



BUSA

• BUSINESS UNITY SOUTH AFRICA

ANNUAL REPORT_

01 January 2023 - 31 December 2023

www.busa.org.za

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MESSAGE FROM THE PRESIDENT



Mxolisi Mgojo

Business Unity South Africa

PRESIDENT

There are many reasons to be optimistic about the future of South Africa. In May of this year, South Africa successfully held general elections. The transition of power to the Government of National Unity (GNU) went smoothly, without conflict. South Africa now has a functional government, which is a remarkable achievement considering the challenges that often arise when a governing party loses power.

There is a growing sense of optimism about the country's economic prospects, and business confidence is increasing. This

optimism is supported by reforms that have been implemented in network industries such as telecommunications, energy, transport, and logistics under the 6th administration.

In June 2023, President Ramaphosa entered into a partnership with the business sector to address key challenges in energy, transport, logistics, crime, and corruption. This partnership has already achieved some notable successes in the energy sector, with improvements also seen in transport and logistics.

While we celebrate these accomplishments, we must not overlook the significant challenges that South Africa still faces. These challenges have a profound impact on businesses and society as a whole. The country's GDP growth in 2023 was only 0.6%, unemployment stood at 27.99%, and the poverty level remained high, particularly using the upper middle-income poverty line, which was recorded at 62.7%. Load shedding was experienced for a record 332 days in 2023, and our logistics and transport sectors have serious deficiencies. The Cape Town, Durban, and Gqeberha ports were ranked amongst the world's poorest-performing container ports by the World Bank. The country is also beset by a water crisis and dysfunctionalities in municipal government and performance, particularly in some of the major metropolitan areas.

As part of the government partnership, BUSA mobilised the business community through the B4SA platform and received support and resources from various companies. Over 135 CEOs have committed to this initiative, and we consult with a CEO Reference Group on an ongoing basis.

MESSAGE FROM THE PRESIDENT

We have also deployed over 200 experts and spent more than 9000 hours to help address challenges in key sectors. The private sector has raised approximately R135 million to support these efforts. This initiative demonstrates a growing belief in the business sector that our country must unite to seize the opportunities that South Africa presents. We are committed to the 7th administration, led by President Ramaphosa, and to the Government of National Unity (GNU). We believe the GNU presents an opportunity for our country and business will continue to play a critical role in realising such opportunity.

We recognise that the well-being of society is crucial for sustainable business in the long term; the alternative is ongoing civil unrest and a disruptive environment that is detrimental to business. To sustain the positive sentiment surrounding South Africa's future, the government must prioritise the prosecution of those responsible for the July 2021 unrest in Kwa-Zulu Natal and individuals named in the Zondo Commission Report. Additionally, the reported incidents of corruption in government, especially within municipalities, require urgent attention from the criminal justice system as they negatively affect service delivery.

South Africa was also impacted by significant geopolitical events. The ongoing war in Ukraine continued to disrupt the country's supply chains. Furthermore, our government's support for Palestine during the war in Gaza created ructions in our relationship with the United States, particularly threatening South Africa's continued inclusion in AGOA. Some members of the US Congress even called for a review of US bilateral relations with South Africa.

According to the Edelman Trust Barometer, the business sector is the most trusted in society. This places a challenge on businesses to utilise their influence, skills, and resources

for the betterment of society. To achieve this, business needs to build relationships with civil society and identify areas of collaboration, including the important task of holding the government accountable.

BUSA has a crucial role in leading the business community in this complex environment, and I am eager to contribute as the President of BUSA. I would like to express my gratitude to the BUSA Board, particularly Deputy President Adrian Gore, for their support. I also thank the dedicated BUSA staff for their untiring efforts during the year under review.



CHIEF EXECUTIVE OFFICER'S REPORT_

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CHIEF EXECUTIVE OFFICER'S REPORT



Cas Coovadia

Business Unity South Africa

CEO

It gives me great pleasure to present a report on the priority areas of work undertaken by BUSA during the 2023 financial year. In this report, I will cover the following topics: our partnership with the government, the impact of geopolitical developments, our global commitments and engagements, critical advocacy and policy influence areas, governance matters, membership and funding issues, discussions on the architecture of organised business, and important operational matters.

Partnership with the Government

On April 12th, 2023, BUSA met with President Ramaphosa, where we presented a proposal for a partnership between Business and the government in three priority areas: energy, logistics and transport, and crime and corruption. The meeting, attended by several CEOs, also discussed the positive outcomes of an initial collaboration between Business and the Presidency in the energy sector. The President accepted our proposal for a structured partnership that would focus on each of the three priority areas. This marked the beginning of a successful partnership between Business and the government, which made significant progress throughout the year. Milestones included the establishment of the Resource Mobilization Fund (RMF), which raised private sector and donor funds to provide expertise to the National Energy Crisis Committee (NECCOM) in the Presidency.

Geopolitical Developments

The year 2023 was marked by significant impacts from geopolitical developments. The ongoing war in Ukraine, the "Lady R" controversy, the conflict in Gaza, and the expansion of the BRICS bloc into the BRICS+ bloc all had consequences for South Africa (SA). SA's foreign policy stance on these geopolitical developments sparked negative reactions, particularly from the United States, resulting in challenging engagements regarding trade and economic interactions between SA and the US.

Global Engagements

In 2023, BUSA had numerous interactions on a global scale. These included our participation at the International Labour Council and the International Organisation of Employers meetings in Geneva, where the BUSA team is highly regarded. We also had a meeting with EU Parliamentary representatives, a visit from the Director-General of the ILO at our BUSA office, and a lunch with US Treasury Secretary Janet Yellen. Additionally, noteworthy global interactions included a joint report launch on illicit trade with the Transnational Alliance to Combat Illicit Trade, BUSA's role in SA hosting the BRICS Summit, and BUSA and the American Chamber of Commerce in Washington hosting an Investor Roundtable for President Ramaphosa during the UN General Assembly in New York. We also met with various foreign embassies and trade officials in SA and signed MOUs with some of them.

