeted expansion and retention support interventions.	3256	6323	1978	1800	2983	1183	The organisation was involved in the facilitation of projects that generated a substantial number of jobs. Additionally, with the flooding that was experienced in the 2023/24 financial year, the entity was instrumental in driving flood relief initiatives which resulted in a number of jobs being retained. As a consequence, the organisation exceeded this target for the year.

PROGRAMME 4: BUSINESS RETENTION AND EXPANSION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/2022	Actual Achievement 2022/2023	Planned Achievement 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Transforming of the economy through expansion and retention of investments and jobs.	Business support programmes implemented to improve business competitiveness and efficiency	Number of technical business support programmes implemented	New	New	11	12	18	6	Through strategic collaboration with stakeholders and other key economic development partners, the organisation embarked on a number of technical support initiatives resulting in exceeding this target for the year.
	Localisation programmes facilitated	Number of localisation initiatives facilitated.	New	New	3	3	10	7	Understanding the government priority of driving localisation initiatives, the entity set out to identify strategic partners to collaborate with to drive localisation programmes. This yielded positive results for the organisation and as such exceeded this target for the year.

PROGRAMME 5: OFFICE OF THE CEO- STRATEGY AND OPERATIONS									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Strengthened service delivery for a conducive business environment through good leadership, governance and strategic direction.	Strategic partnerships facilitated	Number of strategic partnerships facilitated.	8	6	4	4	5	1	The entity upped its ante in delivering on the partner to deliver model, and set out to identify strategic partners to collaborate with in an effort to drive investment and trade. This paid off as evident in the entity exceeding this target.
	Risks identified and properly mitigated or resolved.	Percentage of risks identified that are properly mitigated or resolved	95%	96%	80.76%	95%	83%	12%	The organisation has not achieved this target mainly driven by budget constraints which has meant that some of the risk mitigating activities have had to be deferred to the new financial year. The organisation is currently working on strategies to drive alternative sources of revenue which will go a long way in mitigating budget constraint risk.
	B-BBEE compliant	Improvement on B-BBEE rating for TIKZN.	Non-compliant	Level 7	Level 4	Level 4	Level 4	0	The focus on improving the B-BEEE score continued in the 2023/24 financial year, with activities put in place by the organisation to impact on the BBEEE scorecard. Despite the budget limitations, the organisation has been able to achieve a score of 4, maintaining the actual achieved in the previous financial year. Strategies have been put in place to improve on this score in the new financial year.

PROGRAMME 5: OFFICE OF THE CEO- STRATEGY AND OPERATIONS									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Strengthened service delivery for a conducive business environment through good leadership, governance and strategic direction.	KZN projects supported with strategic business interventions	Number of strategic project interventions processed by the One Stop Shop.	New	11	18	24	30	6	The entity has been actively involved in supporting key strategic projects and this has yielded positive results for the organisation, as evident in the target being exceeded for the year.
	Catalytic projects facilitated through project brokering support interventions.	Number of catalytic projects facilitated through project brokering support interventions.	4	8	6	4	8	4	Through participation at different forums aimed at driving catalytic projects for the province, the organisation has been actively involved in project brokering support interventions for catalytic projects, resulting in the entity exceeding this target for the year.
	Satellite District OSS established	Number of satellite district One Stop Shops established.	4	5	5	3	3	0	For the period under review, 3 satellite district One Stop Shops were opened by the organisation. This was mainly driven by the collaboration with dtic and EDTEA who availed financial support ensuring successful opening of these satellite offices.

PROGRAMME 6: KNOWLEDGE MANAGEMENT									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/2022	Actual Achievement 2022/2023	Planned Achievement 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
An enabling business environment through improved knowledge and business intelligence.	New investment packaged projects to stimulate the KZN economy.	Number of investment projects packaged.	16	10	8	8	8	0	In line with being the knowledge partner in business, the organisation worked with strategic partners in the packaging of 8 projects for the year, resulting in the organisation meeting this target for the year.
	Sector profiles developed and disseminated.	Number of comprehensive sector studies developed and disseminated.	16	16	13	14	15	1	Additional requests from internal and external stakeholders for sector studies resulted in this target being exceeded.
	Quarterly Economic Reviews produced and disseminated.	Number of economic reviews produced and disseminated.	28	27	26	20	22	2	Additional requests from internal and external stakeholders for economic reviews resulted in this target being exceeded.
	Policy advocacy initiatives facilitated.	Number of policy advocacy initiatives facilitated	0	7	3	4	6	2	There was an increased demand for advocacy initiatives, which resulted in the entity exceeding this target for the year.

PROGRAMME 6: KNOWLEDGE MANAGEMENT									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/2022	Actual Achievement 2022/2023	Planned Achievement 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Improving organisational effectiveness and efficiency through utilisation of Information, Communication and Technology.	Business improvement digitisation platforms for TIKZN.	Number of business improvement digitisation initiatives implemented	6	4	6	4	5	1	Increased requests from internal stakeholders resulted in this target being exceeded for the year.
	TIKZNs ICT infrastructure solutions.	Number of ICT Infrastructure Solutions implemented.	7	8	9	2	10	8	With the increased focus in developing infrastructure solutions for the organisation, the entity implemented a number of initiatives which resulted in exceeding this target for the year.
	Efficient and reliable ICT connectivity	Percentage ICT reliability	New	New	New	90%	100%	10%	LAN switch upgrade enhanced TIKZNs network thereby exceeding the target set for the year

PROGRAMME 7: SUPPORT SERVICES - FINANCE									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Effective service delivery through integrated and strategic support to the organisation	Financial stability of the organisation	Number of clean audit opinions.	Clean Opinion 2019/20	1	1	1	1	0	In the efforts to drive good governance and ensure that the organisation complies with the PFMA prescripts, the organisation was able to maintain a clean audit finding for the 2022/23 financial year.
		Percentage of audit findings resolved prior to annual AG Audit.	100%	96%	89%	95%	75%	20	The entity has worked diligently to address all audit findings, although some areas remain partially resolved due to budget constraints. Moving forward, these findings will be prioritised in the upcoming year, with the aim of achieving full resolution.
		Percentage of payments made within 30 days	96%	98.33%	99.3%	100%	100%	0	In line with the government requirements to ensure that suppliers are paid within 30 days, the organisation has put systems in place to ensure full compliance with this requirement. As a consequence, the entity has been able to achieve a 100% score set for the year.

PROGRAMME 7: SUPPORT SERVICE - HUMAN RESOURCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/2022	Actual Achievement 2022/2023	Planned Achievement 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Effective service delivery through integrated and strategic support to the organisation	Performance management system implemented as per policy	Number of performance reports tabled at Moderation Committee	100%	100%	1	1	1	0	The organisation met this target for the year.
	Training interventions implemented.	Percentage of training interventions implemented	100%	100%	104%	95%	108	13%	Online and group training approach assisted in exceeding this target.
	Organisational development programmes implemented (oaching and mentoring).	Number of organisational development programmes implemented.	7	13	10	4	6	2	The organisation exceeded this target because of additional interventions that were necessary to be implemented based on employee wellness needs.
	Compliance to legislation and HR Policies and Procedures	Number of legislated compliance documents submitted.	5	9	2	2	2	0	The organisation met this target for the year
	Compliance to legislation and HR Policies and Procedures	7.8 Number of compliance initiatives implemented.	5	9	8	3	8	5	The entity exceeded this target due to strengthened policy implementation and enforcement.

PROGRAMME 7: SUPPORT SERVICE - MARKETING AND COMMUNICATION									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/2022**	**Actual Achievement 2022/2023**	**Planned Achievement 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**
Effective service delivery through integrated and strategic support to the organisation	Create awareness of TIKZN offerings	Number of marketing initiatives in support of the organisation	13	21	18	116	127	11	Annual marketing initiative targets were exceeded due to extensive collaboration with key TIKZN stakeholders to promote the province, trade and investment opportunities, TIKZN services, and the implementation of the partner to deliver model.
	Strategic stakeholder and media engagements.	Number of strategic stakeholder and media engagements held.	11	13	18	12	22	10	Extensive collaboration with key TIKZN stakeholders to promote the province, trade and investment opportunities, the entities services and the implementation of the partner to deliver model increased the organisations involvement in key stakeholder engagements resulting in the increase in PR output.
	Enhanced visibility of organisational activities through digital platforms	Number of digital initiatives activated.	13	22	23	38	51	13	Extensive collaboration with key TIKZN stakeholders to promote the province, trade and investment opportunities, the entity's services and the implementation of the partner to deliver model increased the organisation's involvement in key stakeholder engagements resulting in the increase in PR output.

PROGRAMME 7: SUPPORT SERVICE -: INTERNATIONAL RELATIONS (GAUTENG OFFICE)									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/2022	Actual Achievement 2022/2023	Planned Achievement 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
International relations, investment attraction and destination marketing	Investment targeting and lead generation	Number of qualified leads generated.	51	47	31	45	47	2	For the period under review, the organisation has been deliberate in driving strategic relationships with key stakeholders in order to generate quality leads for the organisation. As a consequence, the entity was able to exceed this target for the year.
		Number of destination marketing activations to generate awareness	New	New	New	20	23	3	The organisation has been active in driving strategic relationships with key stakeholders such as diplomatic corps resulting in the organisation participating at different platforms helping in generating awareness and cement KZN as a prime destination for trade and investment.
		8.3 Number of international relations programmes facilitated	22	26	16	15	17	2	There were various international relations programmes that the entity got involved in for the period under review. Through the partner to deliver model the organisation was able to participate at various programmes resulting in exceeding this target for the year.

10 Strategic Programmes

INVESTMENT PROMOTION

Investment promotion is essential for economic development as it brings in investments, creates jobs, promotes diversification, transfers knowledge and skills, stimulates innovation, and boosts a country's global reputation.Governments and policymakers must prioritize investment promotion strategies to attract and retain investments that can drive sustainable economic growth, improve living standards, and generate opportunities for their citizens. To this effect, the Investment Promotions unit has been hard at work to ensure that it abides by the mandate to drive investments into the province and has been able to commit projects that are crucial for economic growth and job creation in the province.

Investment Promotion is responsible for the delivery of three programmes:

- **Investment Facilitation:** Responsible for domestic and foreign investment attraction and facilitation into KwaZulu-Natal.
- **Destination Marketing:** Responsible for actively promoting KwaZulu-Natal as a premier investment destination.
- **Business Retention and Expansion:** Responsible for providing support and facilitation services to assist the retention and expansion of businesses throughout the province.

INVESTMENT FACILITATION

KwaZulu-Natal remains fertile ground for foreign direct investments (FDI), driven by a number of factors such as logistics infrastructure, special economic zones (SEZs), the availability of industrial sites, reasonable costs of doing business, skills availability and proximity to key markets. The Provincial Economic Recovery Plan has significantly contributed to creating a favourable environment for investments. The implementation of One Stop Shop services and facilitation services provided by Trade & Investment KwaZulu-Natal has assisted investors to unblock challenges and ensure the smooth landing of FDI and locally promoted projects. Collaboration with key departments, municipalities, and business associations such as business chambers and district development agencies, has inspired confidence in our potential and current investors.

For the period under review R6,397 billion was therand value of investment projects committed by the organisation, impacting 4870 jobs in the following key sectors:

- Property development
- Business outsourcing
- Circular economy
- Manufacturing
- Steel beneficiation

The table below reflects details of committed investment projects in the 2023/24 financial year.

No.	Name	Location	Rand Value	Jobs
1	Duzi Forestry Engineers	Ngome Vryheid	R165.2m	250
2	ALPLA	Ballito	R1b	100
3	Evergreen Conservation	Creighton	R130m	100
4	Concetrix BPO	Durban	R240m	450
5	Abantu Steel	Durban	R250m	120
6	Renishaw Coastal Precinct	South Coast	R500m	2000
7	Eldorado Estate	Durban Hillcrest	R4b	1800
8	Mkuze Airport	Mkuze	R112	50
	Total		R6,397	4870

- **Duzi Forestry Engineers** will process forest wood into plywood as the primary product with the byproducts generated also utilised. Based in Vryheid in the Zululand District, this R165.2m project will create 250 jobs.

- **ALPLA** is a 51% black owned subsidiary of the ALPLA Group. They plan to establish a plastic PET bottle recycling facility to manufacture resins. They already operate a plant inGauteng and are expanding their operations into KwaZulu-Natal and a site has already been identified in Ballito. This project was presented at the 2023 South Africa Investment Conference (SAIC) and is valued at R1 billion and will create 100 jobs.

- **Evergreen Conservation (Pty) Ltd (EC)** is a joint venture company between China and South Africa and aims to establish and operate a wood pellet and biomass power plant at Creighton, south-west of Durban. The project uses wood chips and converts them into wooden pellets. The pellets are then fed into chambers which convert them into energy. The investment value for phase one alone is R130 million with more than 100 jobs to be created.

- **Concetrix BPO** is a multinational global business services operator which has expanded its footprint into Africa through opening new locations in South Africa, particularly KwaZulu-Natal and the Western Cape. The final investment value is R240m with 450 jobs expected to be created.

- **Abantu Steel Production** is a scrap metal project based within the Umbogintwini Industrial Complex in Amanzimtoti. Scrap metal collected from Durban and surrounding scrap yards will be processed for the local market and for exports to international markets. The project is valued at R200 million and will create 80 jobs.

- **Renishaw Coastal Precinct** is a mixed-use development and is the first of its kind for the area, meandering from Scottburgh to Umkomaas, across pristine coastal landscape. The precinct will include residential, educational and medical facilities, resort, commercial, retail and light industrial projects. The project value is R500m and will create more than 1000 jobs. It was also presented to President Cyril Ramaphosa at SAIC 2023.

- **Eldorado Estate** owned by the Rowles Property Group, is a mixed residential property project located in Lafontaine Waterfall, Hillcrest. The total investment is R4 billion and will create 1800 jobs.

- **Mkuze Airport** is a project implemented by Umhlosinga Development Agency on behalf of uMkhanyakude District Municipality. It comprises an aviation e and a commercial development phase. This will include hospitality and conferencing, aerospace and aviation-linked manufacturing and related services, cultural and heritage, agriculture and agro-processing, retail and leisure, office parks and residential properties.

DESTINATION MARKETING

Destination marketing is of paramount importance in driving investment and trade into any region. By creating awareness, building a positive perception, differentiating a region, facilitating engagement, providing information and support, and fostering economic development, destination marketing serves as a critical tool in attracting investment that can spur economic growth and bring numerous benefits to the regions and its residents.

During the year under review, 10 destination marketing activities were undertaken. These included both inbound and outbound missions all aimed at driving awareness and to draw interest in KwaZulu-Natal as an investment destination and generate leads.

These inbound/ outbound missions are as follows:

Doing business between KZN and Switzerland (11 May 2023)

TIKZN in partnership with the Embassy of Switzerland hosted an event to promote trade and investment opportunities between the two regions and thus increasing economic activities and strengthening trade relations. The objectives of the event were to:

- Exchange ideas on areas of mutual interest in order to drive investments in the respective regions
- Create awareness of trade trends and statistics and acquire knowledge on best practices;
- Promote trade and Investment opportunities between the two regions in order increase economic activities and strengthen trade relations

- Provide professional development and information on growth sectors and market opportunities to KwaZulu-Natal's new and existing exporters and internationally focused businesses; and
- Showcase a group of focused local firms and entrepreneurs who are keen to do business in Switzerlands and vice versa.

Belgium (14-16 May 2023)

The Belgium Inbound Mission was in line with the Rhino Project, which was initiated by Barry Callebaut South Africa in collaboration with Tiger Consumer Brands (Snacks & Treats Business Unit). Tiger Brands approached TIKZN to assist them in identifying a new location for the factory. Four sites were identified and presented to Tiger Brands, namely:

- Dube Trade Port
- AECI Industrial Complex (Amanzimtoti)
- Joyner Road Prospection
- Whetstone Industrial Development.

Doing business between KZN and Greece – Virtual Seminar (23 May 2023)

TIKZN in collaboration with the Office of Economic and Commercial Affairs of the Greek Embassy in Pretoria and in cooperation with Enterprise Greece and the Athens Chamber of Commerce and Industry, hosted a virtual business seminar, focusing on "Doing business between KwaZulu-Natal and Greece," This engagement focused on trade and investment opportunities between the two regions, creating awareness on business opportunities between KwaZulu-Natal and Greece with the objective of strengthening and increasing bilateral trade and investment. The event took place via MS Teams Webinar. The purpose of the event was to:

- Present and drive awareness on the regions respective value propositions in order to attract investments and trade into the two regions;
- Showcase TIKZN institutional support available.
- Identify areas of collaboration between KZN and Greece.

The event was also attended and supported by the South African Embassy in Greece with remarks by the Ambassador of South Africa to Greece highlighting the importance of increased bilateral opportunities between KZN and Greece. The event was attended by public and private stakeholders both from KZN and Greece.

Engagement with India Consular General (12 October 2023)

TIKZN Acting CEO was invited by Dr Thelma John David, Consul General of India, Durban Office.

The purpose of the meeting was to discuss the following:

- Introduction and Role of both TIKZN and Consul General of India Office
- Propose events that both entities can collaborate on and promote investment for KZN
- Update on Jindal Iron Ore Mining.

Canada (25 October 2023)

TIKZN successfully hosted Canada Day which was spearheaded by the High Commission of Canada Trade office and TIKZN Gauteng office. The event articulated the support services offered by Trade office High Commission of Canada for South Africa and KZN companies. The objectives of the event were:

- To increase collaboration between the KwaZulu-Natal government and the High Commission of Canada Trade Office in a bid to enhance trade and investment opportunities.
- To highlight and profile Canadian companies that are present in KwaZulu-Natal to increase opportunities for partnerships.
- To explore opportunities for Trade and investment through business networking opportunities at the event.

Turkey - Medical Device Masterplan investment workshop and site visits (6 November 2023)

TIKZN in partnership with dtic successfully hosted a medical device workshop in KZN offices. The Hayat (FDI company) was very keen on the masterplan as they are looking to invest in South Africa. The workshop included a site visit to Dube Trade Port as well as to medical and pharmaceuticals sites.

Embassy of Finland – Trade Commissioner visit to KZN (27 November 2023)

TIKZN assisted with the facilitation of meetings for the Finnish Embassy to South Africa, Commercial Counselor, Ms Tuija Pulkkinen. The delegate met with TIKZN Executives and Dube TradePort SEZ during the visit to KZN. Discussion areas included opportunities for increased trade and investment between KZN and Finland, Finnish business mechanisms to assist KZN companies and areas of collaboration initiatives such as a co-hosted events between KZN and Finland to create awareness of the provinces' value proposition to potential Finnish investors and vice versa.

Belgium delegation (29 February 2024)

TIKZN successfully hosted Belgium delegation looking to explore trade opportunities between South Africa and Belgium. The delegation of six conducted a site visit at Richards Bay Bulk Terminal. The purpose was to develop an understanding of the port operations, capacity to accommodate their envisaged volumes, ability to provide storage for their product and learn about how the ports plans to overcome current challenges in the future

India (19 Mar 2024)

This was an online inbound mission organised by TIKZN with a virtual hosting of the Embassy of South Africa in India and a prospective investor into South Africa a company called Gandhar that manufactures white oils and plans to establish a new plant in South Africa to access the African market.

Atlanta, USA (7 March 2024)

TIKZN in collaboration with eThekwini Municipality hosted an inbound delegation from United State of America (USA), Atlanta.
B2B meetings were facilitated between KZN local companies and USA companies under Atlanta Black Chambers (ABC). The objectives were to advocate for global business opportunities, investment, and form partnerships where necessary.

BUSINESS RETENTION AND EXPANSION

At the commencement of the 2023/2024 financial year, the business environment was still suffering the negative impact of the COVID-19 pandemic, the July social unrest, the prior years floods and loadshedding. A number of established businesses were affected by industrial relations matters and on-going municipal services delivery challenges such as electricity and water supply. All districts in the province were affected, with the manufacturing, tourism and hospitality sectors particularly hard hit.

- The Business Retention and Expansion Unit (BREU) together with its strategic economic development partners and stakeholders, focused on the developmentand implementation of programmes aimed at retaining and expanding domestic investments in KwaZulu-Natal to support companies with initiatives that would enable them to remain invested in the province.

It is crucial to note that even though the unit ended the year with all targets exceeded, this was done against a very tough operating environment characterized by budget cuts and a tough economic climate.

The focus for the unit therefore shifted to strategic support interventions and measures to assist manufacturing companies to retain jobs and further facilitate business expansions. The BREU continued with the implementation of the programmes contained in the various MOUs with strategic economic development partners to support business turnaround, development, expansions, stability and retention. This was done with the support of the Department of Economic Development, Tourism and Environmental Affairs (EDTEA).

The partner-to-deliver engagements assisted in stimulating the economy through interventions, which contributed to halting further declines leading to de-industrialisation and its unintended consequences. We are therefore grateful for the support from the following organisations in the units endeavours;

- KZN Growth Coalition
- Pietermaritzburg Midlands Chamber of Business
- Productivity South Africa
- Proudly South Africa
- Industrial Development Corporation

Company Expansion and Retention Facilitation Services

In the quest to ensure investment is protected and that businesses carry out their expansion plans, the BREU supported 125 businesses through business retention interventions. R1.5 billion was the rand value of expansion and retention projects committed through targeted business expansion and retention support activities, impacting 2983 jobs.

This is thanks to the facilitation of strategic interventions to offer support to businesses in relation to; water supply, electricity supply, access to finance, access to incentives with high job creation opportunities and the flood relief support. It must be noted there were some high value company expansion projects which the BREU assisted with strategic intervention support. The BREU team collaborated with EDTEA, TIKZN Business Units, KZN Growth Coalition, Chambers of Commerce, and other strategic economic development partners to implement business technical development support programmes and facilitation of localisation opportunities.

The BREU also prioritised working with KwaZulu-Natal-established businesses to ensure they follow through with their expansion plans. The company expansion projects were in the information communication technology electronics, clothing, agro-processing and food and beverage industries. The table below list the company expansion projects.

No.	Company	Description of Company Operations	Location	Value	Jobs
1	NPC	Manufacturer of cement for the construction industry	Amajuba Municipality (Newcastle)	R500m	400
2	Tetra Pak	Manufacturer of packaging for the food and beverage industry	eThekwini Municipality (New Germany)	R448,9m	97
3	Huhtamaki	Manufacturer of packaging for the agro-processing industry	eThekwini Municipality (Cane Lands Verulam)	R260m	500
4	Minnies	Manufacturer of sauces for the hospitality and retail industry	eThekwini Municipality (River Horse Valley)	R85m	20
5	PPD Engineering	Manufacture of smart water metres	eThekwini Municipality (Springfield Industrial Park)	R76,6m	93
6	Flood Relief Supported Businesses	Various businesses impacted negatively by the KZN floods	Various KZN local municipalities	R41.2	1713
7	Mad House Designs	Manufacture of designer interior furniture	eThekwini Municipality (Newlands West)	R30m	5
8	Mawala Holdings t/a Natal Razor Wire	Manufacture of razor wire for commercial use	eThekwini Municipality (New Germany)	R20m	35
9	Tekfurn	Manufacture of home furniture for large furniture retailers	eThekwini Municipality (Jacobs)	R14m	47
10	Blessed Boards	Manufacture of quality boards for the furniture industry	eThekwini Municipality (Phoenix Industrial Park)	R12m	37
11	Curtex Textile Industries	Manufacture of narrow fabric for curtain tapes	eThekwini municipality (Umhlali)	R6,8m	22
12	eThekwini Sausage	Manufacture of razor wire for commercial use	eThekwini municipality (New Germany)	R4m	10
13	Zama Originals	Manufacture of handcrafted wooden products	eThekwini municipality (Amanzimtoti)	R2m	4
Total				**R 1,500bn**	

Enterprise Development And Business Support

In line with the partner-to-deliver model, the BREU collaborated with both internal and external stakeholders on various programmes and platforms to support small, medium and large-scale businesses with enterprise development in areas such as knowledge exchange, new technologies, new partnerships and strategic linkages. The platforms were both physical and online.