Policy and Legislation

BUSA remained actively involved in influencing and advocating for change throughout the year. Some of the key pieces of legislation we engaged with include the Companies Amendment Bill, the National Health Insurance Bill, the Public Procurement Bill, the Electricity Regulation Amendment Bill, the Climate Change Bill, and the Freight Logistics Roadmap. We also worked on the Employment Equity Amendment Bill, skills development, and the minimum wage discussions.

Governance

In governance matters, there were two changes on the BUSA board. BUSA President Bonang Mohale stepped down at the BUSA AGM in August, and Zoleka Lisa was replaced by Charlotte Mokoena in the Corporate Category representative on the board. The Board initiated a process, led by BUSA Deputy-President Adrian Gore, to appoint a new President, ultimately appointing Mxolisi Mgojo as the new President.

Organised Business Architecture

The BUSA Board tasked management with evaluating whether the architecture of organised business is effective for the current and future role of business. This includes considering BUSA's funding model and membership. Economic difficulties in SA and affordability issues faced by BUSA members have resulted in funding challenges, affecting the sustainability of BUSA. We engaged with BLSA and plan to reach out to other members to discuss this matter within the broader assessment of the organised business architecture.

Operations

BUSA underwent important changes in 2023. In February, we welcomed Khulekani Mathe as Deputy CEO. We also expanded our staff capacity by hiring directors for economic and social policy units and managers in these areas.

Conclusion

BUSA had a significant and eventful year in 2023, engaging globally, influencing policy and legislation, and making changes to our governance and operations to better serve our members and optimize our impact. Throughout the year, BUSA continued to establish itself as a credible apex body representing a significant portion of the business sector in South Africa. We remained a partner to the government but also held them accountable when necessary. Our work, stakeholder relationships, and partnership with the government have positioned us well for the coming year. I would like to take this opportunity to express my gratitude to the BUSA staff for their outstanding efforts. I also want to thank the BUSA Board, our members, and business leaders for their collaboration. Above all, our ongoing relationship with our members is greatly appreciated.



BUSINESS FOR SOUTH AFRICA_ **B4SA**

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BUSINESS FOR SOUTH AFRICA_ B4SA



BUSINESS FOR SA

Business for South Africa (B4SA), BUSA's implementation arm, was created during the Covid-19 crisis as a platform for business to work collaboratively with the government on a limited number of priority interventions. In 2023, this unique business-government partnership refocused its efforts on the high-impact and economically critical focal areas of energy security, transport & logistics, and crime & corruption. The partnership's ambition is to achieve 3-5% GDP growth, resulting in an additional 2.5 million jobs created and improved societal and investor confidence in South Africa by 2030.

With the partnership already delivering tangible benefits to the economy and society at large, the platform continues to enable businesses and business leaders to support the government with expertise, skills, and capacity across a limited range of agreed priority interventions. Funded entirely by the corporate sector, it combines both financial and human capital contributions, alongside volunteers from across business, to set up, lead, and deliver sustainable economic solutions for the benefit of South Africa.

B4SA remains steadfast in its commitment to support the Government of National Unity in addressing core economic challenges in South Africa. The partnership continues to be reinforced by robust governance structures; the President leads the partnership alongside Ministers and CEOs, all of whom are committed to the process. Stakeholders meet and report back to the President every 6-8 weeks.

The initiative is guided by a Joint Steering Oversight Committee, which meets monthly to review progress and address key strategic challenges across the focal areas. Business supports key initiatives in each of the three focal areas through the National Energy Crisis Committee, the National Logistics Crisis Committee, and the Joint Initiative on Crime and Corruption.

To date, more than 130 CEOs, representing 1.3 million employees, with a combined market capitalisation of more than R11-trillion, have pledged their support to the partnership, while businesses have already contributed over R250 million in direct funding for resources to support the government. This amount is estimated to be only a fraction of the overall support provided by businesses.

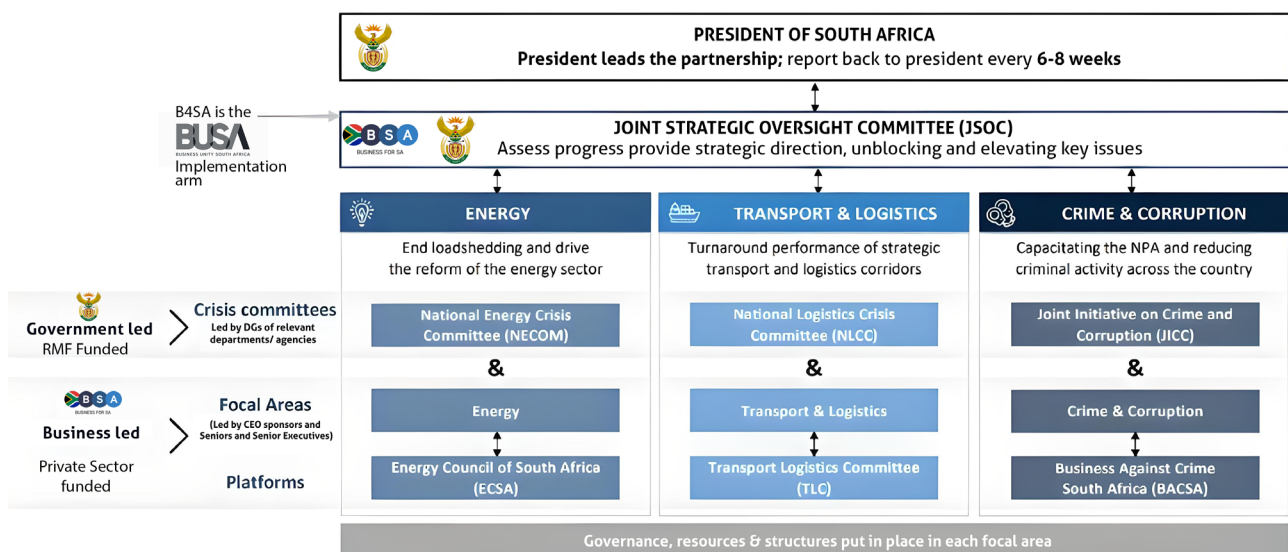
In the energy sector, over 300 expert resources have been seconded by business into both government and state-owned and operated power stations to improve performance with the aim of ending loadshedding and reforming the energy sector for future sustainability and energy security. The partnership's efforts have resulted in new energy generation capacity being added to the national grid, with South Africa experiencing 136 consecutive days without loadshedding in 2024, a significant improvement from 2023, which saw only 4 consecutive days without loadshedding throughout the year.

In the transport and logistics focal area, over R700 million has been invested by businesses, including the deployment of over 500 security personnel to secure strategic rail corridors. Business expertise has been deployed at Transnet to boost operational performance, as well as within the government to provide the expertise required for structural reform.

All of this has been achieved against a backdrop of strong governance, transparency, and decision-making processes that can withstand public scrutiny. Moreover, improved and aligned external communications, highlighting how business and government are working together in these priority interventions, have helped increase public confidence while promoting government accountability in executing agreed implementation plans.

Structures Established

Business has mobilised to solve these challenges through a partnership with Government



Looking Ahead_

The partnership has made significant progress in the last year, despite the many social and economic challenges currently being faced in South Africa. B4SA has a proven model of partnering and collaborating with the government to drive both the operational improvements and structural reforms necessary for economic growth and, ultimately, sustainable job creation.

However, there is a long road ahead; many reforms still need to be implemented, at an increased pace, if we are to achieve the economic growth needed for job creation. B4SA has committed to a renewed collaboration with the Government of National Unity and the 7th administration, and together with the support of over 130 of SA’s leading CEOs, will continue its efforts to drive momentum and deliver meaningful progress towards economic growth in South Africa.



AUDIT & RISK COMMITTEE

**REPORT: 2023
FINANCIAL YEAR**

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AUDIT & RISK COMMITTEE

REPORT: 2023 FINANCIAL YEAR



Bongi Kunene

Business Unity South Africa

**CHAIRPERSON OF THE
AUDIT & RISK COMMITTEE**

I am delighted to present the Annual Report of the Audit Committee of BUSA. This report, which is my first as Chairperson, covers the activities of the Audit and Risk Committee for the period 1 January 2023 to 31 December 2023.

Committee responsibility

The role of the Audit Committee is to independently advise the company on the effectiveness of the company's internal control systems, risk management processes and on the operation of the internal function.

Committee members

The Audit and Risk Committee is made up of the following board members:

NAME OF MEMBER	PERIOD OF MEMBERSHIP
1. Ms. Bongiwe Kunene (Chairperson)	August 2023 - August 2026
2. Mr. Adrian Gore	August 2023 - August 2026
3. Ms. Deidre Penfold	August 2023 - August 2026
4. Mr. John Dlodlu	August 2023 - August 2026
5. Mr. Mike Mabasa	August 2023 - August 2026
6. Mr. Mzila Mthenjane	January 2024 - August 2026



The effectiveness of internal controls

The Committee acknowledges that management continues to make significant contributions to internal controls and the overall governance environment. Based on its findings from the previous year, the Audit and Risk Committee is satisfied that the company's internal controls and risk management frameworks are effective and efficient, in line with generally accepted best practices.

In-Year Management and Quarterly Report

Management has reported quarterly as required by the GAAP. Additionally, during all Audit and Risk Committee meetings, management has presented quarterly reports for review and consideration by the committee. Throughout the year, the committee received various reports from management to stay updated on important developments. These reports have made a significant contribution to the committee's work and have helped provide members with appropriate oversight of the company's operations.

Evaluation of Financial Statements

The Audit and Risk Committee reviewed the management prepared Annual Financial Statements and recommended them for audit, subject to the Audit Committee's recommended improvements being carried out.

External Auditors

Motlanalo Chartered Accountants and Auditors serve as the external auditors for the organisation. Their main responsibility is to provide an audit opinion on whether the financial statements accurately represent the company's financial position and results of operations at the end of the financial year.

In their report for the year ending December 31, 2023, the external auditors issued an unqualified opinion regarding the management of the company's funds. We agree with and accept the auditors' report on the annual financial statements.

We believe that the audited annual financial statements provide a true reflection of the company's financial situation and should be considered alongside the audit report. The Audit and Risk Committee is also reassured by the auditors' and management's commitment to addressing the findings from the 2023 financial year's audit.

Therefore, the Audit and Risk Committee acknowledges the auditors' work on the Annual Financial Statements is of the opinion that the Audited Annual Financial Statements be accepted and read with the audit report.

Conclusion

I wish to thank all members of the Audit and Risk Committee as well as management. In addition, I wish to express our appreciation to Motlanalo Auditors for their sterling work. The efforts and team effort have paid off, and we expect to see a stronger and more compliant BUSA in the future.



REMUNERATION COMMITTEE REPORT

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REMUNERATION COMMITTEE REPORT



Busisiwe Mavuso

Business Unity South Africa

CHAIRPERSON OF REMCO

I am pleased to present the BUSA remuneration committee report for the year ended 31 December 2023.

Composition of Remuneration Committee

The committee comprises seven independent non-executive directors (listed hereunder). All the committee members are suitably skilled and experienced. In terms of the committee's mandate, at least two meetings should be held annually.

Name of the Non-Executive Directors

1. Ms. Busisiwe Mavuso (Chair)
2. Mr. Mxolisi Mgojo
3. Ms. Michell Constant
4. Ms. Charlotte Mokoena
5. Mr. Christopher Campbell
6. Mr. Stavros Nicolaou
7. Mr. Gareth Ackerman



The Role of Remuneration Committee

The roles and responsibilities of the committee include but not limited to:

- Approving the company's overall remuneration policy, including performance-based bonuses and annual salary increases.
- Ensure remuneration policy is aligned to strategic goals and ensure that remuneration decisions are based on proper performance evaluation.
- Ensure transparency to the Board of Directors that the remuneration of the executive directors is set by individuals with no personal interest in the outcome of the committee decisions.