Companies were exposed to the following programmes:

- Productivity SA Business Forum
- Africa's Travel Indaba
- Sigma International Chemicals Week
- Sigma International Waste Virtual Fireside Huddle
- Sigma International Agri Chat
- World Business Clinic Funding and Marketing Workshop IDC/Sigma Fireside Chat
- World Business Clinic Entrepreneurs Pitch IDC SME Connect Workshop
- South African Norwegian Association/Trade & Investment KwaZulu-Natal - "A greener and more sustainable aquaculture for South Africa"
- Productivity SA ILO Ecosystem for Decent Work Project (Losco Leather and Finlam Automotive)
- IATF Conference and Exhibition
- World Routes (Turkey Routes Activation)
- KZN Lean Manufacturing Conference
- Contact centre expansion and enhancement work readiness programme
- Information webinar on renewable energy projects
- Black Industrialist and Exporters Conference 2024
- Productivity SA Capacity Building Programme
- Proudly South African initiatives

KZN Lean Manufacturing Conference 2023

The KZN Lean Manufacturing Conference was established in 2011 out of the desire to play a meaningful role in alleviating South Africa´s triple challenges of poverty, inequality, and unemployment. Since then, the BREU has actively supported this initiative in collaboration with the Pietermaritzburg Midlands Chamber of Business (PMCB). Going Lean is about improving organisational performance-seeing problems and solving them the ¨right¨ way, and in so doing, continually increasing the thinking ability and/or intellectual capacity and skill of all employees. The 2023 edition focused on combining Lean thinking, agile techniques, and scrum and on how to be lean and agile in an unpredictable and volatile environment full of disruption.

KZN Growth Coalition

Over the past year, the focus of the KZN Executive Liaison campaign has been to support and augment municipal efforts underway to repair and sustainably maintain damaged infrastructure (water and sanitation). The KZN Growth Coalition has been successful in securing high level engagements with the President, the Minister of Electricity in the Presidency as well as Treasury about infrastructure development, water and sanitation and electricity provision, as well as appropriate funding models. The other equally important and urgent matter is the issue of the municipal budgets. Business believes that the budget is skewed towards the social political agenda at the expense of social economic development. Furthermore, business has indicated their wish to view municipal strategy on consequence management. The KZN Growth Coalition has established and facilitates meetings either virtual or physical, in cooperation with the various municipalities in KwaZulu-Natal, Municipal Managers and the relevant officials and specific project owners / developers.

KZN Growth Coalition is a public-private partnership which has been in existence for 25 years. It is a successful public-private partnership, constituted to promote industry productivity and competitiveness, and address red tape matters which impact on business growth. The co-chairs for the KZN Growth Coalition are the KZN Government leader of business and KZN established business personality elected by business.

EXPORT DEVELOPMENT AND PROMOTION

During the 2023/2024 fiscal year, TIKZN was deeply engaged in a diverse array of export development and promotion initiatives, which played a pivotal role in surpassing its key performance indicators, thereby exceeding annual targets.

On the trade promotion front, the organisation encountered notable challenges, including constrained operational funds which necessitated a concentrated effort on strategic development and trade promotion endeavours. Despite these hurdles, the team leveraged collaborative partnerships to implement the partner-to-deliver model effectively, ensuring the seamless execution of these activities leading to the surpassing of performance targets in trade development and promotion. TIKZN reported a substantial turnover increase of R62.613 million and the creation of 271 jobs through its support for emerging and existing exporters.

In terms of export promotion efforts, TIKZN facilitated 22 domestic and international trade events, engaging 171 KwaZulu-Natal-based businesses. These events ranged from the African Agribusiness Science Week 2023 to SAITEX 2023, Feira Internacional de Maputo (FACIM) 2023, and the KZN Cannabis Conference, among others.

One noteworthy collaboration was with the dtic to host the KZN/BRICS Trade and Investment Seminar on 17-18 August 2023, in Durban. Attended by esteemed dignitaries such as Deputy Minister Nomalungela Gina and eThekwini Mayor Mxolisi Kaunda, this seminar provided an exceptional platform for KZN businesses to engage with foreign delegates, fostering discussions on trade and investment opportunities. The event, which attracted 320 delegates including 43 foreign delegates and 33 exhibitors, featured a successful B2B matchmaking session facilitating interactions between KZN businesses and their international counterparts

Another significant event was the IATF 2023 held in Cairo, Egypt, from 9-11 November 2023, themed "Connecting African Markets." This event offered a gateway for businesses to tap into an integrated African market of over 1.3 billion people with a GDP exceeding US$3.5 trillion under the African Continental Free Trade Area (AfCFTA). TIKZN facilitated the participation of 22 KZN-based companies, with support from national and provincial stakeholders, resulting in sales totalling R15.242 million.

On 30 January 2024, the Council of Ministers from African countries convened at the Durban ICC to review inputs from previous technical meetings and further deliberate on AfCFTA implementation. The subsequent day, President Cyril Ramaphosa oversaw the launch of the first shipment from Durban Harbour under the Preferential Trade Agreement within AfCFTA as part of the Guided Trading Initiative (GTI). This was the inaugural shipment of South African products exported to Kenya and Ghana, an event meticulously facilitated by TIKZN ensuring the participation of provincial stakeholders.

In terms of export development initiatives, TIKZN provided support to 134 KZN businesses through capacity-building programs.

This support extended to 70 emerging exporters, inclusive of women, youth, and persons with disabilities, who received training and assistance, while 64 existing exporters benefited from mentorship and technical interventions. Key interventions encompassed export training in collaboration with the dtic, facilitating access to incentives, and delivering quality assurance training.

Building on the success of the Transnet Port Authority (TPT) and TIKZN´s Enterprise Development Programme over the past two years, TPT released year three funding as part of the final tranche of the program. Consequently, a total of 53 interventions were implemented for TPT beneficiaries, comprising 22 capacity-building initiatives and participation in 31 market access events.

Export Promotion

Several export promotion activities have been rolled out during the 2023/2024 financial year and below is a summary of these activities.

No.	Event	Activity	Date	Participants
1	Individual Trade Event	Trade Mission to Mauritius	10 -11 May 2023	1
2	AASW 2023	Africa Agribusiness Science Week conference and exhibition.	05 - 08 Jun 2023	9
3	SAITEX 2023	New export markets accessed for KZN companies: Intra-African Trade	18 - 20 Jun 2023	8
4	Decorex Cape Town	Design trends, leading brands, and home solutions exhibition	22 - 25 Jun 2023	5
5	ECR House & Garden Show	Design trends, leading brands, and home solutions exhibition	01 - 09 Jul 2023	8
6	Decorex JHB	Design trends, leading brands, and home solutions exhibition	03 - 06 Aug 2023	5
7	KZN/BRICS 2023	Trade and Investment Seminar and Exhibition	17 - 18 Aug 2023	24
8	BRICS WBA 2023	Women Focus Conference and Exhibition	20 - 21 Aug 2023	6
9	Rwanda Trade Fair	International Trade Expo on all kinds of General, FMCG, Consumer & Industrial Products, Machinery & Equipment	26 - 30 Aug 2023	2
10	FACIM 2023	Multi-Sector Exhibition in Mozambique	26 Aug - 01 Sept 2023	11
11	Kenya Food Event	Food and Beverage Exhibition in Kenya	05 - 07 Sept 2023	11
12	La Rochelle	Boat and Lifestyle Exhibition	20 - 25 Sept 2023	6
13	Anuga 2023	International Food Industry Trade Fair in Germany	07 - 11 Oct 2023	3
14	Turkey Route Activation	Promotion of Direct Flights between Durban and Turkey	17 - 20 Oct 2023	4
15	Africa Fashion Week London 2023	Fashion Show in UK	27 - 29 Oct 2023	10
16	AGOA / Made in Africa	Made in Africa Exhibition	02 - 04 Nov 2023	14
17	IATF 2023 in Cairo, Egypt	Multi-Sector Trade Exhibition in Egypt	09 - 15 Nov 2023	15

No.	Event	Activity	Date	Participants
18	KZN Cannabis Conference and Exhibition	Provincial Conference and Exhibition Focusing on the Cannabis Industry	27 - 28 Oct 2023	20
19	China International Import Expo 2023	Africa Agribusiness Science Week conference and exhibition.	05 - 10 Nov 2023	5
20	Green Building Convention	Gathering of industry leaders, experts and stakeholders committed to advancing sustainability in the built environment.	15 - 17 Nov 2023	1
21	Get Elevated	Footwear and Accessories Exhibition in Australia	21 - 23 Nov 2023	2
22	Seychelles Fashion Week 2023	Fashion Show and Exhibition in Seychelles	01 - 09 Jul 2023	1
TOTAL				**171**

Export Development

Several export development programs have been rolled out during the 2023/24 financial year and below is a summary of these activities.

No.	Intervention	Activity	Participants
1	DTIC Export Training	Export Training focusing on emerging exporters	11
2	Financial Assistance Scheme Incentive	Funding secured to cover the cost of travel and accommodation for trade event.	9
3	Global Export Acceleration Program (GEAP)	Export Training focusing on emerging exporters	23
4	Quality Assurance and Quality Management Training	Quality and management system training for emerging exporters	27
5	Critical Capital Equipment Funding	Funding accessed for critical capital equipment for TPT beneficiaries	3
6	Export Market Assistance	Funding secured to cover the cost of travel accommodation, and exhibition for trade events,	44
7	Transactional Mentorship Training	Training and mentorship to support exporters with export transactions.	7
8	Transactional Mentorship Training	Training and mentorship to support companies with business development support in areas of marketing, production, finance, and human resource management.	9
9	Technical Assistance Funding	Technical interventions	1
TOTAL			**134**

KNOWLEDGE MANAGEMENT

Knowledge Management plays a critical role in the investment cycle as it enables organisations to leverage their intellectual assets and make informed decisions. In todays rapidly evolving business landscape, organisations need to effectively capture, organise, and access knowledge to stay competitive. The implementation of knowledge management strategies enables businesses to create a culture of sharing and learning that promotes collaboration and innovation. Knowledge management also aids in identifying and addressing potential risks and opportunities, enabling investors to make well-informed decisions. Additionally, sharing knowledge internally can lead to improved productivity and efficiency, providing competitive edge in the investment process. Ultimately, by implementing effective knowledge management practices, organisations can enhance their ability to generate sustainable and profitable returns on investment.

The unit has worked hard ensuring that they remain true to the promise of being the knowledge partner in business.

To this effect the unit packaged 8 investment projects for the year, developed and disseminated 15 sectors studies, produced and disseminated 20 economic reviews and facilitated six policy advocacy initiatives. This ensured that they provide valuable insights to critical stakeholders thereby helping them make informed decisions on activities. Furthermore, the team has been hard at work ensuring sound and secure IT systems are introduced to the organisation and that efficiencies are driven.

This has paid off as evident in the unit performance for the year. The team has managed toimplement three business improvement digitization initiatives. Additionally, the team has implemented 10 infrastructure and business solutions. In an effort to ensure reliability of the IT systems, a new indicator was introduced in the 2023/24 financial year to cover this requirement and ensure robustness of systems. The team has managed to attain 99.88% reliability of the system, which is a great improvement from where the organisation was in the past.

DETAILS OF PROJECTS PACKAGED BY TIKZN WITH PROMOTERS DURING 2023/2024

PROJECT NAME	DESCRIPTION
Waste to Energy Plant. Project Location: uMgungundlovu	This project emanates from a referral from the African Circular Economy Network. A Dutch company involved in large-scale waste-to-energy projects is looking for investment opportunities at the local municipality level. They are looking for a waste concession together with the requisite land to develop their project. TIKZN facilitated an initial scoping meeting between the Dutch company as well with the uMgungundlovu Municipality to consider possibilities for synergy and partnership, the prerequisites of which are the offtake agreement, availability of sufficient quantities of waste (feedstock) as well as land for the construction of their plant. This was followed by the development of a concept document, which will be used for the engagements that are scheduled for the new financial year.
iDube Energy Park Project Location: Camperdown uMgungundlovu	The iDube energy park is a joint venture between EAB-Astrum-Energy and it aims to install 45MW of peak capacity with a yearly output of 73 500 MWh. This will be wheeled through the Eskom grid and will be available to commercial and industrial customers. The chosen site is an area north of Camperdown in uMgungundlovu. The site has been selected and meetings are ongoing with Ezemvelo KZN Wildlife regarding the necessary clearances that are needed. A letter of support has been completed and there are planned engagements with stakeholders in the Action Work Group for onward referral to other provincial structures to ensure that this project is recognized as a catalytic one. Toward this goal, a concept document has been completed for dissemination to relevant stakeholders.
Absorbent Hygiene Product Processing Facility Project Location: Province Wide	This is an initiative of the Department of Forestry, Fisheries and Environment which wants to investigate new materials to be used in the production of absorbent hygiene products as well as the possibility of their recyclability. The project concerns the establishment of an AHP waste processing plant using AHP waste from creches and frail care facilities. A multi-stakeholder workshop was convened involving the three tiers of government as well as private sector and NGO stakeholders and following this, a concept document was developed.

PROJECT NAME	DESCRIPTION
KZN Eco-hub Project Location: uMgungundlovu	This project emanated from the Department of Economic Development, Tourism, and Environmental Affairs as the landowner and funding partner for the development of the KZN Eco-Hub. The Hub will comprise of the KZN Leather Training and Incubation facility operated by Durban University of Technology and the Biomass factory will be operated by Phambili Energy. The project is a 3-year development, 2024-2025 will be the second year of the development which will include the start of the construction phase. It is anticipated that the completion of the project is set for the 2026-27 financial year.
Clothing & Textile Special Economic Zone (Multiyear) Project Location: uThukela	TIKZN together with EDTEA as the funding partner is currently driving the establishment of the Clothing & Textile Special Economic Zone (SEZ). The IDC's Industrial Development Zone (IDZ) unit has been appointed through the Memorandum of Understanding to facilitate the packaging of the Special Economic Zone license application and approval.
Boat Building & Ship Repair Project Location: Dube Trade Port and Richards Bay IDZ	In line with the Operations Phakisa, the growth and development of the Oceans Economy is deemed a priority area for development by the Provincial government. This project resides within Knowledge Management with support from Investment Promotion as most of the research work including the concept document was completed in March 2024.
Aquaculture / Aquaponics Project Project Location: King Cetshwayo	TIKZN has identified Aquaculture/Aquaponics as an important sector for economic development in the province in line with the Provincial and National priorities. TIKZN has identified a rural aquaponics project located at Gubhethuka, Esikhawini within the uMhlathuze Local Municipality of KwaZulu Natal Province. This project has been identified as a strategic development project within the Aquaculture sector because of its potential to strategically develop aquaponics nodes within the province thus the project was supported through the Business Support Funds under the developmental category.
Micro Algae Bio-fertilizer Project Location: TBD	TIKZN has identified micro algae biofertilizer as a strategic project for investment. Thus, a concept document related to micro-bio fertilizer was completed at the end of March 2024. TIKZN had agreed with the project promoter to assist with the development of a concept document as the initial step in packaging the opportunity. The concept document provides details on markets, competitors, backward and forward linkages, and many other aspects to determine the value of packaging the opportunity.

SECTOR STUDIES

TIKZN undertook a number of research-related projects during the 2023/24 financial year. Research work included comprehensive sector studies. These were:

- Additive Manufacturing
- Green Manufacturing
- Rabbit Meat
- E-waste
- Caustic soda
- Graphite electrodes
- Diabetic medical devices
- Transformers
- Logistics
- Solar
- Halaal Beauty Care
- Goat
- Beef
- Sheep
- Vegetables Fresh Produce

INFORMATION TECHNOLOGY

Information and Communication Technology (ICT) refers to the use of digital technologies to process, store, and exchange information and includes tools and applications such as computers, smartphones, internet, social media, email, and software. It is the backbone of all organisations and ensures that they become more efficient and effective.

During the period under review, ICT implemented projects that were designed to enhance the organisations digital presence.

These were:

- Business Support Fund (BSF)S central database: To limit duplications and accurate capturing of the BSF applications, a central database was implemented by IT. All applications were being captured using the system, and the vetting for duplicates was further conducted by the Gauteng office.

- IT procured a bulk SMS solution software to communicate messages further with BSF applicants and beneficiaries. The SMS system will further be used to broadcast external and internal alerts in the future as the BSF project that this solution was meant for has come to an end.

- SAB B1 migration: Due to SAP B1 access challenges that TIKZN users had, IT had to find an alternative access to SAP B1. A web access version was implemented and resolved the issue.

The IT unit also implemented a number of ICT infrastructure systems.
These include:

- Multifactor authentication (MFA): IT implemented a security enhancement tool called multifactor authentication (MFA) on the TIKZN network. This tool adds a layer of protection to the sign-in process to keep TIKZN safe from cyber criminals. This was followed by Cyber Security trainings that were undertaken by staff. New Virtual LocalArea Network (VLAN): New VLANs have been commissioned in the TIKZN firewall. This initiative aimed to ensure that public users are unable to access critical infrastructure leaving the organisation exposed to cyber-attacks, each LAN is now on its separate network range.

- Finance travelling invoice automation: Due to the number of traveling invoices that the finance department has to capture, a solution was proposed by IT to mitigate the process. An additional module called the Data Transferee Workbench was installed on our SAP B1 environment. For continuous improvement, the IT unit has implemented the following project for events and customer relations:

- Online RSVP system: An online RSVP system and invite designs were developed for the following events:
  - KZN / Swiss Business Seminar
  - uThukela Investment Conference
  - BRICS / KZN Trade and Investment Seminar

MARKETING AND COMMUNICATIONS

The Marketing and Communications sub-unit set out bold targets aimed at supporting the organisations strategic objectives for the period under review. Through these targets the sub-unit identified digital marketing as a key driver of all marketing activities in communicating TIKZNs role, driving awareness of the entities services and increase lead generation engagements and participation with our target audience.

The need for change and the adoption of digital marketing strategies has also been motivated by adecrease in budget for the new financial period. This has allowed M&C to achieve great results for the period under review as the sub-units focus of bolstering its digital presence has ensured that the targets for the period under review were met and exceeded significantly.

Whilst these results have been nothing short of impressive, it must be noted that more needs to be done to improve our digital presence. This is especially true with regard to the TIKZN website (www.tikzn.co.za). TIKZN aims to rebuild this platform in the first quarter of the new financial year as it will assist the organisation to generate leads from its planned activities, comprising of a 360-degreemarketing campaign aimed at promoting KZN as an investment destination and highlight the array of TIKZN services aimed at driving trade and investment in KwaZulu-Natal.

During the period under review M&C has consulted with various internal and external stakeholders in assessing their needs for marketing support to drive trade and investment in the province. During this process a comprehensive marketing plan has been developed to address the needs of the business and its strategic partners to achieve the following key deliverables:

- Clearly articulate TIKZNs role
- Articulate TIKZN service and how to access them;
- Promote InvestSA One-stop-shop;
- Promote KwaZulu-Natal as a destination of choice for invest and trade;
- Drive lead generation to assist SBUs in achieving their investment and trade targets; and
- Drive brand awareness, consideration, and usage.

Strategic partnerships with stakeholders such as Richards Bay Industrial Development Zone, Dube TradePort, dtic, Invest Durban, Transnet, Tourism KZN, Brand SA and Proudly SA continue to drive positive sentiments for the brand in driving awareness and consideration of KwaZulu-Natal being the trade and investment destination of choice. The sharing of resources and platforms with these institutions resulted in growing engagement opportunities and platforms on local and international media streams from both the traditional and digital media space.

Strategic Marketing Campaigns and Activations

Strategic marketing activations for the review period included organisational marketing, destination marketing, communication campaigns, marketing campaigns and sector specific article campaigns. Some 127 online campaigns and activations were executed, against a target of 116.The entity employs Facebook, Instagram, LinkedIn, YouTube, X (previously known as Twitter) and its website to ensure widespread online awareness creation. Major topics and activations covered during the review period included:

- **Green Youth Indaba**
    - M&C partnered with Green Youth Indaba; a conference hosted annually in June in celebration of Youth Month. Over 700 young environmental leaders gathered for a two-day session of discussions, workshops, and networking to help generate solutions to the environmental challenges the world faces. The conference addressed the Youth Unemployment rate and lack of Skills Development amongst our youth with regard to the opportunities presented by a just transition. Additionally, TIKZN also formed part of a panel discussion on financial and non-financial support provided to youth in the green economy.

- **AGOA Beneficiaries Consultative Dialogue**
    - TIKZN partnered with the dtic in hosting the Provincial Consultative Dialogue in KZN. The dialogue was intended to engage the exporters on the challenges and opportunities of exporting under AGOA, as well as to determine the impact of losing AGOA. This was to assist with integrating private sector inputs into the country lobbying strategy.

BRICS Investment Seminar /Investment Booklet Launch

- TIKZN hosted the BRICS/KZN Trade and Investment Seminar. This was part of the Department of Trade, Industry and Competition Inward Buying and Investment Mission ahead of the 15th BRICS summit hosted by South Africa as Chair under the theme:"BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development, and Inclusive Multilateralism.
    - The event was attended by 320 delegates, comprising of 43 BRICS business people, the business community, and media.
    - An MOU was signed with Automotive Industry Development Centre (AIDC).
    - TIKZN also launched the KwaZulu-Natal Investment Booklet, which comprised of R144 billion worth of investment and 53 499 potential jobs.
    - There was an exhibition element where local producers marketed their products and services as well as business to business meeting where local producers were able to engage with business people from Brazil, Russia, India, and China.

- **Routes World Exhibition and Investment & Tourism Seminars in Turkey**
    - TIKZN supported the Durban Direct Routes Development Committee in the execution of a business mission to Turkey and the participation in Routes World. This is an annual global airline conference aimed at supporting route connectivity between countries, airlines and airports. TIKZN also used the opportunity of participating in Routes World supporting fivecompanies to travel and participate in an in-country activation, in partnership with DEIK and Tursab. B2B meetings and site visits were conducted in sectors of interest Turkey, with the aim of improving trade and investment opportunities between KwaZulu-Natal and Turkey.

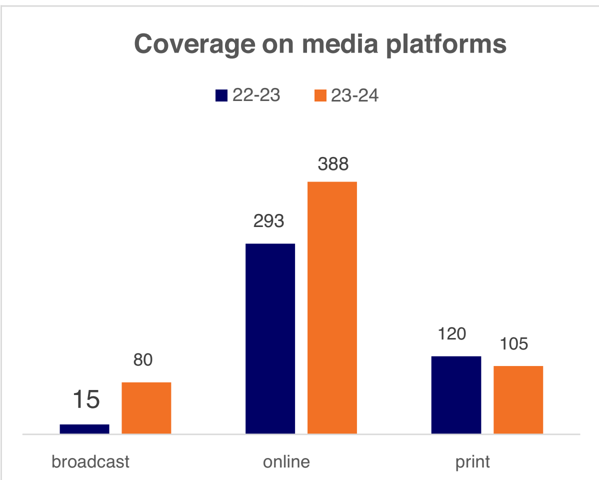
- **Diplomatic Corp Engagement**

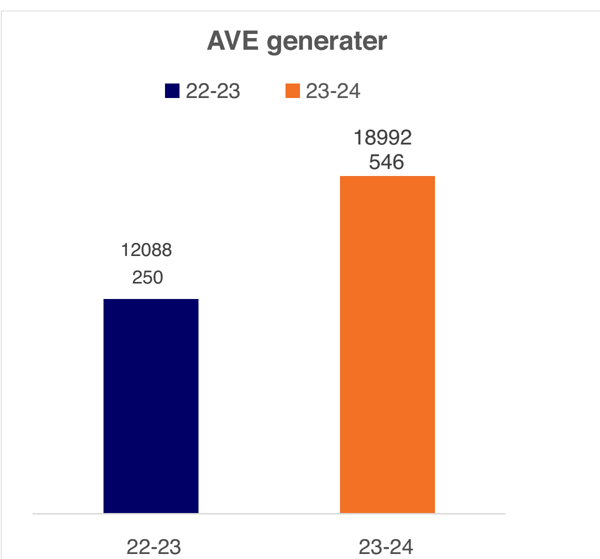
  Following an engagement session to introduce the TIKZN Interim Board Chair and ACEO on 06 December 2023 with the KZN Diplomatic Corp, a follow-up engagement was initiated, and chaired by the MEC for EDTEA with the aim of achieving the following;
    - Present trade and investment opportunities in KwaZulu-Natal
    - Showcase the province´s value proposition
    - Create awareness of Trade & Investment KwaZulu-Natal´s institutional support services to the diplomatic community.
    - Improve relations between KwaZulu-Natal government and its international business stakeholders to foster mutually beneficial trade and investment.
    - Address challenges hindering the ease of doing business in KZN.
    - Networking with the diplomatic community.