The CEO, Deputy CEO and the Operations Manager attend meetings by invitation to make proposals and to provide such information as the Committee may require. However, they are excluded from any deliberations pertaining to their own remuneration.

The Committee ensures that anyone deciding on the remuneration of executives has no personal interest in the outcome and will give adequate respect to the interests of all employees of the organisation.

Nominations to Task Teams, External Structures and Bodies

The Committee oversees and approves the nomination of representatives to various structures including nominations to high-level meetings; international and local conferences; statutory body nominations; nominations to Nedlac task teams; and representation on bilateral business structures such as the BRICS Business Council.

Human Resource related matters

During the financial year under review, the company appointed Khulekani Mathe as Deputy Chief Executive Officer, effective February 1, 2023; Lunga Maloyi as Director of Economic Policy; and Andile Khuzwayo as Director of Social Policy. Mr. Andile Khuzwayo resigned on September 30, 2023.

Performance bonuses

Performance related bonuses paid in December 2023, were awarded in line with the key performance indicator (KPI's) scores achieved as at December 2023. A pro-rated performance bonus was paid to employees who had not been in the employment of the company for the full financial year

Salary benchmarking

Employee remuneration is reviewed annually, and benchmarking is conducted on a regular basis to ensure that the company offers competitive remuneration packages.

Remuneration may exceed benchmarked levels where required to attract and retain specialised skills.

Salary increases and reviews

The Committee reviews salaries on an annual basis taking cognisance of the approach set out above.

The following factors are considered during this process:

- Performance of the company;
- Projected consumer price inflation;
- Affordability.

These factors were considered in determining the salary increase for the year.

Board appointments

On August 17, 2023, a board elective AGM was held; the new board was appointed for a three-year term and is comprised of representatives from the membership categories Chambers, Unisectorals, Professionals, and Corporates. The new board consists of nine returning members and two new members that were appointed. Mr. Bonang Mohale, the BUSA President, stepped down at the AGM. Mr. Adrian Gore, Vice President, served as President in an acting capacity until the end of the financial year. Mr. Mzila Mthenjane and Busisa Jiya were appointed as co-opted board members in accordance with the MOI. Mr. Busisa Jiya resigned on 31 December 2023.

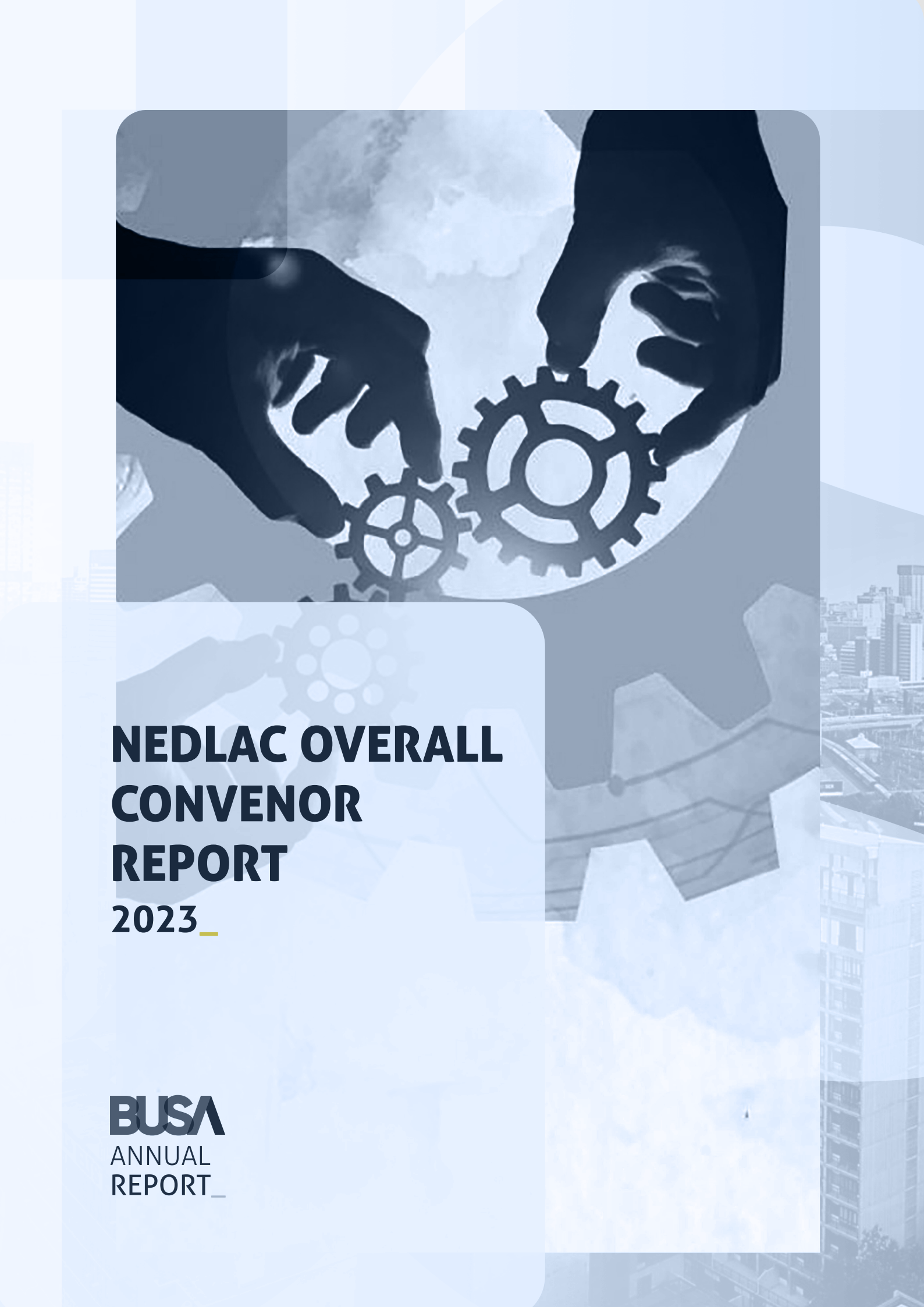
Conclusion

In conclusion, I would like to thank fellow committee members for their hard work and diligence and management for their support of the committee.

Amendments to the Memorandum of Incorporation (MOI)

The BUSA Board agreed to activate an existing clause in the MOI that allows Associate Membership. The relevant clause in this regard is Clause 10.2. We have had requests for membership from organisations funded by business and working in areas pertinent to the work BUSA. The BUSA Board agreed it would be valuable to have such organisations in the BUSA fold, but because they do not meet the criteria for core membership, we admit them as Associate Members, with limited rights. We amended Clause 10.2 of the MOI to detail clear criteria that must be met by such organisations to qualify for BUSA membership.

The MOI was also amended to empower the BUSA Board to co-opt three (3) additional board members, instead of two (2). This is contained in Clause 7.2.4.3 of the MOI. The reason for this was to enable the co-option of the new President onto the Board as the Board had already decided to co-opt Busisa Jiya (ASISA) and Mzila Mthenjane (MINCOSA) onto the Board.



NEDLAC OVERALL CONVENOR REPORT

2023 

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Kaizer Moyane

Business Unity South Africa

NEDLAC GOVERNOR

Overview

As South Africa celebrates 30 years of democracy, NEDLAC is also reflecting on its achievements and challenges in the same period, with a report due to be handed over to Government later in the year. BUSA has once again represented the interests of Business and employers adequately. The country's energy supply continues to normalise, with loadshedding woes beginning to fade, thanks in part to the work of the energy security workstream in NEDLAC. Perhaps 2023 being the final year of the 6th Administration, there were not many Bills processed through NEDLAC, although some important policy discussions took place. The protracted Labour Law reform process also neared conclusion, with the finalised proposed amendments expected to be given to the incoming Minister of Employment and Labour during 2024.

Hits and Misses

Some highlights of the year include:

- The review of NEDLAC's Constitution was finalised and a new NEDLAC Bill processed. These governance documents will restructure and improve the functioning of the institution.
- For the first time NEDLAC achieved a clean audit, with a significantly improved control environment and performance outcomes.
- NEDLAC hosted delegations from other African countries, notably Kenya, that sought to learn from our institutional arrangements on social dialogue.

There were also some misses, notably the failure by the Department of Home Affairs to engage on its comprehensive immigration policy. We trust the Department will honour its undertaking to return to NEDLAC if it still intends to proceed with the policy.

Looking ahead

Following its 30 years review, NEDLAC aims to engage actively with the Government of National Unity's work programme. Some of the immediate work includes a review of the UIF and Compensation Fund, which have been frustratingly inefficient in discharging their respective mandates. NEDLAC will also search for a new Executive Director as Ms Seftel is in her final year.

An aerial photograph of a city skyline, likely Tokyo, featuring a large cable-stayed bridge in the foreground, a stadium with a distinctive roof, and various skyscrapers in the background under a cloudy sky. The image is partially covered by a light blue geometric overlay on the left side.

ECONOMIC POLICY REPORT_

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ECONOMIC POLICY REPORT



Lunga Maloyi

Business Unity South Africa

**DIRECTOR OF ECONOMIC
POLICY**

In 2023, the business environment was extremely challenging, with economic output only growing by 0.6%. This year saw the highest number of load-shedding days recorded, as well as the lowest volumes of freight transported in the past 30 years. These factors put significant strain on both the fiscus and the government's ability to provide essential services, exacerbating the issues of unemployment, poverty, and inequality. In this report, we will outline the activities of the economic policy unit and its standing committee and subcommittees as they work towards formulating a business response to policies and other programmes.

Economic Policy and Legislation

BUSA submitted written submissions on the following pieces of legislation:

- The Companies Amendment Bill 2023 and the Second Companies Amendment Bill 2023
- The Public Procurement Bill 2023
- The Expropriation Bill [B23-2020]
- The Financial Sector Conduct Authority (FSCA) Framework for Unclaimed Assets
- The Electronic Communications Draft Amendment Bill 2022
- The National Small Enterprise Amendment Bill, 2023
- The Copyright Amendment Bill 2023
- The Draft Taxation Laws Amendment Bill 2023.
- The Draft Tax Administration Laws Amendment Bill 2023.

We were also invited to present our views orally to the portfolio committees responsible for processing some of these bills.

BUSA also participated in the following Nedlac engagements:

- Trade and Industry Chamber (TIC) and Public Finance and Monetary Policy Chamber (PFMPC)
- Freight and Public Transport Work Stream
- Government Incentives Task Team
- Social Clause Task Team
- Employee Ownership Scheme task team
- Fourth Industrial Revolution (4IR) Task Team

- The Cost-of-Living Rapid Response Task Team (CLRRRT)
- SMME Task Team
- Submission and presentation on the Government Budget Planning Dialogue through Nedlac

In addition, BUSA participated in the Business at the OECD events, in particular the tax policy committee. BUSA also published weekly BUSA Cargo Movement Updates, Weekly Economic Briefings, Week Ahead and Economic Quarterly Bulletin.

Trade related matters

Trade remains a key focus for the BUSA Subcommittee on Trade, Transport, and Logistics, Nedlac's Technical Sectoral Liaison Committee (Teselico), and the Trade and Industry Chamber. The African Continental Free Trade Agreement (AfCFTA) negotiations have garnered significant interest from BUSA members and international governments, particularly regarding its impact on trade scope, tariff reductions, and non-tariff barriers such as customs processes and technical standards.