Stakeholder And Media Engagement

The streamlined focus by the marketing team has yielded positive results for the organisation. The year saw the team achieving more than R18 million in added value equivalent (AVE), an achievement which should be commended as this is a 36% growth from the previous financial period. These results attest to the proactive approach he sub-unit has adopted to drive awareness of the key initiatives the organisation is involved in. For the period under reviewcoverage on media platforms grew by 25% from the previous year, equating to 573 clippings on print, online and broadcast platforms.

The table below depicts the broadcasting platforms summary for the period under review and the overall sentiments of the coverage TIKZN.





In summary the organisation achieved a target of 22 stakeholder and media engagement initiatives against a target of 12 for the year. These engagements included the following key initiatives for the period under review:

- Umhlathuze Business Expo, 20 - 21 April 2023
- SAIC KwaZulu-Natal Business Reception, 12 April 2023.
- South African Investment Conference Exhibition, 13 April 2023.
- CEO's Roadshow, 29 September 2023.
- BRICS Business Forum, 17 August 2023
- Investment Seminar in Turkey, 18 October 2023
- TIKZN Supplier Development Workshop, 27 October 2023
- Acting CEO Engagement with the Diplomatic Corps, 06 December 2023
- MEC engagement with the Diplomatic Corps, 01 March 2024
- TIKZN/uMvoti Municipality Business Session, 27 March 2024

Corporate Social Investment

TIKZN participated in difference community outreach programmes aimed at supporting government´s socio-economic agenda. TIKZN identified four initiatives to support for period under review. These CSI initiatives focused mostly on youth development and education. These were:

- Donation of laptops to KwaNokusho Primary School in Ndwedwe
- Handover of infrastructure upgrades in the form of courtyard paving at KwaNokusho Primary School.
- Handover of laundry items and washing infrastructure to Abalindi Children´s Home in Inanda.
- Donation of food parcels to senior citizens in Umzumbe

INTERNATIONAL RELATIONS - GAUTENG OFFICE

Through diplomatic channels, negotiations, and international agreements, countries can create enabling business environment, minimize trade barriers, secure investment protection, and stimulate economic growth. Moreover, international relations provide a platform for dialogue, collaboration, and mutual understanding, which are essential for building trust and confidence among nations, thereby encouraging cross-border investments and facilitating international trade activities.

To this effect, during the 2023/2024 financial year, Gauteng Office continued its work of marketing and building the image of KwaZulu-Natal as a premier trade and investment destination. The unit also continued in its effort to drive new relationships while strengthening existing ones. To this end, the unit continued in its efforts to drive three of its performance indicators namely:

QUALIFIED LEADS GENERATED

The robust global networks generated by the Gauteng office have proven to be successful for the organisation, as evident in the number of leads generated by the said office in the 2023/24 financial year. Forty seven (47) investment and export qualified leads were generated from various regions such as Czech Republic, Austria, Turkey, Netherlands, Norway, Belgium, South Africa, Japan, Kuwait, Angola, Guinea and Vietnam. These leads were across ranged across a number of sectors such as renewable energy, clothing and textile, manufacturing, agriculture including agricultural processing, chemical, recycling and food exports to mention just a few.

By maintaining strong relationships with key decision-makers in the target markets, the Gauteng Office has been able to share tailored information about the incentives offered to investors in KwaZulu-Natal, as well as the strategic advantage of investing in this province, resulting in a large number of qualified leads that the organisation could follow up on more effectively.

NUMBER OF DESTINATION MARKETING INITIATIVES IMPLEMENTED

The Gauteng Office has played a vital role in destination marketing efforts for Trade & Investment KwaZulu-Natal. As the face of the entity on the global stage, the Gauteng Office has been instrumental in crafting and amplifying the value proposition of investing in KwaZulu-Natal. Through the unit´s extensive network of contacts and a deep understanding of target markets, the unit was able to identify the key investment drivers and tailor the destination marketing messaging accordingly. To this effect, the unit hosted and participated in twenty-three (23) international marketing initiatives, inclusive of inward and outward missions. Highlights include:

- Colombia business seminar and VP visit to Gauteng (signed 4 MOUS with chambers of commerce.
- Ambassador of Switzerland visit to Durban
- Compris International visit to KZN to seek opportunities in strategic asset management (Netherlands)
- Worldvisuals visit to KZN to discuss opportunities in creative industries (Netherlands)
- Argentina Delegation hosting and B2B (agriculture and manufacturing).
- Dubai Chamber of Commerce visit to KZN to set up strategic relationships.
- Dongguan Chinese Delegation meeting in Gauteng and KZN introduction Norwegian/Swiss Cleantech roundtable presentation on KZN.
- US Commercial Service Incoming mission B2B in Gauteng and presentation
- AGOA Consultative Dialogue
- French Trade Commissioner visit to KZN
- Natural and Organic Expo Panel participation
- KZN presentation to DIRCO HOM.
- KZN presentation to Turkish footwear delegation
- India Entrepreneurship Forum and presentation on trade opportunities.
- Russian ICT delegation presentation of opportunities.
- Finnish trade commissioner visit to KwaZulu-Natal
- EU delegation Economic Partnership Agreement representatives market access programme for KwaZulu-Natal.
- Presentation to Turkish Electronic Delegation
- Buy Local Summit expo participations
- Buy Local Summit expo participation

INTERNATIONAL RELATIONS

The Gauteng Offices ability to effectively market the destination on a global scale is a critical function in attracting investments into KwaZulu-Natal. The year under review saw the Gauteng Office participating in 17 events. Thanks to the strategic relations forged with various key stakeholders, including the Diplomatic Corps, the unit was able to leverage these relationships and participate in various initiatives despite budget limitations. The platforms enabled the unit to generate leads that have been added to the project pipeline. Furthermore, these relationships afforded the unit speakership opportunities in strategic platforms, enabling the unit to cement the province as a prime investment and trade destination. These events included but were not limited to:

- South African Investment Conference and TIKZN business reception and Exhibition Stand at Conference
- Czech business delegation in mining sector where TIKZN was provided a speakership opportunity
- Youth Imbizo TIKZN Speakership opportunity Singaporean Business Forum - TIKZN Speakership opportunity
- Circular Economy Seminar (Netherlands) in partnership with Africa Circular Economynetwork (KZN)
- KZN pavilion at BRICS expo.
- South African Norwegian Association /TIKZN aquaculture event.
- Vietnam State Visit programme (KZN opportunities presented to business and meeting with Deputy President).

- Zheijang delegation visit and KZN presentation.
- Canada Day in partnership with Canada High Commission.
- 2. Cote D'Ivoire /Congo Brazaville bilateral Business Forum in partnership with Gate Africa/ GGDA.
- Made in Africa AGOA Expo TIKZN desk.
- TIKZN presentation to EU delegation at Manufacturing Indaba.
- Africa Europe Investment Centre Trade Facilitation workshop.
- Sri-Lanka/TIKZN energy opportunities seminar.
- SA Embassy Kuwait/TIKZN opportunity showcasing

Whether it´s highlighting the region´s competitive advantages, showcasing success stories of existing investors, or promoting the latest incentive programs, the Gauteng Office has ensured that TIKZN´s outreach is aligned with the priorities and concerns of prospective investors. By maintaining a strong international presence through events, inward and outward missions and direct engagement, the unit has been able to generate high-quality leads and build lasting relationships that translate into real investment opportunities for the province.

investSA KZN ONE STOP SHOP

The KwaZulu-Natal Provincial One Stop Shop (KZN OSS) programme is a dtic funded initiative, which is administered by TIKZN in the province of Kwa Zulu-Natal. It is a - of government services with a mandate of improving the ease of doing business and reducing red tape. The government services currently located at TIKZN offices include:

- Company Intellectual Property Commission (CIPC) - An entity responsible for the registration of companies, company director amendments, etc.
- South African Revenue Services (SARS) - An entity responsible for registration for income tax and Vat registration, etc.
- Department of Economic Development Tourism and Environmental Affairs (KZN EDTEA) - An entity which is responsible for EIA applications.
- Tourism Grading Council (TGC) - An entity within South African tourism recognised and quality assurance body for tourism products in South Africa responsible for grading properties into different tourism stars.
- VISA Facilitation Services (VFS) - An entity which is responsible for processing VISA applications, as assigned by the Department of Home Affairs.

The office also is funded by the KZN Provincial Department of Economic Development Tourism and Environmental Affairs to establish the Satellite One Stop Shop offices in the District Municipalities.

MAJOR HIGHLIGHTS

During the 2023/2024 financial year, the KZN One Stop Shop participated in the following strategic partnership events;

BRICS-KZN Trade and Investment Seminar, August 2023: Held in partnership with the Department of Trade, Industry & Competition.

- During this event KZN One Stop Shop facilitated a panel discussion that unpacked the regulatory environment in KZN, the support provided to investors included the dtic incentives; SEDA business support services and
- Municipal incentives that are involved in catalytic projects.

One of the leads generated emanating from the panel discussion and the companies that were exhibiting during the event include;

- Company in the manufacturing of value-added polyurethane and pressure sensitive adhesive products which is widely used in the automotive, building and construction industries, white goods industry and so on.
- The company is now looking at expanding its operations and exporting opportunities abroad. It is currently looking at financial assistance of about R5m to access export markets. It currently employs about 25 people. The company estimates that 5 new job opportunities will be created once this objective is realised.

OPERATING CHALLENGES

The flooding challenges experienced by the province in the year under review, saw numerous businesses impacted by floods, with some even forced to shut down. EDTEA availed an amount of R67.5 million towards flood relief for businesses that were impacted. The One Stop Shop unit was intimately involved in the handling of applications and the subsequent disbursement of such. Capacity in the One Stop Shop unit remains a main concern. To mitigate this, the unit presented the resource plan to capacitate the unit which will be reviewed in the 2024/25 financial year.

BUSINESS UNIT PERFORMANCE

The operating environment improved during the later part of the year. We were involved in the launch of Harry Gwala and the iLembe District One Stop Shop offices, which were launched in June 2023 and September 2023 respectively by the MEC for KZN Department of Economic Development Tourism and Environmental Affairs (EDTEA).

The KZN One Stop Shop performance during the 2023/24 financial year decreased in number of applications and approvals from a total of 2 313 during the prior year to 1 860 as reflected in the Table 2.1 below, which was a 24.35% decrease. This decrease is attributable to the non-renewal of the licence which had been previously granted the Agency for Food Safey to process export permits for beef and poultry in KwaZulu-Natal.

Table 4.1: KZN One Stop Shop Performance during 2023/24

ENTITIES	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL	%
CIPC	36	98	123	202	459	24.67%
DHA/VFS	07	06	13	16	42	2.25%
EIAs	00	01	01	00	02	0.10%
Ithala Loans	00	03	06	03	12	0.64%
Exports	07	174	174	181	536	28.81%
KZN OSS	448	104	31	03	586	31.50%
PMB OSS	04	19	14	25	62	3.33%
Harry Gwala OSS	-	12	10	02	24	1.29%
iLembe OSS	-	06	05	89	100	5.37%
Gauteng OSS	-	06	04	03	13	0.69%
UGU OSS	-	-	-	24	24	1.29%
TOTAL	**502**	**429**	**341**	**548**	**1 860**	**100.00%**

The rest of the Business Units performed well compared to the previous financial year. The three major Business Units that contributed significantly were the KZN OSS at 31.50% followed by the Agency for Food Safety at 28.81% and followed by CIPC at 24.67%. The unit closed the financial year with a Business Seminar which was held in Durban with Ambassadors and businesspeople. The event was very successful with the attendance of the MEC and about 50 delegates.

ONE STOP SHOP DISTRICT ROLLOUT PROGRAMME

During the year under review, we launched two District One Stop Shop Offices, which were officially unveiled by the MEC for Economic Development, Tourism and Environmental Affairs, the Honourable Siboniso Duma. These include Harry Gwala District OSS which was launched on the 6th June 2024 and iLembe District OSS which was launched on 08 September 2023.

In addition, we established UGU District OSS, which was officially opened on 30 January 2024, where in we hosted an Investor Workshop which was attended by approximately 60 guests. The facility also has an online portal which investors can utilise to access CIPC and SARS services.

RED TAPE REDUCTION BUSINESS SEMINARS

KZN One Stop Shop participated in a Business Seminar, which were held with TIKZN discussing the ease of doing business in the province of KwaZulu-Natal. It was held on 01 March 2024, which was hosted by the MEC for Economic Development Tourism and Environmental Affairs. The event was also attended by the Ambassadors from various countries.

CONCLUSION

The Invest SA KZN One Stop Shop office has been in operation since 2017 when it was officially launched in the province. Through the dtic financial support, it has managed to facilitate much needed brand awareness of not only TIKZN but the province as a whole through expanding its footprint to the district level. It now has functional offices in four district municipalities, these being uMgungundlovu, Harry Gwala, ILembe and UGU.


www.tikzn.co.za
Trade & Investment KwaZulu-Natal
TRADE & INVESTMENT HOUSE
WWW.TIKZN.CO.ZA/INVESTSA
investSA
ONE STOP SHOP
KWAZULU-NATAL

CORPORATE GOVERNANCE

11 Corporate Governance Statement

INTRODUCTION

Trade & Investment KwaZulu-Natal upholds the highest possible corporate governance standards by ensuring adherence to all relevant legislative requirements which include the entitys enabling legislation i.e., the KwaZulu-Natal Trade and Investment Agency Act, 2010, the PFMA as well as good governance principles contained in the King IV Report on Corporate Governance for South Africa (King IV) while recognising that governance goes beyond a set of frameworks, principles, policies, and rules.

The Board of TIKZN is ultimately responsible for ensuring high corporate governance standards, assisted by management, and aims to instil a culture of compliance and good governance. TIKZN is continuously committed to applying sound and meaningful governance practices and conducting its affairs with integrity. It regularly reviews its governance structures, practices, and processes to ensure continued alignment with legislative and regulatory changes and to continuously reflect best practices.

The Board, represented by its Chairperson and the KwaZulu-Natal Member of the Executive Council for Economic Development, Tourism and Environmental Affairs (EDTEA) annually sign a Shareholders Compact, which documents comprehensively each signatorys responsibilities.

PORTFOLIO COMMITTEES

Parliament exercises its oversight role over the entity by interrogating its annual financial statements and any other relevant documents which must be tabled from time to time.The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor, whilst the Portfolio Committee exercises oversight over the service delivery performance of the entity and is concerned with service delivery and enhancing economic growth.As such it reviews the nonfinancial information contained in the annual reports of the entity.

EXECUTIVE AUTHORITY

The Board reports to EDTEA through the annual report and the quarterly performance reports covering performance targets set out in the business plan, strategic plan, and annual funding agreement. In addition, quarterly meetings are attended with EDTEA to discuss the performance reports. The Board also attends briefing sessions when requested by the Executive Authority. Shareholder representatives serve on the Board ex-officio and attend Board and Committee meetings. During the period under review, the performance reports were submitted within set timeframes and the Chief Executive Officer (CEO) attended all the quarterly meetings to discuss progress against the set targets.

THE BOARD

The Board acts as the focal point for, and custodian of corporate governance and constitutes a fundamental base for the application of corporate governance principles at TIKZN as well as ensuring the maintenance of the highest standards of ethics. It has absolute responsibility for effective organisational performance as per the entity's mandate and is fully accountable to the Shareholder and entity for such performance. The Board appreciates that strategy, risk, performance, and sustainability are inseparable and gives effect to this by contributing to, and approving the strategy, satisfying itself that the strategy and business plans do not give rise to risks which have not been thoroughly assessed by management, identifying key performance and risk areas, and ensuring that the strategy will result in sustainable outcomes.

THE ROLE OF THE BOARD

The Board has specific responsibilities set out in the KwaZulu-Natal Trade and Investment Agency Act, 2010 (Trade & Investment KwaZulu-Natal Act) and the PFMA and is further guided by the principles of good corporate governance as set out in the King IV Report. Trade & Investment KwaZulu-Natal. The role and responsibilities of the Board include the following:

- The duty of utmost care to ensure reasonable protection of TIKZN's assets and records. To act with fidelity, honesty, integrity and in the best interests of the entity in managing the financial affairs of TIKZN.
- Providing strategic direction and leadership to TIKZN. The Board has a strategic function in terms of providing the vision, mission, and goals of the entity. These are determined in conjunction with the CEO and the executive team.
- Formulating, monitoring, and reviewing the corporate strategy, major plans of action, risk policy, annual budgets, and business plans.
- Retaining full and effective control and management over the affairs of TIKZN.
- To provide effective leadership that is based on an ethical foundation, which is characterised by acting responsibly, honestly, with integrity, accountability, and transparency. This sets the tone from the top to promote an ethical culture within TIKZN.
- To ensure that the entity is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of TIKZN but also the impact that the business operations may have on the environment and the society within which it operates
- To govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives
- Considering and approving the annual financial statements
- Ensuring that TIKZN complies with applicable laws, regulations, government policy and codes of best practice.

BOARD CHARTER

The Board has adopted a formal Board Charter setting out its role and responsibilities, composition, and functioning. The Charter is reviewed annually to ensure its effectiveness and relevance, and during the period under review, the Trade & Investment KwaZulu-Natal Board continued to adhere to its Charter. The Charter confirms that the Board members retain overall responsibility and accountability for approving strategic plans; monitoring operational performance and management; determination of policy and processes to ensure the integrity of TIKZN's risk management and internal controls; legislative, regulatory and governance compliance; approval of significant accounting policies and annual financial statements; monitoring transformation and empowerment; determination of appropriate remuneration policies and practices, and balanced and transparent reporting to stakeholders.

As per the Charter, the Board meets a minimum of four times a year to discharge its duties; deliberating over a range of key issues, ensuring the proper direction and management of TIKZN. The Chairperson provides the Board with leadership and guidance and encourages full and proper deliberation on all matters requiring the Boards attention. The CEO is charged with the day-to-day management of the organisation's operations and assists the Board in providing strategic and policy direction to the entity. Within the defined levels of authority, the CEO assumes responsibility for implementing the decisions of the Board and is accountable to the Board for the effective functioning of the entity within the Board-determined policy guidelines. All Board members are entitled to seek independent professional advice concerning the affairs of the entity, in appropriate circumstances and have unrestricted access to the Company Secretary, Board records as well as any information that they may require to effectively discharge their duties.

COMPOSITION OF THE BOARD

As of 31 March 2024, all non-executive Board members were appointed by the KwaZulu-Natal MEC for Economic Development, Tourism and Environmental Affairs (Shareholder) in accordance with section 5 of the Trade & Investment KwaZulu-Natal Act. In terms of section 5(1), the Board of Trade & Investment KwaZulu-Natal consists of at least five, but not more than 20 members and the CEO ex-officio, as contemplated in section 16(5). At the start of the financial year under review, the Board comprised eight non-executive members, one executive member, and the CEO, as an exofficio member of the Board. The majority of Board members (78%) are Black comprising four Africans, two Asians, one coloured and two white members while two female members account for 22% of the Board. These members have extensive business experience and specialist skills across a range of sectors, including inter alia: finance, legal, human resources, labour market, economics, investment, and export. This enables the members to provide balanced, independent advice and judgment in the decision-making process.

In terms of the Trade & Investment KwaZuluNatal Act, Board members hold office for five years or such shorter period as the responsible MEC may determine and are eligible for re-appointment at the expiry of such period, provided that they have not served on the Board for a continuous period of ten years.

During the year under review, the term of office of two non-executive board members resigned respectively on 17 October 2023 and 31 October 2023.

No new members were appointed to the Board during the 2023/24 financial year. During the period under review, four ordinary board meetings, one strategy review session and a risk assessment workshop were held. In addition, four special meetings were convened to consider specific and urgent business issues which arose between the scheduled meetings.

COMPOSITION OF THE BOARD DURING THE 2023/2024 FINANCIAL YEAR

NAME	DESIGNATION	DATE APPOINTED / RE-APPOINTED	QUALIFICATION(S)	AREA OF EXPERTISE	BOARD COMMITTEE MEMBERSHIP	SCHEDULED BOARD MEETINGS (ORDINARY, STRATEGY AND SPECIAL	No. OF MEETING ATTENDED
Ms CM Cronjé	Chairperson (Resigned 17 October 2023)	01/09/2019	BA (Hons); UED; BProc; Dip. Environmental Law; LLM (Environmental/ Constitutional law)	Law; Public Finance; governance; environment	N/A	9	4
Mr KS Shandu	Non-Executive Board Member (Appointed as Interim Board Chairperson on 08 November 2023)	01/08/2021 initial appointment 15/11/2017	National Diploma (Chemical Engineering)	Business management and community development	Chairperson of HR, Social & Ethics Committee until October 2023 Member of Trade & Investment Committee until October 2023	9	9
Ms U Maharaj	Non-Executive Board Member	01/08/2021 initial appointment 15/11/2017	B Accounting Honours. Post Graduate Dip Accounting; Chartered Accountant (SA)	Business management, human resource strategy, coaching and leadership development	Chairperson of Audit, Risk & Compliance Committee Member HR, Social & Ethics Committee	9	9
Mr EB Mkhize	Non-Executive Board Member	01/08/2021	Dip in Fundamentals of Business Admin. Dip in Political & Social Development; Dip in Labour Economics; B Soc Sci (Industrial & Working Life); B Soc Sci (Hons) (Sociology) Masters of Social Science (Social Policy)	Business Administration and Management, Labour, economics, political and social development, project management	Member of Trade & Investment Committee, Appointed as Chairperson in November 2023. Member of Audit, Risk & Compliance Committee as of 14 November 2023.	9	9
Adv EM Nkosi	Non-Executive Board Member	01/08/2021	B. Juris; LLB; Diploma HRM; Executive Development Programme on Municipal Finance	Legal, human resource management (HRM), labour relations, financial management (SCM), government experience, and corporate governance	Member of HR, Social & Ethics Committee, appointed as Chairperson on 14 November 2023. Member of the Trade and Investment Committee as of 14 November 2023.	9	9
Dr SK Mpungose	Non-Executive Board Member	01/08/2021 initial appointment 15/11/2017	Bcom (Economics & Management); BCom Honours (Economics); MCom (Advanced Applied Economics) and PhD (Economics)	Applied economics and finance; education and business management	Member of Trade & Investment Committee Member of the Audit, Risk & Compliance Committee	9	9

NAME	DESIGNATION	DATE APPOINTED / RE-APPOINTED	QUALIFICATION(S)	AREA OF EXPERTISE	BOARD COMMITTEE MEMBERSHIP	SCHEDULED BOARD MEETINGS (ORDINARY, STRATEGY AND SPECIAL	No. OF MEETING ATTENDED
Mr D Naidoo	Non-Executive Board Member	01/08/2021	BA (Law); LLB	Law, Financial management (SCM, contract development), investments, imports and exports, energy, infrastructure, project management, government experience, and environmental management.	Member of HR, Social & Ethics Committee Member Audit, Risk & Compliance Committee	9	9
Mr GW Bell	Non-Executive Board Member (Resigned 31 October 2023)	01/09/2019	Mechanical Engineering Diploma	Business management, Manufacturing Industry, Investment and Export	Chairperson of Trade & Investment Committee until 31 October 2023 Member of Audit, Risk & Compliance Committee until 31 October 2023	9	4
Mr NST Matjie	CEO/ Executive Board Member - Ex-Officio (Term of office ended on 30 September 2023).	01/10/2018	Msc Investment Promotion & Econ., Postgraduate Dip. Business Management, BA Comm	Msc Investment Promotion & Econ., Postgraduate Dip. Business Management, BA Comm	Attends all board and committee meetings	9	4
Mr RN Ngcamu	ACEO/ Executive - Board Member (Ex-Officio) Appointed 01 October 2023	01/10/2023	LLM; M Ed Geography & Development Studies; BA Honours Geography & Development Studies; B Paed	Investment promotion, corporate governance, business development	Attends all board and committee meetings	9	4

REMUNERATION OF BOARD MEMBERS

The Board is remunerated in terms of a directive issued by the MEC for the Department of Economic Development, Tourism and Environmental Affairs, in line with National Treasury guidelines regarding Board remuneration.