While the AfCFTA presents opportunities for economic growth and development, challenges such as infrastructure deficiencies and lack of policy harmonisation, create obstacles to addressing trade imbalances and integrating smaller economies. Despite these challenges, the AfCFTA provides a unique opportunity for African countries to enhance economic cooperation and increase intra-African trade.

BUSA submitted a written submission to the U.S. Trade Representative on South Africa's AGOA eligibility. We highlighted AGOA's benefits for South African exporters and the risks if South Africa is excluded from AGOA. BUSA stressed that AGOA is crucial for our economic growth and proposed an early renewal and extension beyond 2025, with better compliance, product diversification,

and more regional integration and support.

BUSA participated in a Nedlac engagement with the US State Department Special Envoy (SE). The engagement sought to discuss the rights of workers in industries from countries benefiting from and participating in AGOA and advocated for fair labour conditions and standards. The consensus was that deliberations on labour standards should serve as a benchmark for future trade agreements.

The 2023 AGOA Forum, co-hosted by the South African government and the Corporate Council for Africa (CCA) in Johannesburg, focused on creating a resilient and inclusive AGOA to boost economic development and job creation. The event highlighted AGOA's role in economic growth and strengthening U.S.-South Africa relations. The private sector stressed the urgent need for AGOA's renewal, warning that delays could negatively impact South Africa's economy. Both the government and private sector agreed that early renewal is crucial to avoid trade disruptions. BUSA played a key role in the AGOA Private Sector Forum.

BUSA's efforts to shape trade policy agenda included the following highlights:

- Submission on AfCFTA trade-in services, Annexures, tariff offers and Rules of Origin (offensive and defensive).
- Submission on the AfCFTA Rules of Origin for Automotives and Textile and Clothing
- Ex-post Evaluation of the EU-SADC SACU Economic Partnership Agreement (EPA)
- Participation in the AfCFTA Provincial Workshops aimed at exploring market access opportunities.

Transport and logistics

Issues in transport and logistics have gained significant importance due to the current challenges in the sector, specifically in freight rail. Transnet's operational challenges have

emerged as the biggest threat to the sector and consequently, the country's economy. Various policy advocacy initiatives have been undertaken to support the government's structural reform agenda in the freight logistics sector.

Some key highlights are:

- Monthly operational engagements between BUSA and Transnet
- Submission on the draft Freight and Logistics Roadmap (FLR) System in South Africa
- Submission on the draft Rail Private Sector Participation Framework.

Customs

Several measures have been taken to ensure smooth operations and minimise economic impact. These measures include streamlining customs processes, implementing the SARS-Private Sector Authorised Economic Operator Programme (AEO), adhering to the WTO's Trade Facilitation Agreement (TFA), enhancing supply chain visibility through the use of dashboards and big data analytics, and fostering collaboration between the private sector, government, and agencies.

In 2023, notable achievements were made, such as participating in and driving the SARS-Private Sector-Authorized Economic Operator-Group (SARS-PS-AEO-G), as well as developing the terms of reference for both the Training Working Group and the Monitoring and Evaluation Working Group.

Small, Medium Enterprise (SME) Sub-committee

The BUSA Small and Medium Enterprise (SME) Sub-committee has strengthened its relationship with key stakeholders, such as the Department of Small Business Development (DSBD), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Red Tape Task Team in the Presidency, and the

ESD Community of Practice. DSBD provided updates on the progress made by the department in addressing regulatory barriers.

BUSA established regular meetings with the Department of Small Business Development (DSBD) and has been involved in various initiatives, including the latest update on the Regulatory Impediment on SMMEs Report. The department presented this report at the BUSA SMME sub-committee meeting in November 2023.

The report highlighted several issues, including:

- Numerous barriers and administrative challenges faced by small business owners, especially informal traders in townships and semi-urban areas, who require permits to trade. DSBD has conducted research to streamline identified legislation for better outcomes.
- Despite the availability of funding instruments and institutions for small businesses, social partners agreed that the existing information is not well-integrated or easily accessible to SMMEs.
- Social partners have requested the revival of the National Small Business Advisory Council (NSBAC), led by DSBD, to facilitate discussions on issues affecting SMMEs.
- The lack of infrastructure, such as electricity, water, and technology, and their impact on the performance and growth of SMMEs.



SOCIAL POLICY REPORT

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SOCIAL POLICY REPORT



Khulekani Mathe

Business Unity South Africa

**BUSA CEO DESIGNATE
& ACTING DIRECTOR OF
SOCIAL POLICY**

This social policy (SocPol) report discusses the matters and activities carried out under the following structures:

- International Labour Organisation (ILO)
- Sub-committee on Education and Training (SubCET)
- Sub-committee on Health Policy (HealthPol)
- Nedlac Labour Market Chamber (LMC)
- Nedlac Development Chamber (DevChamb)

BUSA would like to express its gratitude to all members who

participated in these structures and ensured that the voice of business was effectively represented.

International Labour Organisation

SocPol leads the South African business presence in various international organisations, including the ILO, Organisation of Employers (IOE), the African Union Special Technical Committee on Social Development Labour and Employment (STDLE), Business Africa (BA), the SADC Employment and Labour Social partner cluster (ELS), and the SADC Private Sector Forum (SPSF). Its goal is to advocate for business interests in all these structures. BUSA is guided by the objective of creating a conducive environment for businesses to be profitable, sustainable, and contribute to inclusive economic growth.

The International Labour Conference (ILC) is the highest decision-making body of the ILO. Its purpose is to bring together delegations from the organization's 187 member states. The conference consists of plenary sessions and technical committees, which include the Committee on the Application of Standards (CAS), General Discussion Committee on the Just Transition, Recurrent Discussion Committee on Labour Protection, and Standard-Setting Committee on Apprenticeships.

We are closely monitoring both domestic and international developments regarding the upcoming 2024 Standard Setting Discussion on Biological Hazards.