Board Fees	Board Fees	Travel Allowances	Total
Mr KS Shandu (Interim Board Chairperson)	443,570	4,092	447,662
Ms CM Cronje' (Ex Board Chairperson)	241,580	-	241,580
Mr GW Bell	91,194	-	91,194
Adv ME Nkosi	164,078	6,483	170,561
Mr EB Mkhize	168,550	4,954	173,504
Ms U Maharaj	236,702	6,991	243,693
Dr SK Mpungose	170,805	4,192	174,997
Mr D Naidoo	198,583	1,615	200,198
	1,715,062	**28,327**	**1,743,389**

BOARD INDUCTION, TRAINING AND DEVELOPMENT

Trade & Investment KwaZulu-Natal believes in the professionalism of directors and recognises the importance of ongoing director development as a means of strengthening the effectiveness of individual directors and the Board. To this end, the organisation adopted a director development plan which is reviewed and updated annually and ensures access to an appropriate balance of knowledge, skills, experience, and independence. It provides members with the opportunity to better understand their fiduciary duties and responsibilities as directors and keep abreast of legislative and regulatory changes and best practice. TIKZN continually provides the Board with information on its business and changes in the business landscape to keep them abreast of the changing business and corporate governance requirements. The Board also makes use of external expertise on matters outside their knowledge, skills, and experience. Board members are afforded an opportunity to visit TIKZN project sites as part of their oversight role and are briefed on legal developments and changes in the risk and general business environment on an on-going basis.

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures and all regulatory and governance codes are observed. The Company Secretary's functions include inter alia:

- Being the central source of guidance and advice to the Board and within the entity on matters of good governance, changes in legislation, compliance, and the members fiduciary responsibilities.
- Responsibility for Board and Committee Charters.
- Preparation of annual work plans and meeting schedules, Board induction, orientation and ongoing training.
- The development of board members and facilitation of Board evaluations. The Company Secretary also acts as the secretariat to the Board and its Committees and is charged with preparing meeting agendas, circulation of Board and Committee papers and ensuring that accurate records of minutes are maintained.

BOARD COMMITTEES

The Board has delegated specific functions to its well-structured committees but without abdicating its responsibilities. The delegation is recorded by formally approved Terms of Reference for each committee, which are reviewed annually to ensure their effectiveness and relevance. The committees are appropriately constituted with due regard to the skills required by each and have work plans which serve as a mechanism to ensure that meetings are structured in such a manner that they meet the King IV governance recommendations, the enabling legislation and that PFMA requirements are addressed. The Board effectively monitors the activities of its subcommittees through comprehensive reports that are tabled at every board meeting. These reports highlight emerging risks and recommend strategies that are deemed appropriate to enable the Board to monitor, among others, key organisational risk areas. TIKZN has the following established Board Committees:

- Human Resources, Social and Ethics Committee
- Trade and Investment Committee.
- Audit, Risk and Compliance Committee

HUMAN RESOURCES, SOCIAL AND ETHICS COMMITTEE

The role of the Committee is to assist the Board with the oversight of social and ethical matters relating to TIKZN as well as human resources matters focusing on the entity's talent attraction, retention, succession planning, training, development, and remuneration.

The Committee has an independent role with accountability to the Board and operates as an overseer and maker of recommendations to the Board for its consideration and final approval.

The responsibilities of the Committee are recorded in its Terms of Reference and are summarised as follows:

- Regularly evaluate and monitor the human resources policies to ensure that the policies are up to date with the latest legislative requirements
- Recommend staffing requirements for TIKZN by regularly monitoring that the organisational structure of the entity in line with its strategic plan and employment equity targets.

- Regularly evaluate and monitor the performance management policy and the implementation thereof to ensure that conditions are kept up to date with the latest developments
- Monitor the implementation of the performance management system
- Remuneration, benefits, and incentives
- Monitor TIKZN's activities with regards to any relevant legislation, other legal requirements or prevailing codes of best practice pertaining to matters relating to social and economic development
- Good corporate citizenship, including TIKZN's:
  - Promotion of equality, prevention of unfair discrimination, and reduction of corruption
  - Contribution to the development of communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed.
  - Record of sponsorship, donations, and charitable giving
- The environment, health, and public safety, including the impact of TIKZN's activities and its products or services on such issues
- Stakeholder relationships
- Labour relations and employment, including drawing matters within its mandate to the attention of the Board as required
- Ethics and compliance with laws and regulations relevant to the Committee's areas of responsibility
- Ensuring that the ethics of TIKZN are managed in a way that supports the establishment of an ethical culture

MEETINGS ARE AS PER THE TABLE:

HUMAN RESOURCE, SOCIAL AND ETHICS COMMITTEE MEETINGS			
NAME	DESIGNATION	SCHEDULED MEETINGS	NO. OF MEETINGS ATTENDED
Mr KS Shandu	Chairperson until October 2023	7	4
Adv. EM Nkosi	Member / Chairperson from Nov 2023	7	4
Ms U Maharaj	Member	7	6
Mr D Naidoo	Member	7	7

TRADE AND INVESTMENT COMMITTEE

The role of the Committee is to assist the Board with the oversight of the execution of the trade and investment mandate and related activities of the entity being:

- Business operational strategy and policy advocacy.
- Investment promotion and facilitation, export development and promotion, business retention and expansion, research and innovation, enterprise development and monitoring. organisational performance.
- Advice to and support of the Export and Investment Promotion Operational Business Units in the fulfilment of the organisation's mandate and their key objectives.
- Present the Board with new proposals on trade and investment initiatives.

The Committee has an independent role, operating as an overseer and making recommendations to the Board for its consideration and final approval. The Committee's key responsibilities as contained in its Terms of Reference include inter alia:

- Providing strategic direction and support for the development and implementation of Trade and Investment Strategies in TIKZN.
- Monitoring and oversight of the entity's activities regarding:
  - Reviewing and monitoring of organisational performance Implementation of One Stop Shop Services in promoting ease of doing business.
  - Development and management of partnerships.
  - Investment Promotion and Facilitation
  - Export Development and Promotion
  - Research and Information Policy advocacy and operational efficiency

MEETINGS ARE AS PER THE TABLE:

TRADE AND INVESTMENT COMMITTEE MEETINGS			
NAME	DESIGNATION	SCHEDULED MEETINGS	NO. OF MEETINGS ATTENDED
Mr GW Bell	Chairperson until October 2023	5	2
Mr EB Mkhize	Member / Chairperson from Nov 2023	5	5
Mr KS Shandu	Member	5	2
Dr SK Mpungose	Member	5	5
Adv EM Nkosi	Member	5	3

AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee comprises four independent non-executive members who are appointed by the Board. The primary role of the Committee is to assist the Board in fulfilling its oversight functions in terms of the PFMA which includes ensuring the integrity of financial reporting and audit process, together with the maintenance of sound risk management and internal control systems. In pursuing these objectives, the Committee oversees the external auditors, the scope of work, the annual audit, and the applicable levels of materiality.

The Committee monitors development in corporate governance, thus ensuring that the entity continues applying high and appropriate standards.

The primary functions of the committee include, inter alia reviewing and recommending to the Board the following:

- An examination and review of the Annual Financial Statements with management and external auditors to ensure that they are complete and consistent with information provided to them, prior to submitting to the regulators.
- The effectiveness of the entity's internal control system, information technology security and control.
- The control procedures followed by management and an assessment of their
- effectiveness, such as the safeguarding of organisational assets and the implementation of a fraud and prevention plan.
- An annual review of the risk management plan and related policies and framework.
- Compliance with the prescribed accounting framework, legal, statutory, and regulatory matters.
- A review of the external auditor's proposed audit scope, approach, and coordination of the audit effort with internal audit.
- A review and confirmation of the independence of the external auditors.
- A review and assessment of the adequacy of the internal audit charter and Audit, Risk and Compliance Committee terms of reference on an annual basis.
- The execution of all responsibilities, as outlined in the Committee's Terms of Reference.
- An evaluation of the Committee's and individual member's performance on a regular basis.

MEETINGS ARE AS PER THE TABLE:

AUDIT, RISK & COMPLIANCE COMMITTEE MEETINGS			
NAME	DESIGNATION	SCHEDULED MEETINGS	NO. OF MEETINGS ATTENDED
Ms U Maharaj	Chairperson	8	8
Mr GW Bell	Member (Resigned in October 2023)	8	4
Mr EB Mkhize	Member (Appointed in November 2023)	8	4
Mr D Naidoo	Member	8	8
Dr SK Mpungose	Member	8	5

COMPLIANCE WITH LAWS AND REGULATIONS

The Board has the overall responsibility for ensuring that the entity complies with all applicable laws and regulations. This responsibility has been delegated to the Audit, Risk and Compliance Committee, which is charged with ensuring that the task is correctly and appropriately executed. The Compliance Officer and Company Secretary assists the Audit, Risk and Compliance Committee in monitoring the entity's compliance with all relevant laws and regulations and that such compliance is considered by the internal audit function, as well as the Committee. During the period under review, TIKZN set out to build an effective Compliance Management System based on a bedrock of documentation that espouses the philosophical and systematic approach to compliance, transparently and consistently with South African good practices. The Compliance Policy codifies the tone and philosophy in a topdown approach to compliance management. Implementing the Compliance Policy will require TIKZN to standardise its Compliance Management Standard Operating Procedures in a compliance manual. TIKZN is formulating this manual which will be used by members of the Audit, Risk and Compliance Committee in the implementation of the Compliance Policy.

RISK MANAGEMENT

TIKZN follows a disciplined approach to evaluating risks and developing appropriate strategies to mitigate and manage risk. This risk management methodology is considered by the Audit, Risk and Compliance Committee and enhancements agreed during the financial year, have been recommended and adopted. The Board is responsible for the oversight of risk management and has delegated the responsibility to the Audit, Risk and Compliance Committee, which responsible for ensuring that TIKZN has implemented an effective policy and plan to manage risk and disclosure. While the head of each business unit assumes primary responsibility for identifying and managing risks inherent to the operations of his/her unit, the Audit, Risk and Compliance Committee reviews the risk management strategies, policies, and procedures to ensure that they are appropriate. It advises the Board and management on the organisation's risk management and independently monitors the effectiveness of the system of risk management.

Annually the organisation conducts a risk assessment to determine the effectiveness of its risk management strategy and to identify new and emerging significant risks that could hinder the achievement of its strategic objectives. The top five risks identified in the 2023/24 financial year included:

Budget Constraints. Limited budget to deliver on the organisation's mandate. The root causes of this risk were:

- Fiscal constraints caused by the downward turn of the economy
- Unprecedented events being the COVID-19 pandemic, climate change, social unrest and global conflict resulting in reprioritised budgets
- Over reliance on government funding

Challenges to retain and expand investment in KwaZulu-Natal. The root causes of this risk were attributed to:

- An unconducive business environment impacting on business reinvestment decisions
- Ineffective management of key strategic industrial precincts resulting in low confidence
- Constrained business retention resources, i.e., human capital vacancy, and availability of funding
- “Business forums” activities of site invasions and illegal disruptions of business operations and business continuity plans
- Lack of provincial stimulus funding to support

Failure to attract new investment in the province attributed to:

- Changing trade and investment landscape globally.
- Unprecedented events that impact on the SA and KZN economy.
- Restrictive international travel as a result budgeted negatively impacting on investment and trade promotion activities.
- Postponement/deferment of investment decisions by investors and project promoters.
- Limited insights into new emerging sectors.
- Red tape and inefficient approval processes which hindered investments including regulatory frameworks.

Inconsistent conducive business environment in some municipalities and industrial precincts.

- High cost of doing business in South Africa compared to other investment destinations (salaries, inflation, cost of utilities, business business security).

- Ageing and inefficient infrastructure (rail, road, ports)
- Vulnerability and effectiveness of IT systems
- Limited monitoring and evaluation of I.T compliance controls
- Inadequate cyber security protection of online platforms. (i.e. TIKZN website, portals, and social media platforms
- Limited contract management/Implementation of DRP
- Reprioritised budget: Inadequate budget to finance IT department
- Aged infrastructure

Unattainable investments in line with Presidential targets:

- The country's reputation impacting negatively on investor sentiments and confidence.
- Uncoordinated efforts by key players on destination marketing activities.
- Unapproved country investment strategy.
- No defined processes and guidelines on strategies to attract new investment.
- Lack of financial resources to effectively drive the attainment of these commitments.
- Unstable political landscape with investors adopting a wait and see approach.
- Lack of investment commitment from the private sector
- Red tape and bureaucracy in the approval processes.
- Inefficient Department of Home Affairs.

- Risk management or mitigation strategies adopted and implemented, in an effort to strengthen the control environment for the identified risks within the entity, were monitored by management with the assistance of internal audit, which provided quarterly assurance to the Audit, Risk and Compliance Committee and the Board, on the effectiveness and efficiencies of such controls.

INTERNAL CONTROL UNIT

The effectiveness of internal control mechanisms is seen as regular management reporting. The CEO is responsible for reporting quarterly on the operations of the financial and accounting control frameworks and the Board also receives assurance from the Audit, Risk and Compliance Committee, which derives its information through regular audit reports on risk and internal control across the entity. During the review period several initiatives were undertaken to ensure improved internal control, including:

- An annual review of relevant finance policies and procedures.
- The implementation of action plans for internal and external audit findings.
- Compliance with policies and procedures within the prescribed accounting framework.
- A review of the controls designed to ensure that assets are safeguarded.
- A review of risk management and related policies.

INTERNAL AUDIT

The Audit, Risk and Compliance Committee is responsible for ensuring that the internal audit function is independent and enjoys the necessary resources, standing, and authority within the entity to enable it to effectively discharge its duties. The role of internal audit is outlined in the Terms of Reference of the Committee and the Internal Audit Charter. The Committee oversees interaction between internal audit, external audit, and management, whilst also ensuring that these relationships are productive and add value to the organisation.

The Committee also monitors, guides, and supervises the functioning of internal audit, ensuring that the services of both internal and external audit are sufficiently clarified and coordinated, thus providing an objective overview of the entity's operating systems of internal control and reporting. These include the following:

- Approval of the internal audit plan and work conducted by internal auditors in ensuring that action plans which are in place mitigate risks on matters reported to the Committee.
- An analysis of the Internal Audit Charter.
- An evaluation of the adequacy of corrective action taken in response to significant internal audit findings.
- A review of significant matters reported by the internal audit function.
- An assessment of the adequacy of the performance of the internal audit function.
- A review of cooperation and coordination between the internal and external audit functions.
- An evaluation of the independence and effectiveness of the internal audit function, inclusive of compliance with the Institute of Internal Auditors' International Standards for the Professional Practice

  of Internal Audit.

During the year under review the Internal Audit was undertaken by BDO Advisory Services in line with an approved internal audit plan. Their internal audit activities included:

- Interim and Annual Financial Statement reviews
- Performance Information review for each quarter
- Auditor General and Internal Audit follow up review
- Risk Assessment
- Business Unit Audits for the Knowledge Management, Human Resources, Export Development and Promotion, and Finance units and of the Office CEO

FRAUD AND CORRUPTION

TIKZN subscribes to the highest ethical standards of business conduct. A set of values and a code of business conduct set out in the Code of Ethics Policy requires the Board of Directors and staff to display integrity, respect, openness and affords them the right and obligation to challenge others who are not adhering to these values.

The entity also has an approved Fraud Prevention Policy and Plan as well as a Whistle-blowing Policy. These policies provide means by which employees and other stakeholders can raise concerns with appropriate line management or via the Tip-Offs Anonymous hotline, when they have reasonable grounds to believe that there are irregular activities involving TIKZN.

The entity's operational whistle-blowing hotline can be used to report any offence or suspected fraudulent activity without fear of occupational detriment and/ victimisation. The Human Resources, Social and Ethics Committee and the Audit, Risk and Compliance Committee perform an oversight role pertaining to fraud and corruption, together with the implementation and maintenance of the Fraud Prevention Plan.

During the period under review, the Internal Audit assignments included a Fraud, Risk and Ethics review. The internal audit findings were tabled with and reviewed by both the Audit, Risk and Compliance Committee and the Human Resources, Social and Ethics Committee as well as the Board.

The continuous areas of improvement that have been implemented include Fraud and Ethics Training and awareness programmes and a revised Board approved Code of Ethics Policy. Ethics Management is being monitored through the Human Resources, Social and Ethics Committee.

CONFLICT OF INTEREST

Annually Board members and staff are required to provide a declaration of their financial and business interests. At every Board and Committee meeting, there is a second stage of declaration of potential conflict of interest for matters on the agenda for the meeting and every Board member completes a Declaration of Interest form prior to each meeting. Should a conflict of interest occur, the affected Board member may not vote on any matter in which that individual has an interest. The Board member is recused from any meeting where such matters are discussed. A register of Declarations of Interest is maintained by the Company Secretary and is updated on an annual basis.

The Board has an approved Conflict of Interest Management Policy which formally regulates the procedures and process of conflict-of-interest management in the context of the TIKZN Board members. The policy demonstrates the organisation's commitment to always conducting ethical and honest business. Members of the management team and staff are encouraged to disclose any gifts they may have received. Such disclosures are entered into the organisation's Gift Registry, which is managed by the Chief Financial Officer.

With regards to external parties, TIKZN's procurement processes require that potential service providers complete and sign a form indicating any conflicts of interest in the processes or any linkages they may have with the staff of TIKZN.

HEALTH, SAFETY AND ENVIRONMENT (SHE)

TIKZN closely monitors health, safety and environmental issues which may have an impact on its operations and staff. The entity's Environmental Management Policy sets out guidelines and its commitment towards the promotion of environmental protection and adherence to health and safety practices, as well as to protect and enhance the image, credibility, and sustainability of TIKZN as a responsible and reputable corporate citizen of KwaZulu-Natal.

The entity has a Board-approved Occupational Health and Safety (OHS) Policy and a Safety Health Environment Risk and Quality (SHERQ) Implementation Plan. The OHS policy provides a framework for health and safety management and establishes minimum occupational health and safety standards and requirements for TIKZN to reduce risk to employees and visitors. It is based on the principle that dangers in the workplace must be addressed by communication and cooperation between the staff and the entity. Both parties must proactively identify dangers and develop control measures to make the workplace safe.

In this way, TIKZN and the staff are involved in a system where health and safety representatives may inspect the workplace regularly and then report to a health and safety committee, which in turn may submit recommendations to management. Health and Safety will ensure business optimisation and improvement through:

- Protection of human lives and environmental duty of care.
- Proper analysis of customer and stakeholder needs and expectations.
- Effective business objectives and priority setting to meet or exceed those needs and expectations.
- Establishment of measures for the achievement of business objectives.
- Systematic approach to defining, controlling, and continually improving business processes.
- Advancing business practices in line with international best practices, legislative requirements, and corporate best practice innovations. The SHERQ implementation plan is a guideline document in which the entity sets out provisions for and management of health and safety facilities, hygiene rules, identification of the various risks, their management and initiating controls. The plan has a system in place for promoting the health and safety of employees and visitors in the workplace through:
- The reduction and control of health and safety risks.
- Providing procedures to guide staff regarding identification, management, control, and elimination of the relevant risks.
- Implementing a system of corrective steps for improvement of quality.
- Implementing a system to reduce errors and following an approach to eliminate repeat incidents. SHERQ is an essential system for improving the health and safety profile of the entity, reducing its impact on the environment and ensuring consistency in quality.

HUMAN RESOURCES MANAGEMENT

12 HUMAN RESOURCES MANAGEMENT

OVERVIEW OF HUMAN RESOURCES MANAGEMENT

The Human Resources function plays a very important role in supporting the overall objectives and effectiveness of Trade & Investment KwaZulu-Natal. As a custodian of TIKZN's most valuable assets, its employees, the human resources team is responsible for attracting highly skilled and motivated workforce. This includes:

- Recruiting top talent with expertise in trade and investment promotion, business development, and client relations;
- Designing competitive compensation and benefits packages; and
- Implementing structured training and capacity building programmes.

Additionally, the Human Resources unit is instrumental in fostering a collaborative customer centric organisational culture and to ensure that Trade & Investment policies and practices align with the organisation's governance framework, thus contributing positively to TIKZN's ability to deliver on the organisation's mandate.

Human resources Priorities

This is delivered through the following key priorities:

- Implementing all approved policies
- Foster continuous improvement in the implementation of the HR strategy
- Diligently ensure that wellness interventions are implemented for employees
- Reducing employee turnover
- Strengthen people engagement
- Positioning HR as a key strategic business partner

TALENT MANAGEMENT

Trade & Investment KwaZulu-Natal recognizes the importance of attracting and retaining top talent to drive the organization's success. Effective talent management strategies include proactive recruitment, comprehensive onboarding programs, and ongoing performance. The focus for Trade & Investment focus is identifying and developing high-potential employees, providing them with opportunities for career growth and advancement within Trade & Investment KZN.

On the talent management front, the HR unit is committed to driving stability of the organisation and that retention strategies are in place to ensure employees stay within the organisation. At the start of the 2023/24 financial year, the organisation found itself with 13 vacancies. To ensure that no vacuum is left by not filling these position, the unit embarked on the process of filling these critical vacancies resulting in 6 of these being filled as of 31 March 2024. The positions were: .

- Executive Manager: Knowledge Management
- Office Administrator x 2
- Supply Chain Management (SCM) Clerks x 2
- Legal and Compliance Officer

However, it is quite unfortunate that despite the effort to fill vacancies; the organisation closed the year with 14 vacancies, translating to a 21% vacancy rate. These vacancies are listed on the table below:

Summary of Employment and Vacancies

Business Units	Total Number of Positions on Organogram	Total Vacancies
Office of the CEO and Gauteng Office	10	2
Knowledge Management	10	4
Investment Promotion and Business Retention	17	4
Finance	8	1
Corporate Services (Marketing and Human Resources)	13	1
Export Development and Promotion	8	1
TOTAL	**66**	13

Summary of full-time staff movements during 2023/2024 and total number of employees on 31 march 2024

Category	Appointment	Termination	Number of Employees on 31 March 2024
Top Management	1	2	5
Senior Management	0	0	7
Middle Management	0	5	11
Junior Management	1	1	21
Semi-skilled	4	0	8
Unskilled	0	0	1
Total	**6**	**8**	**53**

TERMINATIONS

During the period under review, a total of eight employment contracts were terminated, comprising two expired contracts and six resignations.

LEARNING AND DEVELOPMENT

Continuous learning and development are crucial for Trade & Investment to stay competitive and adapt to changing market conditions. TIKZN invest in training programs that equip our employees with the necessary skills and knowledge to excel in their roles. This includes technical training, leadership development, and cross-functional learning opportunities. By fostering a culture of learning, TIKZN ensure our workforce is equipped to navigate the complex landscape of investment promotion and facilitation.

To this effect, training and capacity building was provided with the aim to enhance employee skills development in their areas of expertise and contribute towards the business targets and its overall objectives. A total budget of R 900 000.00 was allocated towards skills development.

The sections below cover the key elements that comprise the learning and development initiatives that the Human Resources unit embarked upon in the 2023/24 financial year.

BURSARY SCHEME

TIKZN employees are beneficiaries of the bursary scheme, which supports employees in further developing themselves. TIKZN bursary scheme provides tuition fees for employees in their chosen fields of study at any institution of higher education. The HR department ensures that employees uphold their commitment to their studies through support and monitoring of their academic progress.

During the 2023/2024 financial year, a total of eight bursaries were awarded to TIKZN employees as per the table below.

Table 14.3: Summary of Employee Academic Studies

Study/Course	NQF Level	Number of Employees Enrolled
Master's Degree	9	4
Post Graduate Diploma / Honours Degree	8	2
Bachelor's Degree	7	2
Total	**24**	**8**

CORPORATE EDUCATION PROGRAMME

Our organisation prides itself on the yearly intake of graduates and in-service trainees providing them with an opportunity to gain valuable work experience all whilst contributing to youth development and addressing youth unemployment. During this financial period, a total of seven interns and six in-service trainees underwent the TIKZN programme.

HUMAN RESOURCE COMPLIANCE, GOVERNANCE AND CONTROLS

During this period six policies were reviewed, and four new policies developed. The TIKZN Board of Directors approved all 10 policies for implementation.

The approved policies are:

a) Employment Equity Policy
b) Job Evaluation Policy
c) Leave Management Policy
d) Talent Management Policy
e) Learning and Development Policy
f) Employee Wellness Policy
g) Remuneration and Benefits Policy
h) Injury on Duty Policy
i) Environmental Policy
j) Code of Ethics Policy

EMPLOYEE RELATIONS

TIKZN's consequence management for the 2023/2024 period is listed in the table below:

Summary of Misconduct and Disputes

Nature of Action	Number of Cases
Final Written Warning	0
Disciplinary Proceedings	0
Dismissal	0
Disputes at CCMA	2

EMPLOYEE RECOGNITION AND REWARDS

Recognizing and rewarding employee contributions is a crucial aspect of employee engagement and motivation within the Trade & Investment . To this effect, the Human Resources has designed a comprehensive rewards system that include performance-based bonuses and other forms of recognition.

The team has taken into account that this not only incentivizes high-performing employees but also fosters a sense of pride and job satisfaction, leading to increased retention and more engaged workforce.

To this end, TIKZN encourages employees to provide work of the highest quality and to maintain its standards by recognising employees who have been deemed as top performers in their respective fields and areas of work. The table below details the recognition awards handed to Trade & Investment

Service Excellence Rewards

Recognition Category	Number of Awardees
Customer Care Award	4
Best Innovative and Cost Saving Award	1
Best Leader Award	1
Personal Development Award	1
CEO's Award	3
Best Team	2
Open Category	2

EMPLOYMENT EQUITY

Section 21 of the Employment Equity Act 55 of 1998 has been fulfilled by TIKZN and submitted the EEA2 and EEA4 reports to the Department of Labour.

As of 31 March 2024, TIKZN's current workforce (including those with disabilities) is displayed in the table below:

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	w	MALE	FEMALE	
Top Management	2	0	1	0	2	0	0	0	0	0	5
Senior Management	4	0	1	0	1	0	0	1	0	0	7
Professionally qualified and experienced specialists and mid-management	4	1	0	1	4	0	1	0	0	0	11
Selected technical and academically qualified workers, junior management, supervisors, foremen and superintendents	7	1	1	0	8	0	4	0	0	0	21
Semi-skilled with discretionary decision making	3	0	0	0	3	0	1	1	0	0	8
Unskilled with defined decision making	0	0	0	0	1	0	0	0	0	0	1
TOTAL PERMANENT	**20**	**2**	**3**	**1**	**19**	**0**	**6**	**2**	**0**	**0**	**53**
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	**20**	**2**	**3**	**1**	**19**	**0**	**6**	**2**	**0**	**0**	**53**

FUTURE PRIORITIES

TIKZN has been operating under budget constraints during the period under review and as such, some deliverables have been brought forward due to the evolving work environment, thus TIKZN's new focus areas will be to:

- Implement all the approved policies ensuring full compliance
- Continue with the employee wellness activities
- Encourage company culture and ethics
  Continuously improve efficiency by digitising
- Human Resource services
- Achieve an all-round employment equity status by means of diversity, inclusion, and equity in the workplace.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PFMA Compliance

13 PFMA Compliance

PFMA Compliance Report

Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R	R
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	-	-

Reconciling notes

Description	2023/2024	2022/2023
	R	R
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	-	-

Fruitless and Wasteful Expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R	R
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	-	-

Reconciling notes

Description	2023/2024	2022/2023
	R	R
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identi_ed in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

Information on late and / or non-payment of suppliers

Description	Number of Invoices	Consolidated Value
		R
Valid invoices received	490	54 371 423
Invoices paid within 30 days or agreed period	489	54 249 398
Invoices paid after 30 days or agreed period	1	122 025
Invoices older than 30 days or agreed period (unpaid and without dispute)	2	24 425
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

The delay in invoice payment was due to a dispute surrounding the description of services included in the initial invoice submission. This was subsequently resolved with the service provider.

Information on Supply Chain Management

Procurement by other means

Project Description	Name of Supplier	Type of procurement by other means	Contract Number	Value of contract R
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total				-

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)	Project Description
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total						-


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ANNUAL FINANCIAL STATEMENTS

14 General information

Country of incorporation and domicile	Republic of South Africa
Legal form of Entity	Schedule 3C Public Entity
Nature of business and principal activities	Trade & Investment Promotion Agency
Interim Board Chairperson	Mr KS Shandu
Registered Office	Trade & Investment House 1 Arundel Close, Kingsmead Office Park Durban 4001
Business address	Trade & Investment House 1 Arundel Close, Kingsmead Office Park Durban 4001
Postal address	Trade & Investment KwaZulu-Natal PO Box 4245 Durban 4000
Bankers	Standard Bank of South Africa Limited
Auditors	Auditor-General of South Africa
Company secretary	Ms NNC Gumbi (resigned on 12 June 2024)
Company registration number	KwaZulu-Natal Trade and Investment Agency Act, 2010 (Act No. 05 of 2010)
Preparer	The Annual Financial Statements were internally compiled by: Mr X Cele, Acting Chief Financial Officer

15 Board's Responsibilities and Approval

The Members of the Board 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 Annual Financial Statements and related financial information included in this report. It is the responsibility of the members to ensure that the Annual Financial Statements fairly present the state of affairs of the entity for the year ended 31 March 2024 and the results of its operations and cash flows for the year then ended.

The 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.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgement and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, they ensure that the entity complies with best 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 is maintained. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is identifying, assessing, managing and monitoring all known forms of risks across the entity. Whilst operating risk cannot be fully eliminated, the entity endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members 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 misstatements.

The entity is wholly dependent on the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) for continued funding of its operations. The Annual Financial Statements are prepared on the basis that the entity is a going concern and that the Provincial Government has neither the intention nor the need to liquidate or curtail materially the scale of operation.

Although the Members of the Board are primarily responsible for the financial affairs of the entity, they are supported by the entity's internal auditors.

The management of the entity is responsible for the internal audit and reporting of the entity's Annual Financial Statements. The entity is assisted with the internal audit service by the contracted internal audit firm called BDO Advisory Services (Pty) Ltd.

The Annual Financial Statements set out on page 101 to 140, which have been prepared on the going concern basis, were approved by the Members of the Board.

Mr Khanyisani Shandu
Interim Chairperson of the Board

16 Audit, Risk and Compliance Committee Report

Annual Financial Statements for the year ended March 31, 2024

We are pleased to present our report for the financial year ended 31 March 2024.

1. AUDIT COMMITTEE RESPONSIBILITY, MEMBERSHIP AND ATTENDANCE

The entity has a functional Audit, Risk and Compliance Committee, which oversees the audit, risk management, and compliance functions. The primary role of the Committee is to ensure the integrity of financial reporting and audit processes, risk management, and internal controls.

The Committee has a formal Terms of Reference, which is reviewed annually, and has regulated its affairs in compliance with Section 51 (1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulation 27.1.

The Committee comprises four independent non-executive members: Ms U Maharaj (Chairperson), Mr GW Bell, (resigned 31 October 2023), Mr D Naidoo and Dr SK Mpungose, Mr EB Mkhize (appointed on 14 November 2023).

The Audit, Risk and Compliance Committee reports that it has discharged its responsibilities as stipulated in Section 38(10)(1) of the PFMA of 1999 and Treasury Regulation Section 3.1.

THE TABLE BELOW DISCLOSES RELEVANT INFORMATION ABOUT THE AUDIT, RISK AND COMPLIANCE COMMITTEE MEMBERS:

NAME	QUALIFICATIONS	INTERNAL/ EXTERNAL	IF INTERNAL, POSITION IN PUBLIC ENTITY	NO. OF ORDINARY MEETINGS ATTENDED	NO. OF SPECIAL MEETINGS ATTENDED
Mrs U Maharaj	Bacct (Hons); Post-graduate Diploma Accounting; Chartered Accountant (SA)	Internal	Independent Non-Executive Board Member	4 of 4	4 of 4
Mr GW Bell	Mechanical Engineering Diploma	Internal	Independent Non-Executive Board Member	3 of 4	1 of 4
Mr D Naidoo	B.A (Law); LLB	Internal	Independent Non-Executive Board Member	4 of 4	4 of 4
Dr SK Mpungose	Bcom (Economics & Management); BCom Hons. (Economics) MCom (Advanced Applied Economics) and PhD (Economics)	Internal	Independent Non-Executive Board Member	3 of 4	2 of 4
Mr EB Mkhize	Dip in Political & Social Development; Dip in Labour Economics; B Soc Sci (Industrial & Working Life); B Soc Sci (Hons) (Sociology)	Internal	Independent Non-Executive Board Member	2 of 4	2 of 4

THE EFFECTIVENESS OF INTERNAL CONTROLS

The Committee is responsible for overseeing the following:

- Ensuring that the entity has adequate and effective systems of internal controls, risk management, and information technology;
- Ensuring that adequate controls to safeguard assets are in place;
- Implementation of fraud prevention plan;
- Assessment of the scope of work covered by Internal Auditors; and

- Ensuring that the entity adheres to best practice, in line with the PFMA (Act No.1 of 1999) and the King IV Report on Corporate Governance, which requires management to maintain and enforce strict internal controls. This is achieved through implementing a risk management process, and identifying corrective actions, suggestions and enhancements to controls and processes.

THE COMMITTEE IS RESPONSIBLE FOR REVIEWING THE FOLLOWING:

- Reports issued by the Internal Auditors and the Management Report of the Auditor-General South Africa to identify any matters that were reported. The Committee also considers whether any of those reported matters reflect material deficiencies in the system of internal controls;
- The in-year monitoring (IYM) report and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act (Act No. 5 of 2022). The Audit, Risk and Compliance Committee is reporting that it is satisfied with the content and quality of the monthly and quarterly reports prepared and issued by the entity during the period under review; and
- The systems of internal control over the financial reporting for the period under review were efficient and effective.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS:

The Audit, Risk and Compliance Committee has:

- Reviewed the audited Annual Financial statements included in the annual report with the Auditor-General South Africa; internal auditors, and the Chief Executive Officer;
- Reviewed the Auditor-General South Africa's Management Report;
- Reviewed changes in accounting policies and practices;
- Reviewed the entity's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments, noted the nature of the transactions and ensured that these were dealt with appropriately.

INTERNAL AUDIT:

- BDO Advisory Services (Pty) Ltd were appointed as Internal Auditors, effective 1 March 2021 and their contract will end on 31 July 2025;
- The Committee continuously assesses the effectiveness of the internal audit function; Committee meetings are held with both Internal and External auditors to identify any potential weaknesses so that management can rectify them in a timely manner; and
- The Committee will continue to review reports from the internal auditors and assess the performance of their function.

RISK MANAGEMENT:

- The Committee has overall responsibility for risk management, and management is accountable for designing, implementing and monitoring the risk management process;
- The Committee also has a responsibility to assess the reports provided by management on the progress made to obtain assurance on the overall system of risk management; and
- The Committee is responsible for assessing the effectiveness of the overall system of the risk management process. This includes assessing if there are any major incidents/ losses attributable to the failure of the risk management process and any major successes/ gains achieved or losses/incidents avoided.

COMPLIANCE:

- The Committee reviews the entity's compliance with legal and regulatory requirements;
- The Committee reviews the state of any unresolved issues raised and those not adequately addressed by the entity;
- The Committee reviews the information on predetermined objectives to be included in the Annual Report and ensures that such information is verifiable, meaningful and relevant; The Committee is tasked with monitoring the
- Supply Chain Management (SCM) related submissions and ensuring that all relevant Treasury circulars were adhered to; and
- The Committee has been instrumental in ensuring that the organisation's Information Technology (IT) maturity improves and has provided several key suggestions to assist the entity.

The Committee continues to apply itself, focus on critical and key deliverables of the entity, and to ensure that the entity continues to work towards the attainment and sustainability of a clean audit outcome.

MRS U MAHARAJ
CHAIRPERSON OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

17 Report of the Auditor-General to the KwaZulu-Natal Provincial Legislature on TIKZN

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Trade and Investment KwaZulu- Natal set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Trade and Investment KwaZulu-Natal as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

RESTATEMENT OF CORRESPONDING FIGURES

7. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2024.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 6 of the annexure to the auditor's report, forms part of our auditor's report.

REPORT ON THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act of South Africa 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

13. I selected the following material performance indicators related to programme 1: investment promotion presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.
    - Rand value of new fixed investment (domestic and foreign) commitments, in the province, facilitated through targeted investment support.
    - Number of potential new jobs facilitated through targeted investment support
    - Number of investment opportunities facilitated for priority groups.

14. I evaluated the reported performance information for the selected material performance indicators 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 entity's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:
    the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those committed to in the approved initial or revised planning documents
    - the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over achievement of targets.

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected indicators.

REPORT ON COMPLIANCE WITH LEGISLATION

18. 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 entity's compliance with legislation.

19. 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.

20. 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 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.

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

OTHER INFORMATION IN THE ANNUAL REPORT

22. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

25. 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

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

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

Auditor - General

Pietermaritzburg

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-General's responsibility for the audit

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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

FINANCIAL STATEMENTS

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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

COMPLIANCE WITH LEGISLATION - SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTION OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(4)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a) Regulation 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury (NT) Instruction No. 5 of 202/21 (Second Amendment)	Paragraph 1
NT Instruction No. 5 of 202/21 (Erratum)	Paragraph 2
NT instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
NT Instruction No. 1 of 2021/22	Paragraph 4.1
NT Instruction No. 4 of 2015/16	Paragraph 3.4
NT Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6
NT SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
NT SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
NT SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Paragraph 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

18 Board's Report

Annual Financial Statements for the year ended March 31, 2024

The Members of the Board submit their report for the year ended March 31, 2024.

1. INCORPORATION

Trade and Investment KwaZulu-Natal (TIKZN) is a Provincial Public Entity listed under Schedule 3C of the Public Finance Management Act (PFMA Act 1 of 1999). The entity reports directly to the Department of Economic Development, Tourism and Environmental Affairs (EDTEA).

2. REVIEW OF ACTIVITIES

Main business and operations

Trade and Investment KwaZulu-Natal is a provincial Public Entity established to promote the province of KwaZulu-Natal (KZN) as a premier investment destination, to develop and promote trade by assisting KZN companies to access new markets. The entity also assists KZN companies in distress facing challenges with turnaround strategies as well as to support those organisations that want to expand their operations.

The entity posted a net surplus of R930 579 for the financial year ended 31 March 2024 (31 March 2023: net deficit of R3 388 657).

3. GOING CONCERN

The Annual Financial Statements have been prepared on the basis of GRAP and accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlements of liabilities and commitments will occur in the ordinary course of business. To date EDTEA has committed to provide funding for the 2024/2025 financial year in terms of the Medium Term Expenditure Framework (MTEF) and signed Funding Agreement (FA).

The entity had an accumulated surplus of R2 296 885 for the year ended 31 March 2024 (31 March 2023, accumulated surplus of R1 366 306 (restated)). The entity's total assets exceeded its liabilities by R2 296 885 for the year ended 31 March 2024 (31 March 2023, total assets exceeded the total liabilities by R1 366 306 (restated)). The Annual Financial Statements were prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. To date EDTEA has committed to provide funding for the 2024/2025 financial year in terms of the Medium Term Expenditure Framework (MTEF) and signed MOU.

4. SUBSEQUENT EVENTS

As at the date of reporting, the Members of the Board were not aware of any matters or circumstances that can impact on the entity's business and status as a going concern.

5. MEMBERS' INTEREST IN CONTRACTS

Members of the Board are required to complete declaration of interest forms in every meeting. As at the end of the year which ended on 31 March 2024, no conflict of interest was recorded.

6. ACCOUNTING POLICIES

The Annual Financial Statements were prepared in accordance with the prescribed South African Standards of Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board.

7. MEMBERS OF THE BOARD

The Members of the Board are as follows:

Name	Nationality	Changes
Mr KS Shandu (Interim Chairperson of the Board)	South African	re-appointed on 01 August 2021 and appointed as Interim Chairperson on 01 November 2023
Ms CM Cronje' (Ex Chairperson)	South African	appointed 01 September 2014 (resigned on 17 October 2023)
Mr GW Bell	South African	appointed on 01 September 2014 (resigned on 31 October 2023)
Ms U Maharaj	South African	re-appointed on 01 August 2021
Dr SK Mpungose	South African	re-appointed on 01 August 2021
Mr EB Mkhize	South African	re-appointed on 01 August 2021
Mr D Naidoo	South African	re-appointed on 01 August 2021
Adv EM Nkosi	South African	re-appointed on 01 August 2021

8. SECRETARY

TheActing Company Secretary of the entity is Ms NM Sajini

Business address
Trade and Investment House
1 Arundel Close
Kingsmead Office Park
Durban
4000

Postal address
Trade and Investment KZN
PO Box 4245
Durban
4000

9. CORPORATE GOVERNANCE

General

The Members of the Board are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment the Members of the Board support the highest standards of corporate governance and the ongoing development of best practice.The Board monitors the entity's compliance with Good Corporate Governance Practices in line with the King IV Report on Corporate Governance for South Africa (King IV).

The salient features of the entity's adoption of the King IV are outlined below:

Members of the Board

The Members of the Board:

- Retains full control over the entity, its plans and strategy;
- Acknowledges its responsibilities regarding review of the entity's 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 King IV.
  - Executive Director (CEO - Ex Officio).

Chairperson and Chief Executive Officer

The Chairperson is a Non-Executive and Independent Director as defined by the PFMA, TIKZN Act and the King IV report.

The roles of the Chairperson and Chief Executive Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The upper limits of the remuneration of the executive managers of the entity are determined by the Human Resources, Social and Ethics Committee in consultation with the Members of the Board.

Board meetings

Five (5) Ordinary Board meetings and nine (9) Special Board Meetings were held during the year ended 31 March 2024. The Board is scheduled to hold at least (5) five Ordinary Board meetings per annum.

Non-executive directors have access to all members of management of the entity.

Audit, Risk and Compliance Committee

The Chairperson for the Audit, Risk and Compliance Committee (ARC Committee) for the year ended 31 March 2024 was Ms U Maharaj who is the Non-Executive Director and the Member of the Board.

Four (4) Ordinary Audit Committee meetings and four (4) Special Audit Committees were held during the year under review that ended on 31 March 2024.

The Board is satisfied that the Audit Committee was properly constituted and that they executed their responsibilities as expected of them in terms of the PFMA, TIKZN Agency Act and King IV report.

Internal audit

The internal audit service agreement with BDO Advisory Services (Pty) Ltd was renewed in August 2023 for another two (2) years.

10. BANKERS

Standard Bank of South Africa Limited.

11. AUDITORS

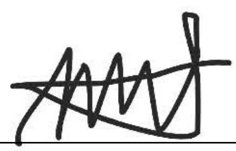
Auditor General of South Africa will continue as the external auditors of the entity in the ensuing year.

19 Company Secretary's Certification

Annual Financial Statements for the year ended March 31, 2024

Declaration by the Company Secretary

Trade and Investment KwaZulu-Natal has been operating as a Provincial Public Entity for the year ended 31 March 2024. The Annual Financial Statements (AFS) were prepared on the basis of Generally Recognised Accounting Practice (GRAP).



Ms NM Sajini
Acting Company Secretary

20 Statement of Financial Position as at 31 March 2024

Annual Financial Statements for the year ended March 31, 2024

FIGURES IN RAND	NOTE(S)	31 MARCH 2024	31 MARCH 2023 RESTATED
Assets			
Current Assets			
Receivables from exchange transactions	4	2,745,191	2,316,419
Cash and cash equivalents	5	26,172,892	105,418,745
		28,918,083	**107,735,164**
Non-Current Assets			
Property, plant and equipment	2	6,762,658	7,091,827
Intangible assets	3	27,996	56,759
		6,790,654	**7,148,586**
Total Assets		**35,708,737**	**114,883,750**
Liabilities			
Current Liabilities			
Finance lease obligation	6	183,930	78,722
Payables from exchange transactions	7	16,188,449	92,693,106
Unspent conditional grants and receipts	8	14,476,745	17,991,466
Provisions	26	2,198,411	2,738,571
		33,047,535	**113,501,865**
Non-Current Liabilities			
Finance lease obligation	6	364,317	15,579
Total Liabilities		**33,411,852**	**113,517,444**
Net Assets		**2,296,885**	**1,366,306**
Accumulated Surplus/ (Deficit)		2,296,885	1,366,306

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Statement of Financial Performance for the year ended 31 March 2024

Annual Financial Statements for the year ended March 31, 2024

FIGURES IN RAND	NOTE(S)	31 MARCH 2024	31 MARCH 2023 RESTATED
Revenue			
Revenue from exchange transactions			
Income from principal-agent arrangements	27	1,210,000	-
Other income	9 & 27	490,828	104,445
Interest received - investment	12	1,528,242	931,889
Total revenue from exchange transactions		**3,229,070**	**1,036,334**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies		107,602,404	98,292,886
Total Revenue	9	**110,831,474**	**99,329,220**
Expenditure			
Employee related costs	11	(60,934,898)	(55,611,163)
Depreciation and amortisation	2&3	(1,375,293)	(1,862,212)
Finance costs	13	(21,074)	(38,749)
Other operating expenses	10	(47,533,238)	(45,205,753)
Total expenditure		**(109,864,503)**	**(102,717,877)**
Loss on disposal of assets		(36,392)	-
Surplus/ (Deficit) for the year ended 31 March 2024 / (31 March 2023)		**930,579**	**(3,388,657)**

22 Statement of Changes in Net Assets for the year ended 31 March 2024

Annual Financial Statements for the year ended March 31, 2024

FIGURES IN RAND	ACCUMULATED SURPLUS	TOTAL NET ASSETS
Balance at April 1, 2022 as restated*	**4,428,193**	**4,428,193**
Changes in net assets		
Surplus/(Deficit) for the year ended 31 March 2023	(3,388,657)	(3,388,657)
Total changes	**(3,388,657)**	**(3,388,657)**
Adjustments		
Prior period error adjustment	326,770	326,770
Balance at 01 April 2023	**1,366,306**	**1,366,306**
Changes in net assets		
Surplus/(Deficit) for the year ended 31 March 2024	930,579	930,579
Total Changes	930,579	930,579
Balance at March 31, 2024	**2,296,885**	**2,296,885**

23 Cash Flow Statement for the year ended 31 March 2024

Annual Financial Statements for the year ended March 31, 2024

FIGURES IN RAND	NOTE(S)	31 MARCH 2024	31 MARCH 2023 RESTATED
Cash flows from operating activities			
Receipts			
Government Grants and Subsidies	19	103,597,000	106,216,000
Interest income	9	1,528,242	931,889
Interest and other income for principal-agent account	7	3,022,826	1,188,400
Other receipts	9	490,828	104,445
Receipts from principal-agent arrangements	7	25,227,003	74,565,809
		133,865,899	**183,006,543**
Payments			
Employee costs	11	(61,457,274)	(55,307,201)
Payments to suppliers		(47,604,792)	(58,368,515)
Finance costs	13	(21,074)	(38,749)
Board emoluments and allowances	20	(1,743,389)	(1,860,872)
Payments for principal-agent arrangements		(101,779,718)	(27,120,743)
		(212,606,247)	142 696 080
Net cash flows from operating activities	15	**(78,740,348)**	**40,310,463**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(452,824)	(882,452)
Cash flows from financing activities			
Finance lease liability		(52,681)	(58,285)
Net increase / (decrease) in cash and cash equivalents		**(79,245,853)**	**39,369,726**
Cash and cash equivalents at the beginning of the year		105,418,745	66,049,019
Cash and cash equivalents for the year ended 31 March 2024 (31 March 2023)	5	**26,172,892**	**105,418,745**

24 Statement of Comparison of Budget and Actual Amounts for the year ended 31 March 2024

Annual Financial Statements for the year ended March 31, 2024

Budget on Cash Basis

Figures in Rand	Approved Budget	Adjustments	Final Budget	Actual Amount on comparable Basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Income from principal-agent arrangements	-	1,210,000	1,210,000	1,210,000	-	23
Other income	-	-	-	490,828	490,828	
Interest received - investment	-	-	-	1,528,242	1,528,242	9
Total revenue from exchange transactions	-	**1,210,000**	**1,210,000**	**3,229,070**	**2,019,070**	
Revenue from non-exchange transactions						
Transfer Revenue						
Government Grants and Subsidies	90,116,002	31,963,148	122,079,150	107,602,404	(14,476,746)	9 & 32.1
Total revenue	**90,116,002**	**33,173,148**	**123,289,150**	**110,831,474**	**(12,457,676)**	
Expenditure						
Personnel	(66,785,023)	-	(66,785,023)	(60,934,898)	**5,850,125**	32.2
Travel and Accommodation	(2,720,231)	(210,000)	(2,930,231)	(3,177,816)	**(247,585)**	32.3
Administration and Operational Costs	(17,529,632)	(1,495,682)	(19,025,314)	(22,022,852)	**(2,997,538)**	32.4
Project specific consultancy fees	(821,116)	(31,467,466)	(32,288,582)	(20,676,906)	**11,611,676**	32.5
Depreciation and amortisation	-	-	-	(1,375,293)	**(1,375,293)**	32.4
Marketing and Communication	(1,910,000)	-	(1,910,000)	(1,676,738)	**233,262**	32.6
Capital Costs	(350,000)	-	(350,000)	(1,053,752)	**(703,752)**	32.7
Total expenditure	**(90,116,002)**	**(33,173,148)**	**(123,289,150)**	**(110,918,255)**	**12,370,895**	
Operating Deficit	**-**	**-**	**-**	**(86,781)**	**(86,781)**	
Loss on disposal of assets	-	-	-	(36,392)	(36,392)	
Deficit	**-**	**-**	**-**	**(123,173)**	**(123,173)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**(123,173)**	**(123,173)**	
Reconciliation						
Capital Costs				1,053,752		32,7
Actual Amount in the Statement of Financial Performance				**930,579**		

25 Accounting Policies

Annual Financial Statements for the year ended March 31, 2024

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 55 of the Public Finance Management Act (Act 1 of 1999) as amended. The Annual Financial Statements of the entity have been prepared based on the expectation that the entity will continue to operate as a going concern for the next twelve (12) months.