National Economic Development and Labour Council

BUSA remains committed to participating in NEDLAC deliberations, where discussions on the SocPol agenda take place in the Labour Market Chamber and the Development Chamber. We have successfully defended and advocated for the Business position in various processes. The dedication and hard work shown by our leads, technical experts, and members are commendable and clearly demonstrate the importance of social dialogue and our commitment to the Business cause.

National Labour Migration Policy (NLMP)

The Nedlac National Labour Migration Policy task team considered and engaged on proposals submitted by the Government to make additional amendments to the Employment Services Amendment (ESA) Bill and document current challenges based on evidence in terms of the NLMP.

The engagements on the ESA Bill were finalised, and a Nedlac report was signed off by the chamber. After concluding the ESA Bill Amendments, it was agreed that the Nedlac chamber would undertake capacity-building of stakeholders on the key principles and objectives of the NLMP before commencing deliberations.

Considering the issues discussed both at the chamber and at the Provincial NLMP workshops recently, Business noted confusion concerning the roles and responsibilities within the Government on key topics such as border management, management of undocumented foreign nationals, ownership of spaza shops, and the upkeep of an efficient Labour Market Intelligence System (LMIS) and a consolidated Employment Services South Africa (ESSA) system. Business asserted that the LMIS and ESSA must operate effectively to ensure proper monitoring of data on supply and demand. The key issue for Business at these workshops was the sourcing of farm workers, efforts made, and the lack of visas

for such workers when local efforts are unsuccessful.

Unemployment Insurance Fund (UIF)

BUSA issued a media statement detailing the dysfunctionality of the Unemployment Insurance Fund (UIF). The statement called for immediate placing under administration of the Fund due to various issues, including lengthy and inconsistent application processes, nonpayment of normal and special schemes, and questionable investments, including corruption within the Labour Activation Programmes. BUSA held a meeting with the Minister of Employment and Labour to receive a Presentation on the Architecture Review Report and Recommendations for the UIF and the Compensation Fund (CF). The Minister acknowledged the need for systemic change within the UIF and efforts to consolidate the technical recommendations of social partners over the years.

PricewaterhouseCoopers (PWC) produced a comprehensive diagnostic report, concurring that the UIF and CF face numerous structural challenges. The report concluded that the entities require high-level skills, such as data analysts, ICT specialists, investment specialists, medical specialists, and financial experts, to properly administer the funds.

There was general agreement that working groups, including stakeholders and social partners, should be involved in the process from its early stages. This is to ensure that any systems development or proposed changes consider the realities of payroll and modern workforce management. Short, medium, and long-term action plans have been formulated and will be implemented gradually over the next 36 months. Once the general approach is approved by Cabinet, the government will engage social partners in discussions on how to implement these plans. The focus is on separating the CF and UIF from the Department of Employment and Labour (DEL) as Schedule

3a entities, and there is consideration for integrating systems between CF and UIF as requested by BUSA. DEL believes that placing the funds under administration would not solve the issues.

Human Resources, Skills and Development Task Team (HRSD)

The Nedlac Human Resources Skills and Development Task team recently discussed the controversial Human Resources Development Strategy and Master Skills Plan (HRDS/MSP). The Business team formed smaller working groups to address various human resources and skills-related issues. Business presented its position on the Recommendations for the Ministerial Task Team to Review the Sustainability of the Post School Education and Training Financial System. While Business supported the recommendations, the task team emphasised the importance of several considerations:

- Developing an all-inclusive financial model to improve access within the financial system.
- Adopting a future-focused 5IR strategy and utilising technology to reach a wide range of individuals and align with international standards and benchmarks.
- Adopting a current, demand-led, and flexible approach to align with critical skills requirements.
- Involving the private sector to enhance access to education and training and optimize resource utilisation.

One major concern is the development of a Master Skills Plan (MSP) intended to provide specific solutions for the entire education system, from Basic Education to the Post School Education System (PSET). However, the current revised MSP fails to do so and instead focuses on unrealistic goals that have already been addressed.

The revised MSP does not consider the need for simplification and consolidation, which

includes streamlining structures, avoiding additional ones, implementing a demand-led system, and aligning the Skills Strategy and MSP with the finalized Economic Sector Master Plans.

Constituency Capacity Building Advocacy Project

On a separate note, BUSA has successfully completed capacity-building provincial workshops for the CCBA project, which covers urban, township, rural, and remote areas. These workshops reached a broad audience and significantly contributed to providing knowledge and skills to SMMEs based on their needs.

The CCBA Steering Committee played a crucial role in ensuring compliance with National Skills Fund (NSF) standards and requirements from a governance standpoint. The committee has decided to appoint a service provider to conduct qualitative research on the quality of internships, with the research scheduled to begin in January 2024. The final CCBA report is due to be submitted to the NSF in March 2024.

Conclusion

I would like to take this opportunity to thank Tebogo Phasha and Tsakane Muavha, who are part of the SocPol team. I also wish to express my gratitude to Kaizer Moyane and Jahni de Villiers, the chairperson and deputy chairperson of the Standing Committee on Social Policy; Mustak Ally, the chairperson, and Dr. Tholsia Naidoo, the deputy chairperson of the Sub-Committee on Education and Training; Dr. Stavros Nicolaou, the chairperson, and Ms. Melanie Da Costa, the deputy chairperson of the Sub-Committee on Health Policy; as well as Jonathan Goldberg, the Nedlac Labour Market Convenor. We are also grateful to all the members of the standing committee and subcommittees, the BUSA representatives in advisory and statutory bodies, and the BUSA Board for their continuous support and guidance throughout the past year.

ENVIRONMENTAL & ENERGY POLICY_

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ENVIRONMENTAL AND ENERGY POLICY



Happy Khambule

Business Unity South Africa

**ENVIRONMENTAL & ENERGY
DIRECTOR**

BUSA's Energy and Environment Policy Unit shapes a regulatory environment that promotes sustainable practices and supports business growth. We are committed to the sustainable and inclusive growth of the South African economy. Our proactive approach to energy and environmental policy developments provides valuable insights to our members and demonstrates our commitment to sustainability. Throughout the year, we monitor legislation, provide submissions, and establish oversight committees to ensure alignment with BUSA's strategic objectives.