Presentation Currency

The Annual Financial Statements of the entity are presented in South African Rand, which is the functional currency of the entity.

Accrual Basis

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. The principal accounting policies adopted in the preparation of these Annual Financial Statements are set out below.

Offsetting

Assets and liabilities, revenue and expenses have not been offset, except where offsetting is required or permitted by GRAP.

Comparability

Comparative information represents the results of the financial year ended 31 March 2024 which were presented on the same basis as the previous year. In the preparation of the Annual Financial Statements, the entity has taken into consideration the guidelines, the list of standards and pronouncements in terms of GRAP Reporting Framework.

The following GRAP standards were issued but not adopted by the entity as they do not have any impact on the Annual Financial Statements for the year ended 31 March 2024.

- GRAP 18 Segment reporting
- GRAP 34 Separate Financial Statements
- GRAP 35 Consolidated Financial statements
- GRAP 36 Investments in Associates and Joint Ventures
- GRAP 37 Joint arrangements
- GRAP 38 Disclosure of interests in other entities.
- GRAP 108 Statutory receivables
- GRAP 110 Living and non-living resources
- IGRAP 1 Applying the probability test on initial recognition of revenue
- IGRAP 19 Liabilities to pay levies
- IGRAP 20 Adjustments to revenue

The principal accounting policies adopted in the preparation of these Annual Financial Statements are set out below:

- GRAP 1 Presentation of Financial Statements
- GRAP 2 Cash Flow Statement
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 6 Consolidated and Separate Financial Statements
- GRAP 9 Revenue from Exchange Transactions
- GRAP 13 Leases
- GRAP 14 Events after the Reporting Date
- GRAP 17 Property, Plant and Equipment
- GRAP 19 Provisions, Contingent Liabilities and Contingent Asset
- GRAP 20 Related Party
- GRAP 21 Impairment of non-cash generating asset
- GRAP 23 Revenue from Non-exchange transactions
- GRAP 25 Employees benefits
- GRAP 24 Presentation of budget information
- GRAP 26 Impairment of cash generating assets
- GRAP 31 Intangible Assets
- GRAP 104 Financial Instruments
- GRAP 104 (r) Financial Instruments (revised)
- GRAP 106 Transfer of functions between entities not under common control
- GRAP 109 Accounting by Principals and Agents

These accounting policies are consistent with the previous periods except for the first time adoption of the GRAP Standard.

GRAP Standards Approved But Not Yet Effective

The following GRAP pronouncements have been issued but not yet effective for the year ended 31 March 2024;

(a) GRAP1 on Presentation of Financial Statements (amended 2022) - effective date; to be determined. The entity will be required to disclose the significant assumptions and judgements used in its assessment of going concern.

(b) GRAP103 on Heritage assets (amended) - effective date; to be determined.
No impact as the entity does not have any heritage assets.

(c) GRAP104 on Financial Instruments (amended) - effective date; 1 April 2025.
Unable to reasonably determine at this stage.
(d) GRAP105 on Transfer of Functions between entities under common control (amended) - effective date; to be determined.
According to current information, the amended standard is not expected to have any impact unless there are future changes to the operational structure of the entity.

(e) GRAP106 on Transfer of Functions between entities not under common control (amended) - effective date; to be
determined.
According to current information, the amended standard is not expected to have any impact unless there are future changes to the operational structure of the entity.

(f) GRAP107 on Mergers (amended) - effective date; 1 April 2025.
According to current information, the amended standard is not expected to have any impact unless there are future changes to the operational structure of the entity.

(g) IGRAP22 on Foreign Currency Transactions and Advance Consideration (amended) - effective date; to be determined.
Unable to reasonably determine at this stage.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include:

Trade Receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. The provisions are measured at the present value of the estimated future outflows required to settle the obligation.

Additional disclosure of these estimates of provisions are included in note 26 for Provisions.

Estimation Of Useful Lives Of Tangible And Intangible Assets

The entity's management determines the estimated useful lives and related depreciation and amortisation charges for the tangible and intangible assets based on industry norm as well as the management's estimation of an asset's condition, current use and expected future use.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Initial Recognition

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Initial Measurement

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. The cost of the item is measured reliably after taking into account trade discounts and rebates which are deductible from the initial cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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 de-recognised.

The initial estimate of the costs of dismantling and removing the item and rehabilitation of the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

Subsequent Measurement

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful life of all categories of Property, Plant and Equipment are assessed on an annual basis.

The useful lives of items of property, plant and equipment were assessed at the year ended 31 March 2024.

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 - 13 years
Office equipment	Straight line	5 - 13 years
IT equipment	Straight line	5 - 13 years
Leasehold improvements	Straight line	10 years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each annual reporting date. Where expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential is expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

De-recognition

An item of property, plant and equipment is de recognised when the asset is disposed of or when there are no further future economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in the surplus or deficit when the item is de-recognised. The gain or loss arising from the de-recognition 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.

A finance leased asset is depreciated over the shorter of the leased term and its useful life unless there is reasonable certainty that the lessee will obtain ownership of the asset by the end of the lease term in which case the entity depreciates the asset over its useful life.

In line with the National Treasury Regulations, it is organisational policy to donate items of computer equipment to identified and registered educational institutions.

Leasehold Improvements

Leasehold improvements are defined as permanent improvements constructed or installed on property that is leased under an operating lease or rental agreement. Permanent improvements to lease property are those items that cannot be removed without causing substantial damage to the leased premises such as built in cabinet, wiring, carpeting, flooring and electricity,
etc.

Leasehold improvements are initially recognised at cost.

Subsequent Measurement

The Leasehold improvements are capitalised and amortized over the remaining life of the leased term or the estimated useful life of the improvements.

1.3 INTANGIBLE ASSETS

An asset is identified as an intangible asset when it

- Is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, or
- Arises from contractual rights or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Initial Recognition

An intangible asset is recognised when:

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment loss.

Intangible assets are initially recognised at cost.

Measurement

An intangible asset that is acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer Software	Straight line	3 - 9 years

Intangible assets are de-recognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

Amortisation and Impairment

The amortisation period and the amortisation method for an intangible asset with an finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

1.4 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Initial Recognition and Measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or irrecoverability.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation.

Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

De-recognition

De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price,
  foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest Rate Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity Risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other Price Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - It is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity 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:

Class

- Staff control accounts (travel advances)
- Prepayments
- Deposits
- Other receivables

The entity has the following types of financial liabilities reflected on the face of the Statement of Financial Position and supported by the accompanying disclosure notes thereto:

Class

- Trade payables
- Staff control account
- Accrued expenses
- Finance lease liability
- Leave liability
- Payables from principal-agent arrangements
- 13th Cheque Bonus Accruals

Financial liabilities and financial assets are initially measured at fair value subsequently at,

- amortised cost
- cost depending on their nature

Other Receivables

Other receivables include a combination of deposits for rentals, municipal rates, refunds and staff advances. The deposit amount is insignificant and therefore was not amortised.

Liabilities

Trade liabilities including accrued expenses, staff claims, payables from principal-agent arrangements and the 13th Cheque bonus accruals are expected to be settled within the initial credit period in line with the Government sector norm.

Leave liabilities are expected to be settled at fair value.

Cash And Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with bank(s) including call deposits. Cash equivalents are shortterm highly liquid investments, readily convertible into know amounts of cash that are held with the registered banking institution with maturities of three months or less and are subject to an insignificant risk of change in value.

The entity categorises cash and cash equivalents as financial assets, the closing balance on the bank account is representative of its fair value of the monies held.

Initial recognition

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity 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 entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

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. The carrying amount of the asset is reduced directly or 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, the previously recognised impairment loss is reversed directly or by adjusting an allowance account.

The reversal does 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.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in the Statement of the Financial Performance.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in the Statement of the Financial Performance.

1.5 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 entity assesses the classification of each element separately.

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 corresponding liability to the lessee is included in the Statement of Financial Position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. If it is impractical to determine, the entity will use its incremental borrowing rate.

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 of the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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.

1.6 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
(a) the period of time over which an asset is expected to be used by the entity; or
(b) the number of production or similar units expected to be obtained from the asset by the entity.

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.

Any impairment loss of a revalued non-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 non-cash-generating asset to which it relates, the entity 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.

Reversal of an impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase. After a reversal of an impairment loss is recognised, 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.

1.7 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:
- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered a service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- As a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises 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 contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.8 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

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 entity 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.

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 expenditure for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

1.9 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Recognition

Revenue are recognised when they are realized or realizable, and are earned when goods are transferred or services rendered. Revenue can be recognized in cash or accrued for. The following recognition criteria must be met;

- persuasive evidence of an arrangement must exist,
- delivery must have occurred or services been rendered,
- the price must be fixed or determinable, and
- collectability should be reasonably assured.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.10 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Recognition

Revenue are recognised when they are realized or realizable, and are earned when goods are transferred or services rendered. Revenue can be recognized in cash or accrued for. The following recognition criteria must be met;

- persuasive evidence of an arrangement must exist,
- delivery must have occurred or services been rendered,
- the price must be fixed or determinable, and
- collectability should be reasonably assured.

The amount of revenue must be reasonably measured and the costs of revenue must be reasonably measured.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.11 RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS AND LOANS AND RECEIVABLES

Receivables from exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to other party in exchange.

Receivables from non-exchange transactions are defined as transactions where the entity receives from another entity without directly directly giving approximately equal value in exchange.

Management assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management uses observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Where there is evidence of an impairment loss, the loss is recognised in the surplus or deficit for the year. The impairment is measured as the difference between the debtor's carrying amount and the present value of estimated future cashflows discounted at the effective interest rate, computed at the time of the initial recognition.

Receivables that are settled within a period of twelve (12) months are classified as current trade receivables. Long-term receivables are classified as non-current receivables.

Recognition and measurement

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

1.12 PAYABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Payables from exchange transactions are the ones in which the entity and the supplier receive and sacrifice a consideration of approximate equal value.

Payables relating to non-exchange transaction are the ones in which the entity and the supplier receive and sacrifice a consideration of approximate value without directly giving value in exchange.

Payables are the liabilities that the entity owe to their suppliers as the result of purchasing goods or rendering the services on credit.

Recognition and measurement

Payables are types of current liabilities which are normally paid within one (1) year from the purchasing date. The entity records and recognizes payables at the same time the entity records and recognises the expenses or assets of the same transactions. For the rendering of the services or purchase of goods that immediately pay-off, recording of account payable is not necessary unless it is required by the control of the entity in its accounting system.

In case the payable is expected to be paid more than one (1) year, then the related liabilities are recorded in non-curren liabilities categories.

Accounts payables are the balance sheet items and the recognition of them is the result of the accrual accounting concept. The entity records and recognises accounts payable at the time the entity has legal obligation to pay for the goods or services that have been procured at the agreed amount per contract or invoices.

1.13 INVESTMENT INCOME

Investment income is recognised on a time-proportion basis using the effective interest method. Investment income comprises of interest from deposits placed with a reputable financial institution.

1.14 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 entity 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 entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principalagent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, 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 entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

The entity has the following principal-agent conditional grants dealt with under GRAP 109:

- The dtic One Stop Shop facility marketing funding
- National Department of Tourism (NDT) tourism growth projects funding
- IDC business support funding
- Transnet Port Terminals (TPT) export development funding
- EDTEA floods disaster relief funding
- Department of Small Business Development (DSBD) funding

1.15 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

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

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance for the period concerned after the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -
(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury instruction note no. 4 of 2022/2023 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2022):

For determining whether irregular expenditure occurred, the following must be present:

(a) expenditure incurred in contravention of, or not in accordance with legislation; and
(b) expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position.

Irregular expenditure when incurred and confirmed is recorded in the Annual Financial Statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

(a) irregular expenditure incurred and confirmed in the previous financial year;
(b) irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and

(c) irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

(d) irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

Additional information relating to irregular expenditure under assessment, determination, investigation, narratives, and the process of dealing with the irregular expenditure must be recorded in the annual report.

1.18 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

The entity had the following projects funded on EDTEA Conditional Grants that are disclosed in terms of GRAP 23 on 31 March 2024:

- Technical Assistance Fund (TAF)
- KwaZulu-Natal Growth Coalition
- Clothing and Textile Special Economic Zone
- Customer Relation Management (CRM)
- Aquaculture Projects
- KZN Districts One Stop Shop Rollout Programme
- Drakensberg Cableway project
- Leather Processing Hub
- Lilani Hot Springs

1.19 BUDGET INFORMATION

Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by an entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The budget information is prepared on the cash basis while the Annual Financial Statements are prepared on the accrual basis.

The approved budget covers the fiscal period from 01 April 2023 to 31 March 2024.

The Annual Financial Statements are done on accrual basis and budgets are done on the cash basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.20 RELATED PARTIES

The objective of this Standard is to ensure that a reporting entity's Annual Financial Statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

The Standard requires disclosures of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standards of GRAP on Consolidated Financial Statements (GRAP 35) and Separate Financial Statements.

The entity operates in an economic sector currently dominated by public entities directly or indirectly owned by the South African Government. Related party transactions and outstanding balances within an economic entity are disclosed in an entity's financial statements. Intra-group related party transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements of the economic entity.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. Management holds positions of responsibility within an entity. Members of management are responsible for the strategic direction and operational management of entity and are entrusted with significant authority. Their remuneration may be established by estate or by another body independent of the reporting entity. However, their responsibilities may enable them to influence the benefits of office that flow to them, or their related parties or parties that they represent on the governing body.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by management in their dealings with the entity.

Related parties are disclosed in terms of GRAP 20.

1.21 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity 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.

1.22 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable at significant cost (for example, contracts for computer or building maintenance services); and

- Contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts or social security benefit commitments are not included.

Notes to the Annual Financial Statements for the year ended 31 March 2024

Annual Financial Statements for the year ended March 31, 2024

2. PROPERTY, PLANT AND EQUIPMENT

FIGURES IN RAND	31 MARCH 2024			31 MARCH 2023 RESTATED		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Furniture and fixtures	1,933,078	(1,272,590)	660,488	1,869,437	(1,112,588)	756,849
Office equipment	1,763,374	(761,279)	1,002,095	1,304,260	(786,204)	518,056
IT equipment	2,990,456	(1,641,307)	1,349,149	2,887,047	(1,254,363)	1,632,684
Leasehold improvements	8,774,192	(5,023,266)	3,750,926	8,774,192	(4,589,954)	4,184,238
TOTAL	**15,461,100**	**(8,698,442)**	**6,762,658**	**14,834,936**	**(7,743,109)**	**7,091,827**

Reconciliation of property, plant and equipment - 31 March 2024

	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	CLOSING BALANCE
Furniture and fixtures	756,849	70,768	-	(167,129)	660,488
Office equipment	518,056	747,162	(10,767)	(252,356)	1,002,095
IT equipment	1,632,683	235,822	(25,625)	(493,731)	1,349,149
Leasehold improvements	4,184,239	-	-	(433,313)	3,750,926
	7,091,827	**1,053,752**	**(36,392)**	**(1,346,529)**	**6,762,658**

Reconciliation of property, plant and equipment - 31 March 2023

	OPENING BALANCE (RESTATED)	ADDITIONS	DISPOSALS	DEPRECIATION	CLOSING BALANCE
Furniture and fixtures	914,234	24,150	45,883	(227,418)	756,849
Office equipment	547,278	41,358	145,173	(215,753)	518,056
IT equipment	1,153,504	816,944	130,977	(468,742)	1,632,683
Leasehold improvements	5,087,403	-	-	(903,164)	4,184,239
	7,702,419	**882,452**	**322,033**	**(1,815,077)**	**7,091,827**

In the year ended 31 March 2024 the entity undertook an assessment of the useful lives of the assets, a period error adjustment to Property, Plant and Equipment was made from the result of the assessment of the useful lives.

There were no repairs and maintenance expenses incurred for Property, Plant and Equipment (PPE) for the year ended 31 March 2024 (31 March 2023: Nil).

During the financial year, the entity acquired capital assets of R1 053 752. A notable portion of this amount was attributed to the acquisition of multi-functional office machines that were funded through finance lease arrangements of R600 928. Notably, this figure represents the initial recognition cost of these assets in accordance with GRAP13, reflecting the present value of future minimum lease payments.

A value of R36 392 IT equipment relating to laptops was written off as disposals due to theft.

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023 RESTATED
Carrying amounts for the finance leased assets at 31 March 2024		
Xerox AltaLink C8155 (5 multi-functional copiers in Durban Office)	482,633	-
Xerox VersaLink C7120 (1 multi-functional copier in Gauteng Office)	56,779	-
Xerox AltaLink C08035 (5 multi-functional copiers in Durban Office)	-	33,290
	539,412	**33,290**

3. INTANGIBLE ASSETS

	31 MARCH 2024			31 MARCH 2023 RESTATED		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Computer software, other	89, 143	(61,147)	27,996	89,143	(32,384)	56,759

Reconciliation of intangible assets - 31 March 2024

	OPENING BALANCE	AMORTISATION	CLOSING BALANCE
Computer software, other	**56,759**	**(28,763)**	**27,996**

Reconciliation of intangible assets - 31 March 2023

	RESTATED OPENING BALANCE	PRIOR PERIOD ERROR ADJUSTMENT	AMORTISATION	CLOSING BALANCE
Computer software, other	**99,156**	**4,737**	**(47,134)**	**56,759**

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023 RESTATED
Prepayments	2,109,668	1,528,926
Deposits	452,310	452,310
Other receivables	183,213	335,183
	2,745,191	**2,316,419**

Receivables from exchange transactions comprise prepayments from subscriptions and municipal deposits balances that were owing to the entity at 31 March 2024. Benefits from other receivables and prepayments are expected to be realised in less than one (1) year from the date under review. Municipal deposits would be expected to be refunded by the landlord upon the termination of the lease agreements for both Durban and Gauteng administration offices.

5. CASH AND CASH EQUIVALENTS

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023 RESTATED
For the year ended 31 March 2024 cash and cash equivalents consisted of:		
Cash on hand	1,406	4,683
Standard Bank Account (Main Bank)	22,375,491	31,024,657
Standard Bank Account (IDC flood relief fund)	230,614	89,107
Standard Bank Account (Main bank - NDT Tourism Projects)	896,008	5,792,336
Standard Bank Account (TAF)	230,231	512,280
Standard Bank Account (EDTEA floods relief fund)	2,439,142	67,995,682
	26,172,892	**105,418,745**

STANDARD BANK ACCOUNT (PRELIMINARY, DEPOSITS AND SHORT-TERM INTEREST BEARING ACCOUNTS)

Opening Balance (cash and cash equivalents)	31,024,657	40,882,995
Government Grants and Subsidies for the year ended 31 March 2024 / (31 March 2023)	103,597,000	106,216,000
Grants for principal-agent arrangements	4,461,733	4,333,333
Interest and other income	1,528,242	1,036,334
Other receipts (receivables, refunds and petty cash)	492,234	17,631
Payments for the year ended 31 March 2024 (31 March 2023)	(118,726,969)	(121,461,636)
	22,376,897	**31,024,657**

STANDARD BANK ACCOUNT (TECHNICAL ASSISTANCE FUND)

Opening balance (cash and cash equivalents)	512,280	1,763,475
Payments for the period /year including transfers	(282,049)	(1,251,195)
	230,231	**512,280**

STANDARD BANK ACCOUNT (NDT TOURISM PROJECTS)

Opening balance (cash and cash equivalents)	5,792,336	23,205,257
Government grant received	10,765,270	2,732,476
Other receipts included interests, transfers and other income for the year ended 31 March 2024 (31 March 2023)	60,314	692,495
Payments for the year ended 31 Mach 2024 (31 March 2023)	(15,721,912)	(20,837,892)
	896,008	**5,792,336**

STANDARD BANK ACCOUNT (IDC FLOODS RELIEF FUND)

Opening balance (cash and cash equivalents)	89,107	197,292
Grant received including transfers	10,000,000	10,000,000
Other receipts (interest and refunds) for the year ended 31 March 2024	115,716	-
Payments for the year ended 31 March 2024 (31 March 2023)	(9,974,209)	(10,108,185)
	230,164	**89,107**

STANDARD BANK ACCOUNT (EDTEA FLOODS RELIEF FUND)

Opening balance (cash and cash equivalents)	67,995,682	-
Grant received including transfers	-	67,500,000
Other receipts included interests, transfers and other income for the year ended 31 March 2024 (31 March 2023)	2,871,796	495,904
Payments for the year ended 31 March 2024 (31 March 2023)	(68,428,336)	(222)
	2,439,142	**67,995,682**

In the year ended 31 March 2024, a total of ten (10) bank accounts were held by the entity with Standard Bank of South Africa, these accounts were primarily used for day to day transactions such as payment of suppliers' accounts, monthly staff salaries, interest earnings from short-term interest bearing accounts, payment of expenses for tourism growth projects, payment of business propositions expenses, disbursements of floods and unrest relief funds.

6. FINANCE LEASE OBLIGATION

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Minimum lease payments due		
- within one year	238,653	97,034
- in second to fifth year inclusive	403,551	16,173
	642,204	113,207
less: future finance charges	(93,957)	(18,906)
Present value of minimum lease payments	**548,247**	**94,301**
Present value of minimum lease payments due		
- within one year	183,930	78,721
- in second to fifth year inclusive	364,317	15,580
	548,247	**94,301**
- within one year	364,317	15,579
- in second to fifth year inclusive	183,930	78,722
	548,247	**94,301**

During the 2023/2024 financial year, the entity entered into finance lease arrangements for photocopiers which have been recognised in accordance with GRAP13 at acquisition date. The minimum lease payments have been discounted using an incremental borrowing rate at 11.75% p.a. After the initial lease period of 36 months, all leases have an option to extend until 31 March 2028 at zero rentals.

7. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	1,608,567	71,402
Staff Claims	5,677	723
Accrued expense	1,159,214	3,437,248
Leave Liability	4,444,769	4,967,146
Payables from principal-agent arrangements	8,457,726	83,693,295
13th Cheque Bonus Accruals	512,496	523,292
	16,188,449	**92,693,106**

The following balances were settled within 30 days after the year ended 31 March 2024.

Accounts settled within 30 days

Trade payable and staff claims	**1,614,244**	**72,125**

Payables from principal-agent arrangements

Total closing balances for payables from principal-agent arrangement for the year ended 31 March 2024 were recorded at R8 457 726.

Department of Trade, Industry and Competition (the dtic)	4,164,221	3,980,592
National Department of Tourism (NDT)	-	9,370,236
Transnet Port Terminals (TPT)	1,763,873	2,255,885
Industrial Development Corporations (IDC)	131,309	90,900
Department of Economic Development, Tourism and Environmental Affairs (EDTEA)	2,314,727	67,995,682
Department of Small Business Development (DSBD)	83,596	-
	8,457,726	**83,693,295**

Detailed analysis of principal-agent arrangements accounts.

7. PAYABLES FROM EXCHANGE TRANSACTIONS (continued)

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Department of Trade Industry and Competition (dtic)		
Opening balance	3,980,592	3,101,810
Grants received under principal-agent arrangements	2,000,000	2,000,000
Expenses for the principal-agent account	(1,816,371)	(1,121,218)
	4,164,221	**3,980,592**
National Department of Tourism (NDT)		
Opening balance	9,370,236	23,115,145
Grants received under principal-agent arrangements	10,765,270	2,732,476
Expenses for the principal-agent account	(20,195,820)	(17,169,880)
Interest received for the principal-agent account	60,314	692,495
	-	**9,370,236**
Transnet Port Terminals (TPT)		
Opening balance	2,255,885	1,555,315
Grants received under principal-agent arrangements	2,333,333	2,333,333
Expenses for the principal-agent account	(2,615,345)	(1,632,763)
Agent administrative fee	(210,000)	-
	1,763,873	**2,255,885**
Industrial Development Corporation (IDC)		
Opening balance	90,900	7,287,559
Grant received under principal-agent arrangements	10,000,000	-
Expenses for the principal-agent account	(9,070,307)	(7,196,659)
Agent administrative fee -	(1,000,000)	-
Interest received for the principal-agent account	110,716	-
	131,309	**90,900**
Department of Economic Development, Tourism and Environmental Affairs (EDTEA)		
Opening balance	67,995,682	-
Grants received under principal-agent arrangements	-	67,500,000
Expenses for the principal-agent account	(68,037,069)	(222)
Interest amount approved for TIKZN operations	(495,682)	-
Interest received for the principal-agent account	2,851,796	495,904
	2,314,727	**67,995,682**
Department of Small Business Development		
Grants received under principal-agent arrangements 128,400 -	128,400	-
Expenses for the principal-agent account	(44,804)	-
	83,596	**-**

(a) Department of Trade Industry and Competition (dtic)

To streamline foreign direct investment processes and alleviate administrative burdens, the entity and the department established a contractual working arrangement. This initiative led to the creation of a One Stop Shop facility, serving as an intergovernmental clearing house to address common challenges faced by investors. The dtic committed to funding TIKZN for the establishment, operation and marketing of the facility.

As of 31 March 2024, a payable balance of R4 164 221 (31 March 2023: R3 980 592) remained from the principal-agent arrangements with dtic.

During the financial year, the entity received an additional R2 000 000 to fund the operational requirements of the One Stop Shop. An amount of R1 816 371 was spent on marketing campaigns associated with government integrated functions of the facility such as business integration and regulatory compliance. The integrated activities of the One Stop Shop are outlined in the binding agreement signed in the 2017/18 financial year.

(b) National Department of Tourism (NDT)

The fund's primary objective is to facilitate the rehabilitation of identified tourism sites in KwaZulu-Natal and implement the tourism hospitality skills programme. Through a binding agreement in 2018/19, the entity was appointed to act as an agent on behalf of NDT to fulfill this objective

During the financial year, an additional R10 765 270 was received by the entity to fund the continuing construction projects for Lilani Hotsprings and Bhanga Nek tourism site situated in KZN Midlands. All available funds were fully utilised for the completion of these projects, resulting in a total expenditure of R20 195 820 during the financial year. Additionally, the fund generated total interest of R60 314.

The binding agreement with NDT is deemed to meet all terms and conditions outlined in GRAP109 for accounting of principal and agent transactions.

(c) Transnet Port Terminals (TPT)

TPT and TIKZN entered into a binding agreement wherein the entity would oversee an exporter development programme targeted at designated and identified groups, including emerging black, youth, women, and persons with disabilities export enterprises. The primary objective of the fund is to offer export development and promotional support to ten identified and approved companies over a three-year period. A budget of R7 000 000 was allocated for this purpose, equating to R2 333 333 per annum. The final tranche was received during the financial year, with total expenditure of R2 615 345 incurred by the entity for this initiative.

Additionally, an amount of R210 000 was paid to the entity as an administrative fee in terms of the export promotion funding agreement in place with TPT.

(d) Industrial Development Corporation (IDC)

In the preceding two financial years, IDC collaborated with TIKZN to manage the disbursement of funds to businesses affected by the unrest and looting in Gauteng and KZN in July 2021. IDC appointed TIKZN as an implementing agent to efficiently provide funding services to the affected traders.

Building on the success of this partnership, TIKZN received additional support funding of R10 000 000 in the current financial year. The primary purpose of this fund was to assist businesses impacted by the floods that struck KZN during the 2022/2023 fiscal year.

A total amount of R9 070 307 was disbursed to selected and approved beneficiaries, primarily in the informal business sector, to aid in their recovery.

In consideration of the services rendered, the entity claimed an administration fee of R1 000 000 from the allocated R10 000 000 in terms of the binding agreement. Additionally, the fund generated interest of R110 716 in the entity's short-term deposit account on behalf of the principal.

(e) EDTEA Floods Disaster Fund

In response to the President's declaration of disaster in KZN following the floods in April 2022, the Department of Economic Development, Tourism, and Environmental Affairs (EDTEA) appointed the entity as an official inward investment promotion agency to facilitate the resuscitation of businesses that were affected. An amount of R67 500 000 was advanced to the entity in the last quarter of the prior financial year to manage and disburse relief funds to the affected businesses. As part of its rollover application to Provincial Treasury, the entity was permitted to retain and transfer prior accrued interest of R495 904 towards operational requirements in the new year.

During the financial year ended 31 March 2024, the entity fully disbursed a total amount of R68 037 069 to approved beneficiaries to aid in the restoration of their businesses. This total disbursed amount included project implementation costs and media publication expenses to create awareness. An interest of R2 851 796 was generated from the fund.

The binding agreement with EDTEA is deemed to meet all terms and conditions outlined in GRAP109 for accounting of principal and agent transactions.

(f) Department of Small Business Development (DSBD)

The DSBD fund aims to support the audio visual, visual art, craft and design industries which suffered economic decline due the COVID-19 pandemic. In the current financial year, the entity was appointed as a qualifying institution to administer the Craft Customised Sector Programme on behalf of DSBD for a five-year period. During the financial year, the entity received thirty percent of its allocated funding of R128 400. Expenditure totaling R44 805 was incurred by the entity in accordance with the agreement's terms.

8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Technical Assistance Fund (TAF)	230,231	512,280
Lilani Hot Springs	-	2,469,885
Kwazulu-natal Growth Coalition Fund	-	-
Customer Relations Management (CRM)	1,000,0000	-
Clothing And Textile Special Economic Zones	-	-
One Stop Shop	696,761	262,536
Leather Processing Hub	8,536,515	9,902,064
Aquaculture Project	23,630	643,480
Global Business Services Conference	-	-
Competitiveness Export Enhancement Programme	-	-
Smme And Co-operatives Technical Support Programme	-	-
Drakensberg Cable Car	3,989,607	4,201,221
	14,476,744	**17,991,466**

The opening balances for unspent conditional grants and receipts for the period ended 31 March 2024 were included in the rollover request submitted to EDTEA and Treasury for KwaZulu-Natal provincial government.

Technical Assistance Fund (TAF)

Opening balance	512,280	1,763,475
Less expenses incurred for the year	(282,049)	(1,251,195)
	230,231	**512,280**

Lilani Hot Springs

Opening balance	2,469,885	-
Conditional grant received	-	5,000,000
Less expenses incurred for the year	(2,469,885)	(2,530,115)
	-	**2,469,885**

Growth Coalition

Conditional grant received	3,000,000	3,000,000
Less expenses incurred for the year	(3,000,000)	(2,795,628)
Transferred to income	-	(204,372)
	-	**-**

Customer Relationship Management (CRM)

Conditional grant received	1,000,000	**-**

Clothing and Textile Special Economic Zones

Opening Balance	-	349,425
Conditional grant received	8,000,000	-
Less expenses incurred for the year	(8,000,000)	(349,425)
	-	**-**

KZN District Rollout Programme (One Stop Shop)

Opening Balance	262,536	1,000,000
Conditional grant received	1,000,000	-
Less expenses incurred for the year	(565,775)	(737,464)
	696,761	**262,536**

8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS (continued)

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Leather Processing Hub		
Opening Balance	9,902,064	5,000,000
Conditional grant received	-	5,000,000
Less expenses incurred for the year	(1,365,549)	(97,936)
	8,536,515	**9,902,064**
Aquaculture Project		
Opening Balance	643,480	1,093,245
Less expenses incurred for the year	(619,850)	(449,765)
	23,630	**643,480**
Development of Local Economy (Global Business Services Conference)		
Opening Balance	-	766,335
Conditional grant received	-	1,000,000
Less expenses incurred for the year	-	(1,766,335)
	-	**-**
Competitiveness Export Enhancement Programme		
Opening balance	-	1,620,000
Refunds from suppliers	-	380,000
Less expenses incurred for the year	-	(2,000,000)
	-	**-**
Competitiveness Export Enhancement Programme		
Opening balance	-	500,000
Less expenses incurred for the year	-	(491,050)
Amount transferred to the operating expenses	-	(8,950)
	-	**-**
Drakensberg Cable Car		
Opening balance	4,201,221	2,984,821
Conditional grant received	-	1,400,000
Less expenses incurred for the year	(211,614)	(183,600)
	3,989,607	**4,201,221**
World Route Airline Activation		
Conditional grant received	800,000	-
Less expenses incurred for the year	(800,000)	-
	-	**-**

Unspent Conditional grants and receipts

(a) Technical Assistance Fund (TAF)

The purpose of the TAF fund is to provide crucial support to project promoters in preparing and packaging their projects to meet the necessary quality standards required for accessing funding from major financial institutions. The fund has proven beneficial, as several funded projects have progressed closer to operational stages, with some already operational.

Expenditure for the financial year in this regard amounted to R282 049. The remaining balance of R230 231 was recognized as an unspent conditional grant for the year ended 31 March 2024.

8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS (continued)

(b) Lilani Hot Springs

In the prior financial year, the entity received a lump sum of R5 000 000 in financial support from EDTEA to cover expenses related to project expenditure overruns. These overruns were attributed to the Lilani Hot Springs rehabilitation project, located between Greytown and Kranskop in KZN, originally funded by the National Department of Tourism (NDT). During the financial year, the entity incurred R2 469 885 expenditure on related construction and rehabilitation costs. The total allocation for this project was fully expended at year end.

(c) KwaZulu-Natal Growth Coalition Fund

The entity received R3 000 000 in funding from EDTEA to spearhead and facilitate robust discussions within the business community regarding environmental challenges and potential solutions. The overarching goal of this coalition is to cultivate business stability by effectively addressing industrial conflicts, mitigating business disruptions, and combating illegal site invasions across KZN.

This initiative aims to engage stakeholders from diverse sectors, including property developers, tourism operators, investment agencies, ICT, and other industry leaders, fostering collaboration and collective action towards overcoming shared challenges.

Expenditure of R3 000 000 was incurred by the entity to advance the objectives of the KZN Growth Coalition during the financial period.

(d) Customer Relationship Management (CRM)

EDTEA allocated R1 000 000 to the entity to implement a CRM system aimed at effectively managing investor relationships through systematic storage of their information. The fund's purpose is to develop a central investor database to improve data management and facilitate future engagements. The CRM system will integrate seamlessly with the entity's organisational processes thus streamlining operations and improving efficiency.

As of 31 March 2024, the program to develop the CRM database was still in progress and not finalized.

(e) Clothing and Textile Special Economic Zones

KZN currently boasts two Special Economic Zones (i.e. Dube Trade Port and Richards Bay IDZ), situated in eThekwini and Richards Bay respectively. Recognising the potential for further economic growth, the province has resolved to establish a new SEZ dedicated to the Clothing and Textile sector. The vision is to stimulate growth and revitalize the Clothing and Textile industry in the province.

To kickstart this initiative, EDTEA through TIKZN has commissioned a comprehensive business case for the establishment of a Clothing and Textile SEZ at the Ithala Industrial Estate located in Ezakheni Township, outside Ladysmith. As a result of this initiative, an allocation of R8 000 000 has been made to the entity within the current financial period.

The allocated funds were fully utilised during the financial year, demonstrating the entity's commitment to fostering economic development and creating opportunities within the Clothing and Textile sector.

(f) One Stop Shop

During the financial year, an amount of R1 000 000 was received from EDTEA as a conditional grant contribution to support the integrated services of the One Stop Shop. This allocation was designated for the rollout of governmental integrated services across three district municipalities.

The entity utilised and expensed R566 775 towards this initiative. The remaining unspent amount of R696 761 has been earmarked for utilisation in the 2024/2025 financial year as the programme for other identified district municipalities was not finalised at year end.

(g) Leather Processing Hub

A total allocation of R10 000 000 was provided to the entity by EDTEA in prior periods to support a turnkey development project for an integrated Eco-Park located in the Mbali area of Pietermaritzburg. The main purpose of this funding is to establish both a leather processing and training incubation facility, as well as a biomass factory.

In December 2022, a service provider was appointed and tasked with developing a comprehensive program spanning from conceptualization of the project to its final implementation. The duration of the project has been set for 36 months ending in the 2024/2025 financial period.

During the current financial year, an amount of R1 365 549 was expended for the project's intended purposes.

(h) Aquaculture projects

This initiative was launched upon recognizing the economic potential of the aquaculture and fish farming sector in KZN. These projects aim to enhance food security, promote exports and generate sustainable employment opportunities. During the year, expenditure of R619 850 was incurred towards this initiative with a remaining unspent portion of R23 630.

(i) Development of local economy

The grant allocations were fully utilised and fulfilled in the prior financial year in accordance with the terms of the agreements.

(j) Competitiveness Export Enhancement Programme

The grant allocations were fully utilised and fulfilled in the prior financial year in accordance with the terms of the agreements.

(k) SMME & Cooperative Technical Support Programme

The grant allocations were fully utilised and fulfilled in the prior financial year in accordance with the terms of the agreements.

(l) Drakensberg Cable Way

EDTEA initially approved and distributed R3 000 000 to the entity to facilitate an environmental impact assessment study for the proposed erection of a cableway in the Drakensberg region.

The allocated funds are intended to ensure compliance with environmental regulations, assess relevant environmental issues and propose mitigation measures in the assessment report to be submitted to the Competent Authority for review. Due to the site's location in the buffer zone of the Ukhahlamba World Heritage, extensive engagements with key stakeholders, authorities and affected communities is required. This reflects the high environmental sensitivity of the project.

In response to rising project cost estimations, an additional R1 400 000 was provided by EDTEA to the entity in the prior financial period. In the current financial year, the entity recorded total expenditure of R211 614, primarily for advertising invitations for bid proposals from interested service providers and facilitating project-related activities. At year end, the project was in the process of finalising the appointment of a preferred service provider to conduct additional studies (i.e. geo-technical and weather studies) as precursory steps to inform the environmental impact assessment.

(m) World Route Airline Activation

In the current financial year, EDTEA allocated R800 000 to the entity to spearhead the implementation of the World Routes and Turkey in-country activations. This initiative aims to bolster air connectivity, aligning with the broader World Route development initiative known as Durban Direct. Leveraging its expertise in World Route activities, the entity was appointed as the primary co-ordinator to procure a World Route Exhibition stand, secure meetings with airlines and manage branding efforts. At year end, the entity fully expended the allocated funds towards this initiative.

9. REVENUE

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Income from principal-agent arrangements	1,210,000	-
Other income	490,828	104,445
Interest received - investment	1,528,242	931,889
Government Grants and Subsidies	107,602,404	98,292,886
	110,831,474	**99,329,220**

The amount included in revenue arising from exchanges of goods or services are as follows:

Income from principal-agent arrangements	1,210,000	-
Other income	490,828	104,445
Interest received - investment	1,528,242	931,889
	3,229,070	**1,036,334**

9. REVENUE (continued)

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
The government grants and subsidies amount included in the total revenue amount arise from the non-exchange transactions as follows		
Export Competitiveness Programme	-	2,000,000
Clothing, Textile and Economic Zones	8,000,000	349,425
Development of local economy (Global Business Services Conference)	-	1,766,335
Drakensberg Cableway Project	211,614	183,600
Technical Assistance Fund (TAF)	282,049	1,251,195
Main operating grant	89,792,000	85,436,000
KwaZulu-Natal Growth Coalition	3,000,000	3,000,000
Aquaculture projects	619,850	449,765
One Stop Shop marketing campaigns	565,775	737,464
Leather Processing Hub	1,365,549	97,936
SMME & Co-operatives Technical Support	-	491,050
Lilani Hot Spring Tourism Programme Fund	2,469,885	2,530,116
World Route Airline Activation	800,000	-
Approved rollover of interest to fund operations	495,682	-
	107,602,404	**98,292,886**

10. OTHER OPERATING EXPENSES

Advertising, Marketing and Communication costs - domestic	1,676,738	3,706,475
Auditors remuneration	3,446,830	2,637,273
Bank charges	57,331	121,354
Cleaning and garden services	394,640	227,225
Computer expenses	834,841	1,978,019
Professional fees	20,676,906	9,944,438
Consumables	108,351	109,612
Lease rentals on operating lease	5,689,706	5,634,514
Refreshments for external meetings	39,910	60,440
Recruitment costs	63,468	498,063
Export training and exhibition costs	159,902	1,201,533
Insurance	645,677	732,951
Conferences and seminars	83,113	257,657
IT expenses	139,037	265,746
Repairs and maintenance	280,333	280,231
Promotions and sponsorships	962,586	740,693
Board emoluments and allowances	1,743,389	1,860,872
Board training and other costs	226,952	157,844
Board travel and accommodation	443,787	229,047
Postage and courier	13,450	14,703
Printing and stationery	119,150	330,843
Security for office premises	453,061	403,908
Staff welfare	162,343	186,561
Subscriptions and membership fees	2,973,688	2,567,795
Telephone and fax	345,984	681,727
Training	1,108,720	649,720
Travel - local	3,186,955	3,589,502
Advertising, Marketing and Communication costs - international	523,169	1,944,668
Water and electricity	973,221	798,690
Financial aid to distressed businesses	-	3,393,649
	47,533,238	**45,205,753**

11. Employee related costs

Basic Salaries	36,461,882	34,185,608
Medical aid - company contributions	1,054,530	1,013,794
Unemployment Insurance Fund	255,216	237,412
Workmen`s compensation contribution	69,604	60,451
Skills Development Levy	519,423	459,408
Leave pay provision charge	(522,376)	303,960
Pension Fund contributions	8,233,663	7,326,596
PAYE	14,862,956	12,023,934
	60,934,898	**55,611,163**

11. Employee related costs (continued)

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Number of employees (57 permanent employees and 11 employees under internship programme (31 March 2023: 57 permanent employees, 1 fixed-term contract employee and 12 employees under internship programme)	68	70

The entity has a Defined Contribution Plan with Alexander Forbes, employees contribute a minimum of 7,5% and the employer contributes 13,065% for the year ended 31 March 2024 (31 March 2023: R7 326 596) Trade and Investment KwaZulu-Natal made contributions as follows.

Pension contributions	7,457,754	6,640,333
Group life and disability	456,323	402,833
Funeral and Administration costs	319,586	283,430
	8,233,663	**7,326,596**

Trade and Investment KwaZulu-Natal made pension contributions, life cover, disability, funeral and administration contributions for its Executive Managers for the period ended 31 March 2024.

EXECUTIVE MANAGERS CONTRIBUTIONS - 31 MARCH 2024	PENSION CONTRIBUTION	GROUP LIFE AND DISABILITY	FUNERAL AND ADMINISTRATION	TOTAL
NST Matjie (contract ended on 30 September 2023)	219,282	13,577	9,505	242,364
Z Msomi (resigned on 31 July 2023)	95,097	5,888	4,123	105,108
TO Galelekile	268,437	16,620	11,639	296,696
C Moodley	267,419	16,524	11,595	295,538
X Cele (appointed as ACFO on 01 August 2023)	122,304	7,572	5,305	135,181
RN Ngcamu (appointed as ACEO on 01 October 2023)	267,419	16,557	11,595	295,571
MS Dlamini (appointed on 01 May 2023)	251,601	14,416	10,095	276,112
IS Hlongwana (appointed as A-Exec. Manager on 01 October 2023)	107,546	6,659	4,665	118,870
	1,599,105	**97,813**	**68,522**	**1,765,440**

Trade and Investment KwaZulu-Natal made pension contributions for its Executive Managers for the financial year ended 31 March 2023 as follows;

EXECUTIVE MANAGERS CONTRIBUTIONS - 31 MARCH 2023	PENSION CONTRIBUTION	GROUP LIFE AND DISABILITY	FUNERAL AND ADMINISTRATION	TOTAL
NST Matjie	412,766	25,557	17,903	456,226
Z Msomi	268,509	16,625	11,646	296,780
TO Galelekile	252,647	15,643	10,958	279,248
C Moodley	251,688	15,583	10,916	278,187
RN Ngcamu	251,688	15,583	10,916	278,187
	1,437,298	**88,991**	**62,339**	**1,588,628**

12. INVESTMENT REVENUE

Interest revenue		
Bank	1,528,242	931,889

Interest received from the entity's short term investment account held with Standard Bank of South Africa

13. FINANCE COSTS

Finance Lease Costs	21,074	38,749

14. AUDITORS' FEES

Fees	3,446,830	2,637,273

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023

15. CASH GENERATED FROM OPERATIONS

Surplus / (Deficit)	930,579	(3,388,657)
Adjustments for:		
Depreciation and amortisation	1,375,293	1,862,212
Loss on disposal of assets	36,392	-
Previous finance lease liability adjustment	(94,301)	-
Movements in provisions	(540,161)	228,067
Changes in working capital:		
Receivables from exchange transactions	(428,773)	347,092
Payables from exchange transactions	(76,504,656)	38,347,586
Unspent conditional grants and receipts	(3,514,721)	2,914,163
	(78,740,348)	**40,310,463**

16. OPERATING LEASE

Total Operating lease		
- Within one year	5,397,435	1,811,277
- In second to fifth year inclusive	12,843,825	1,102,609
	18,241,260	**2,913,886**

Kingsmead Investment (Pty) Ltd		
- Minimum payment within one year	4,941,183	1,355,025
- In second to fifth year inclusive	12,197,468	-
	17,138,651	**1,355,025**

Friedshelf 385 cc		
- Minimum payment within one year	456,252	456,252
- In second to fifth year inclusive	646,357	1,102,609
	1,102,609	**1,558,861**

(1) Kingsmead Investment (Pty) Ltd

The term of the lease came to an end on 30 June 2022 at which the entity undertook to extend the lease term by a further one (1) year until 30 June 2023 with the benefit of about 4.5% reduction in the square meterage rate. After consideration of benefits of the lease and the reduction in lease costs offered by the landlord, the lease term was subsequently extended to 30 June 2027. The lease agreement for Durban administration offices was therefore renewed with the revised terms and conditions of the lease for a further period of four (4) years with the existing landlord, namely Kingsmead Investment (Pty) Ltd.

(2) Friedshelf 385 cc

The entity has a lease agreement in place for its Gauteng satellite offices with the company called Friedshelf 385 CC. This lease was renewed in the 2021/2022 financial year for further period of 5 years. The Gauteng office was established to target investors based in Gauteng Province but wanted to invest in KwaZulu-Natal. The landlord agreed not to increase rental costs by an inflationary escalation rate for the duration of the lease term.

17. COMMITMENTS - TRADE AND INVESTMENT KWAZULU-NATAL MAIN ACTIVITIES

Operational Commitments	**17,696,839**	**25,597,153**

18. COMMITMENTS - TECHNICAL ASSISTANCE FUNDS

On 31 March 2024, the total value of the approved TAF projects since the inception of the fund was R16 072 487 (31 March 2023: R15 418 152) and an amount of R15 621 354 (31 March 2023: R15 089 734) was disbursed since the inception. The total commitment relating to this fund for the year ended 31 March 2024 was R451 133 (31 March 2023: R328 418).

19. RELATED PARTIES

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Related party transactions		
Income received from related parties		
Department of Economic Development, Tourism and Environmental Affairs (EDTEA)	103,597,000	173,716,000
Income received from related parties		
KZN Tourism Authority	-	(500,000)
Department of Economic Development, Tourism and Environmental Affairs (EDTEA)	-	(5,000,000)
Ithala SOC Limited	(79,916)	-
Accounts payable balances with related parties		
Department of Economic, Tourism and Environmental Affairs (EDTEA)	(14,481,744)	(17,991,466)

Department of Economic Development, Tourism and Environmental Affairs (EDTEA)

EDTEA is the sole shareholder of Trade and Investment KwaZulu-Natal (TIKZN) as Schedule 3C Public Entity. The entity was approved by EDTEA for funding related to the entity's operational requirements and other conditional funding to pursue specific projects aimed at developing and promoting the economy of the Province of KwaZulu-Natal.

During the year ended on 31 March 2024, a total amount of R103 597 000 was received from the sole shareholder (EDTEA) as follows;

(a) operating purposes (R89 797 000),
(b) Customer Relationship Management (R1 000 000)
(c) Clothing and Textile Special Economic Zones (R8 000 000)
(d) KZN Growth Coalition Fund (R3 000 000)
(e) One Stop Shop (R1 000 000)
(f) World Route Airline Activation (R800 000)

At 31 March 2024, it was discovered that the entity was overpaid by EDTEA with an amount of R5 000 which was over and above the prescribed total funding for the year. This amount was recognised as owing to the Shareholder at year ended 31 March 2024. A total amount of R14 476 744 from conditional grants was recognised as owing to the Shareholder at year end.

Ithala SOC Limited

An amount of R79 916 related to brokerage services offered by Ithal Development Finance Corporation to provide for indemnity insurance for Senior Executive and Non-Executive Members of the entity. These services were paid for by the entity in the year ended 31 March 2024.

Ithala Development Corporation Limited is one of the entities in the group of entities that are under the control of the Provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA).

KZN Tourism Authority

KZN Tourism Authority is one of the entities in the group that are funded and controlled by EDTEA. Trade and Investment KZN (TIKZN) is a member of the same group of entities that are controlled and funded by EDTEA.

In the prior financial year which ended 31 March 2023, TIKZN partnered with Tourism KwaZulu-Natal (TKZN) in promoting the Durban July 2022 horse racing event, which attracted strategic KZN stakeholders. An amount of R500 000 was spent in the same event.

Key Management Personnel

Transactions with key management personnel are disclosed in note 20 of the Annual Financial Statements.

Other entities controlled by EDTEA

Trade and Investment KwaZulu-Natal is a member of a group of entities controlled by EDTEA. The following entities are related parties as defined in terms of paragraph 10 (b) (i) of GRAP 20 as they are all controlled by EDTEA.

- KZN Tourism Authority
- KZN Liquor Authority
- KZN Sharks Board
- KZN Growth Fund
- Dube Trade Port Corporation
- Richards Bay IDZ
- Moses Kotane Institute
- KZN Film Commission
- Ithala Development Finance Corporation
- KZN Ezemvelo Wildlife
- KwaZulu-Natal Gaming and Betting Board
- Ithala SOC Limited

20. Non-Executive Directors' emoluments and Executive Managers' remunerations

Members of the Board were paid a total amount of R1 743 389 in Board fees and travel allowances for the year ended 31 March 2024 (31 March 2023: R1 860 872) as prescribed by the KZN Provincial Treasury.

Non-Executive Directors Year ended 31 March 2024	Board Fees	Travel Allowance	Total
Mr KS Shandu (appointed as Interim Board Chairperson on 01 November 2023)	443,570	4,092	447,662
Ms CM Cronje' (resigned on 17 October 2023)	241,580	-	241,580
Mr GW Bell (resigned on 31 October 2023)	91,194	-	91,194
Adv ME Nkosi	164,078	6,483	170,561
Mr EB Mkhize	168,550	4,954	173,504
Ms U Maharaj	236,702	6,991	243,693
Dr SK Mpungose	170,805	4,192	174,997
Mr D Naidoo	198,583	1,615	200,198
	1,715,062	**28,327**	**1,743,389**

Committees of the Board	Ordinary Board Committee	Audit, Risk and Compliance Committee	Human Resources, Social and Ethics Committee	Trade & Investment Committee	Total
Total Board fees - year ended 31 March 2024	1,246,794	229,065	141,162	98,041	1,715,062

Non-Executive Directors Year ended 31 March 2023	Board Fees	Travel Allowance	Total
Ms CM Cronje' (Chairperson)	521,637	13,623	535,260
Ms LCZ Cele (Deputy Chairperson)	171,859	-	171,859
Mr GW Bell	187,972	-	187,972
Adv ME Nkosi	131,016	-	131,016
Mr EB Mkhize	132,774	-	132,774
Ms U Maharaj	197,814	5,568	203,382
Dr SK Mpungose	115,321	-	115,321
Mr KS Shandu	207,471	10,264	217,735
Mr D Naidoo	165,553	-	165,553
	1,831,417	**29,455**	**1,860,872**

Committees of the Board	Ordinary Board Committee	Audit, Risk and Compliance Committee	Human Resources, Social and Ethics Committee	Trade & Investment Committee	Total
Total Board fees - year ended 31 March 2023	1,362,246	206,639	128,923	133,609	1,831,417

Executive managers remuneration is on a Total Cost to Company and includes travel allowances and medical contributions.

Executive Managers - year ended 31 March 2024	Salary	Medical Aid	Travel and Allowances	Performance Bonus	Total
NST Matjie - CEO (contract ended on 30 September 2023)	2,240,044	-	184,688	266,215	2,690,947
Z Msomi - CFO (resigned on 31 July 2023)	784,906	-	23,159	173,176	981,241
RN Ngcamu (Appointed ACEO on 01 October 2023)	2,147,947	114,099	171,048	162,327	2,595,421
C Moodley	1,866,542	62,940	128,942	162,327	2,220,751
D Nene	1,888,991	-	126,868	153,360	2,169,219
T Galelekile	1,943,677	-	80,954	162,945	2,187,576
MS Dlamini (appointed on 01 May 2023)	1,684,368	-	50,092	-	1,734,460
X Cele (appointed ACFO on 01 August 2023)	1,137,221	-	20,562	36,168	1,193,951
I Hlongwana (appointed A-Executive Manager on 01 November 2023)	867,142	42,763	90,706	54,916	1,055,527
	14,560,838	**219,802**	**877,019**	**1,171,434**	**16,829,093**

Executive Managers - year ended 31 March 2023	Salary	Medical Aid	Travel and Allowances	Performance Bonus	Total
NST Matjie - CEO	2,713,047	-	192,199	208,306	3,113,552
Z Msomi - CFO	1,773,551	-	18,101	153,573	1,945,225
RN Ngcamu	1,642,117	100,242	49,663	127,017	1,919,039
C Moodley	1,600,343	64,356	47,555	127,017	1,839,271
D Nene	1,740,000	-	18,759	120,000	1,878,759
T Galelekile	1,670,898	-	35,480	127,500	1,833,878
	11,139,956	**164,598**	**361,757**	**863,413**	**12,529,724**

21. FRUITLESS AND WASTEFUL EXPENDITURE

The entity did not incur any fruitless and wasteful expenditure in the year ended 31 March 2024.

22. IRREGULAR EXPENDITURE

The entity did not incur any irregular expenditure during the year ended 31 March 2024.

23. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Detailed explanations are provided under note 32.

Differences between budget and actual expenditure

There are differences between budget and actual amounts as the basis of preparation and presentation differ. The Annual Financial Statements for the entity were prepared on the accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance. Budget is prepared on a cash basis and the details of the differences between actual expenditure and approved budget are indicated in the Statement of Comparisons of Budget and Actual Amounts.

Detailed explanations have been provided under note 32.

Changes from the approved budget to the final budget

The changes in the approved budget appropriation for 2023/2024 resulted from the approved rollover of unconditional grants. EDTEA approved R18 487 148 as a rollover from unconditional grants to provide technical support for business propositions, leather processing hub, district investment agencies roll-out for One Stop Shop facilities, clothing and textile feasibility study, development of textile and aquaculture feasibility studies, development of local economy, Drakensberg cable car project to stimulate tourism growth within Ukhahlamba region, competitiveness export enhancement initiatives and SMME, Cooperatives Technical Support programme as well as interest approved to be transferred to the entity's operating budget.

During 2023/2024 financial year the budget allocation of R90 116 002 was cut by an amount of R1 424 000 for contribution towards the community safety and liaison programmes as a priority initiative of the government to combat crime. An amount of R1 100 000 was received by the entity for the hosting of the MEC's 100 days activation event. The budget was further adjusted by R1 000 000 received from IDC as a management fee from floods relief project, as well as an amount of R210 000 received from TPT export programme for agent's commission fee.

The entity's 2023/2024 budget was further adjusted by a total amount of R13 800 000 which was allocated to specific projects and ongoing initiatives as follows;

- KwaZulu-Natal Growth Coalition (R3 000 000)
- Customer Relationship Management (R1 000 000)
- Clothing and Textile Special Economy Zones (R8 000 000)
- One Stop Shop (R1 000 000)
- World Route Airline Activation (R800 000)

23. BUDGET DIFFERENCES (continued)

Year Ended 31 March 2024	TOTAL BUDGET	FINAL BUDGET (ADJUSTED BUDGET)	ACTUAL EXPENDITURE
Trade and Investment KZN - Public Entity	90,116,002	123,289,150	(109,900,895)

Year Ended 31 March 2023	TOTAL BUDGET	FINAL BUDGET (ADJUSTED BUDGET)	ACTUAL EXPENDITURE
Trade and Investment KZN - Public Entity	85,436,000	115,913,301	(102,717,877)

24. Financial Statements preparation

The Annual Financial Statements were prepared on the basis of GRAP as required by the PFMA.

25. CONTINGENT LIABILITY

Case Number: KNDB4697-20 was registered with the CCMA wherein three former employees lodged an unfair dismissal dispute concerning the non-renewal of their fixed-term contracts. The case was part-heard at 31 March 2024 and was expected to resume in June 2024. Management supported by legal counsel believes TIKZN has strong prospect of success, though the outcome remains uncertain. The possible estimated financial impact including legal costs at 31 March 2024 was R4 900 000.

26. PROVISIONS

RECONCILIATION OF PROVISIONS - YEAR ENDED 31 MARCH 2024	OPENING BUDGET	ADDITION	UTILISED DURING THE YEAR	RESERVED DURING THE YEAR	TOTAL
Pro-rata Bonus Provision and Performance Bonus Provisions	2,738,571	2,198,411	(2,198,411)	(540,160)	2,198,411

RECONCILIATION OF PROVISIONS - YEAR ENDED 31 MARCH 2023	OPENING BUDGET	ADDITION	UTILISED DURING THE YEAR	RESERVED DURING THE YEAR	TOTAL
Pro-rata Bonus Provision and Performance Bonus Provisions	2,475,503	2,738,571	(2,776,692)	301,189	2,738,571
Long-service recognition award	35,000		(35,000)	-	
	2,510,503	2,738,571	(2,811,692)	(301,189)	2,738,571

In 2023/2024 financial year, staff performance bonuses provided in the prior year were approved by the Board for payment to staff. In the same year a provision for staff performance bonuses of R2 198 411 was recognised by the entity based on the prior year individual performance assessment outcome which took into account reduction of staff compliment.

In the year ended 31 March 2023, the actual total amount of R2 811 692 was paid for staff bonuses based on staff performance assessments as well as long-service recognition awards.

27. OTHER REVENUE

FIGURES IN RAND	31 MARCH 2024	31 MARCH 2023
Income from principal-agent arrangements	1,210,000	-
Other income	490,828	104,445
	1,700,828	**104,445**

Other income comprises of the insurance payout for theft of the portable computer items, contributions from partner-todeliver arrangements for world route airline activation, administrative fee from IDC project management as well as income from TPT agent's commssion fee.

28. GOING CONCERN

The entity had an accumulated surplus of R2 296 885 for the year ended 31 March 2024 (31 March 2023, accumulated surplus of R1 366 306 (restated)). The entity's total assets exceeded its total liabilities by R2 296 885 for the year ended 31 March 2024 (31 March 2023, total liabilities exceeded the total assets by R1 366 306 (restated)).

The Annual Financial Statements were prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

To date EDTEA has committed to provide funding for the 2024/2025 financial year in terms of the Medium Term Expenditure Framework (MTEF) and signed MOU.

29. EVENTS AFTER THE REPORTING DATE

Events after reporting date are classified into two (2) categories, adjusting and non-adjusting.

Adjusting events after the reporting date

Management was not aware of any adjusting events after the reporting date of 31 March 2024. As a result no adjustments were made to the Annual Financial Statements as there were no adjusting events reported after the reporting date.

Non Adjusting

Management was not aware of any non-adjusting events to be reported on after the reporting date.

30. FINANCIAL INSTRUMENTS

YEAR ENDED 31 MARCH 2024 - TOTAL FINANCIAL ASSETS	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL
TAF cash and cash equivalents	230,231	-	230,231
TIKZN cash and cash equivalents	22,376,897	-	22,376,897
NDT Tourism Projects cash and cash equivalents	896,008	-	896,008
IDC relief funds cash and cash equivalents	230,614	-	230,614
Receivables	2,745,191	-	2,745,191
EDTEA floods relief fund	2,439,142	-	2,439,142
	28,918,083	**-**	**28,918,083**

YEAR ENDED 31 MARCH 2024 - TOTAL LIABILITIES	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL
Accruals and payables	16,188,449	-	16,188,449
Finance lease liability	183,930	364,317	548,247
	16,372,379	**364,317**	**16,736,696**

YEAR ENDED 31 MARCH 2023 - TOTAL FINANCIAL ASSETS	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL
TAF cash and cash equivalents	512,280	-	512,280
TIKZN cash and cash equivalents	31,029,340	-	31,029,340
NDT Tourism Projects cash and cash equivalents	5,792,336	-	5,792,336
IDC relief funds cash and cash equivalents	89,107	-	89,107
Receivables	2,316,419	-	2,316,419
EDTEA floods relief fund	67,995,682	-	67,995,682
	107,735,164	**-**	**107,735,164**

YEAR ENDED 31 MARCH 2023 - TOTAL LIABILITIES	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL
Accruals and payables	92,693,106	-	92,693,106
Finance lease liability	78,722	15,579	94,301
	92,771,828	**15,579**	**92,787,407**

31. FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk

The items indicated under trade and other receivables refer to subscriptions and rental prepayments in the leases for the Durban office and travel advance payments for staff business travel. The cash and cash equivalents are deposits which are placed with highly reputable financial institutions. These deposits comprise of grants received from the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) and these grants are deposited as draw-downs every month. Other deposits were received as conditional grants from Industrial Development Corporation (IDC) and the National Department of Tourism (NDT) for special projects. The entity limits its exposure by dealing with well established financial institutions.

Liquidity Risk

The entity's exposure to liquidity risk is very minimal as it is 100% funded by the Department of Economic Development, Tourism and Environmental Affairs (EDTEA). The annual budgets are approved at the beginning of each fiscal year and draw-downs are requested on a monthly basis. Cashflows are monitored monthly and against budgets and adjustments are made where necessary.

Risk management assessments are conducted bi-annually to assist with identifying any possible cash flows, liquidity or other risks.

Interest Rate Risk

Although the entity's funds are subject to interest rate risk, these funds are placed with reputable financial institutions. The entity does not hedge any of its funds but monitors the fluctuations in interest rates and obtains advice from bank officials on a regular basis. Although the Rand has fluctuated in the recent months, the risks arising out of the decline in the Rand have not been passed onto the entity.

The current interest rate exposure of the entity is 11.75% as determined by the South African Reserve Bank (SARB).

Currency Risk

Although the entity's funds that are placed with financial institutions maybe subject to currency risk this does not affect the cashflows of the entity as majority of our liabilities are Rand denominated.

31. RECONCILIATION OF AMOUNTS IN TERMS OF GRAP 24

YEAR ENDED 31 MARCH 2024	OPERATING ACTIVITIES	FINACING ACTIVITIES	INVESTING ACTIVITIES	TOTAL
Actual amount on comparable basis in the budget and actual comparative statement	(78,740,348)	(52,681)	(452,824)	(79,245,853)

YEAR ENDED 31 MARCH 2023	OPERATING ACTIVITIES	FINACING ACTIVITIES	INVESTING ACTIVITIES	TOTAL
Actual amount on comparable basis in the budget and actual comparative statement	40,310,463	(58,285)	(882,452)	39,369,726

32. ACTUAL OPERATING EXPENDITURE VERSUS BUDGET OPERATING EXPENDITURE

32.1 Total Revenue

The entity was initially approved a budget appropriation of R90 116 002 to fund its operating activities and staff compensation for the financial year. However, the budget allocation underwent several adjustments to accommodate priority initiatives and finalise ongoing projects. A reduction of R1 424 000 was made to the initial allocation by EDTEA to contribute towards community and liaison programs, as part of a government initiative aimed at combating criminal activities.

It was further agreed to increase the funds transferred to the entity for operational costs of R1 100 000 to cater for funding pressures regarding market access programmes that are aimed at promoting TIKZN initiatives. This yielded a net total of operational funding of R89 792 000.

Further to this, the budget was increased by R18 487 148 through the approval of funds from the 2022/2023 rollover process. These additional funds were allocated to finalise various ongoing programs, including the establishment of a leather processing and biomass facility, the Drakensberg cable car project to promote tourism growth in the Ukhahlamba region, Aquaculture projects, clothing and textile feasibility studies, and the rollout of the One Stop Shop to three district investment agencies in KZN.

The entity's budget was further adjusted upwards by R13 800 000 to provide top-up funding for the completion of various strategic interventions and economic growth initiatives outlined in disclosure note 23.

It was also anticipated that the entity would receive a compensation fee of R1 000 000 for administrating the IDC Floods support fund project.

An amount of R210 000 was recognised by the entity from TPT export promotion programme, the income related to agent's commission fees for administrating the programme.

Ultimately, these adjustments to the budget were made to address emerging priorities, support ongoing projects and ensure the effective implementation of strategic initiatives aimed at promoting economic development.

The variance between the adjusted budget and actual revenue recognised by the entity primarily stems from two main factors. Firstly, the accounting treatment of conditional grants in accordance with GRAP23 *Revenue from non-exchange transactions* dictates that revenue should only be recognised once the conditions attached to the grants are fulfilled. This approach may lead to delays in revenue recognition compared to the timing assumed in the budget.

Secondly, the accumulation of interest in the entity's deposit accounts serves as an additional source of revenue and contributes to the variance.

32.2 Personnel expenditure

The under-expenditure on employee costs in the financial year can be attributed to several factors. Firstly, vacancies within the organisation resulted in budgeted salaries and benefits not being fully utilised. The lengthy processes involved in filling these vacancies, including obtaining the necessary approvals, prolonged the period of under expenditure. Termination of key personnel during the financial year and a decrease in leave accrual at year end also contributed to reduced personnel costs.

32.3 Travel and accommodation

The over-expenditure is primarily attributed to increase travel demands for site inspections and project monitoring. Notable examples include frequent trips to Kosi Bay and Lilani Hotsprings situated in the midlands and the northern parts of KZN, where the entity was overseeing tourism site development. The excess expenditure was defrayed using other sources of income.

32.4 Administration and Operational Costs

The over-expenditure in administration and operational costs is attributed to several factors: International subscription costs were impacted by currency volatility, resulting in higher expenses. The rise in external audit costs due to rate escalations. Connectivity and servicing costs for IT resources were notably high due to budget constraints limiting the replacement of older machines. Furthermore, depreciation and amortization, recognised as non-cash items, are also included in this category of expenditure.

Despite the above, the entity did proactively implement stringent cost-cutting measures during the financial year. These included meticulous monitoring of telecommunication expenses, reduction of colour printing, prudent management of stationery usage, optimization of advertising and marketing costs. As a result of these initiatives some savings were realized which were strategically utilised to offset the over-expenditure and mitigate its impact on overall financial performance. Additionally, interest generated from interest-bearing accounts provided further support in meeting expenditure pressures.

32.5 Project specific consultancy fees

The under-expenditure of project specific consultancy fees mainly emanated from lengthy SCM processes which impacted the timely appointment of suitable service providers. Examples include:

Leather Processing Hub and Biomass Facility Study: Changes in the scope of work extended the appointment process beyond initial projections, thus delaying the selection of a service provider.

Drakensberg Cable Car Project: The project encountered challenges due to environmental sensitivities surrounding its location. Extensive engagements with key stakeholders, authorities, and affected community trusts were necessary, prolonging the project timeline.

Additionally, during the conceptual phase, the need for additional feasibility studies emerged as precursors to the environmental impact assessment, further delaying progress. Procuring a suitable service provider for these requirements proved challenging due to budget constraints stemming from higher-than-anticipated project estimations.

Similarly, the environmental impact assessment for the Aquaculture project is still to be implemented and TAF projects for business projections have been committed but not yet finalised, further contributing to the observed underspend.

The intricate nature of these projects, involving multiple stakeholders, stringent regulatory requirements and high budget demands have extended the procurement timelines beyond initial estimates, resulting in unutilised budget allocations.

Despite these challenges, efforts are being made by the entity to expedite procurement processes and mitigate delays where possible. Streamlining SCM procedures and enhancing stakeholder engagement strategies are ongoing priorities to ensure more efficient project delivery in future financial periods.

32.6 Marketing and Communication

The entity implemented stringent budget controls and monitoring mechanisms, ensuring that marketing expenses were allocated judiciously to high-impact initiatives, resulting in optimised spending and under-expenditure relative to the allocated budget.

32.7 Capital Cost Budget

During the financial year, the entity acquired capital assets of R1 053 752. A notable portion of this amount was attributed to the acquisition of multi-functional office machines that were funded through finance lease arrangements of R600 928. Notably, this figure represents the initial recognition cost of these assets in accordance with GRAP13, reflecting the present value of future minimum lease payments. The actual expense associated with the lease for the year amounted to R73 755. Additionally, the entity spent R452 824 on other capital requirements, including the procurement of computer and office equipment to replace obsolete items.

33. PRIOR PERIOD ERRORs

(a) The entity performed its annual reassessment of asset useful life for the year in terms of GRAP requirements. The related adjustments totalling R358 421 were processed restrospectively as an error.

(b) Depreciation of R31 652 was incorrectly recorded in the prior year.

(c) Operational commitments in the prior year inaccurately included commitments for Kingsmead Investments (Pty) Ltd and Friedshelf 385 CC. These commitments relate to the operating lease for the entity's Durban and Gauteng administration offices, which are separately disclosed in the Annual Financial Statements. Therefore, they should not have been included in the operational commitments for the prior year.

The impact of these prior period errors on the individual financial statements lines items are as follows:

	AS PREVIOUSLY REPORTED AS AT 31 MARCH 2023	ADJUST	RESTATED AMOUNT AS AT 31 MARCH 2023
PPE - Furniture and Fixtures	710,966	45,883	756,849
PPE - Office Equipment	372,883	145,173	518,056
PPE - IT Equipment	1,501,707	130,977	1,632,684
Intangible Assets - Computer Software	52,022	4,737	56,759
	2,637,578	**326,770**	**2,964,348**

	AS PREVIOUSLY REPORTED AS AT 31 MARCH 2023	ADJUST	RESTATED AMOUNT AS AT 31 MARCH 2023
Accumulated Surplus	(1,039,536)	(326,770)	(1,366,306)

Disclosure	AS PREVIOUSLY REPORTED AS AT 31 MARCH 2023	ADJUST	RESTATED AMOUNT AS AT 31 MARCH 2023
Commitments	34,323,317	(8,726,164)	25,597,153

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