BUSA Energy and Environment Standing Committee

In 2023, the Energy and Environment Standing Committee was established as the overall governance and oversight body for energy and environmental policy matters. Although a fully-fledged standing committee in its own right, it provides updates and feedback to the Economic Policy Standing Committee and the Social Policy Standing Committee, promoting integration and collaboration.

Appointment of BUSA Energy SC Chair and Deputy Chair

Jevon Martin, from the Energy Intensive Users Group, was appointed as the Chair of BUSA Energy and Environment SC, with Joanne Dean, from the South African Energy Storage Association, appointed as Deputy Chair of BUSA Energy SC.

Electricity Regulation Act (ERA) and Draft Energy Security (Omnibus) Bill

BUSA actively participated in public hearings and consultations regarding the 2nd Amendment of the Electricity Regulation Act. Key steps outlined in the Bill include the creation of a Central Purchasing Agency (CPA), the establishment of the Transmission System Operator (TSO) and a trading platform under the National Transmission Company of South Africa (NTCSA), the introduction of a day-ahead market, updating the Integrated Resource Plan every three years, and the TSO assuming

responsibility for transmission planning.

Our contributions included recommending the introduction of a day-ahead market, updating the Integrated Resource Plan every three years, clarifying the roles and responsibilities of the Central Purchasing Agency (CPA), and assigning transmission planning responsibilities to the Transmission System Operator (TSO).

NEDLAC Electricity Pricing Policy (EPP) Task Team

The NEDLAC EPP Task Team was established by NEDLAC, and BUSA appointed representatives to participate in the negotiations on the EPP. Ordinarily, the EPP would be finalized and adopted only after the promulgation of the Electricity Regulation Amendment (ERA) bill to ensure alignment between the two instruments. However, the current version of the EPP can be adopted before the ERA's promulgation because it includes transitional provisions that address key concerns with the current pricing methodology and require the unbundling of tariffs.

Gas Supply Issue Stakeholder Engagement

BUSA adopted a gas position statement and launched a stakeholder engagement initiative in August 2023 to address the impending gas supply crisis expected in mid-June 2026. BUSA engaged with critical stakeholders such as Eskom, the Independent Power Producers Office (IPPO), the Department of Trade, Industry and Competition (DTIC), the Minister of Electricity, the Department of Mineral Resources and Energy (DMRE), the Central Energy Fund (CEF), and Transnet Pipelines (TPL). The Gas Position Statement outlined interventions to mitigate the risks associated with the impending gas crisis

Gas Master Plan

The Draft Gas Master Plan (GMP) was in development for most of 2023. BUSA cooperated with the department on key demand information and data to inform its creation. BUSA expressed concerns about the delays in developing the plan and continues to engage with the department.

National Energy Crisis Committee (NECOM)

BUSA received regular briefings from the National Energy Crisis Committee (NECOM) Secretariat regarding the progress of the Energy Action Plan. These updates provided valuable information, allowing BUSA to align its efforts and contribute to national energy goals.

The President of South Africa established NECOM to address the electricity crisis in the country, with its main goals being:

- Improving the performance of Eskom's existing power stations.
- Adding new generation capacity to the grid as quickly as possible.

Additionally, BUSA supported the initial discussions and capacity requirements of the Energy One Stop Shop (EOSS).

New generation technology adoption

Throughout 2023, concerns have arisen regarding the slow progress of adopting new-generation technologies, such as cogeneration initiatives, in NECOM priorities. These concerns remain prevalent as these technology options can alleviate South Africa's underlying electricity security deficit.

To address these concerns, Eskom initiated several programmes designed to acquire and

capture additional or excess generation. While the design of these programmes is beyond BUSA's mandate, the variety of appropriate programme options largely resolves the issue. However, concerns about bankability and return on investment persist. Several companies have disclosed their participation in these various programmes, utilising technologies that include cogeneration capabilities. At an industry level, questions remain concerning midterm allocations based on the 2019 Integrated Resource Plan (IRP 2019), while the 2023/24 IRP is under development.

Energy One Stop Shop (EOSS)

Since the President announced the Energy Action Plan (EAP), the Energy One Stop Shop (EOSS) has been a critical pillar of the intervention set. However, no planned resources or project framework was initially in place to establish the EOSS. In response, BUSA initiated communication channels with the Department of Trade, Industry and Competition (DTIC) and facilitated the securing of business process engineering services to map out the business process aspects of energy project delivery. This included developing a schematic of the process to optimise it later. BUSA also approached NERSA to establish a back-end communication link between the soon-to-be-established EOSS and NERSA to register projects after all regulatory approval procedures had been satisfied.

By the end of 2023, the EOSS was established, and NERSA had a direct link to completed applications on the EOSS to register projects as per Schedule 2 of the Electricity Regulation Act (ERA). The EOSS is envisaged to be the single point of entry for the registration of self-generation projects, with all permits and approvals contained on the web platform. The EOSS aims to reduce red tape, provide a source of energy-related data, and streamline the approval, permits, and authorizations

related to energy project delivery.

In 2023, BUSA supported the EOSS to promote private sector involvement in the electricity sector. The objective was to alleviate pressure on the South African electricity system and promote a greener and more resilient energy mix. By the end of 2023, 150 projects had been backed, focusing on overcoming challenges and regulatory hurdles. The EOSS facilitated the prioritization of private sector projects as strategic integrated projects (SIPs) for faster completion.

BUSA remains committed to supporting the Energy Action Plan through its implementation arm, Business for South Africa (B4SA), and its policy unit. The current emphasis is on addressing the capacity needs of the EOSS. In 2024, the EOSS aims to develop and pilot the Single Window Application Process (SWAP) for energy projects, incorporate municipal mapping and standardization into SWAP, and expand the development pipeline to increase grid capacity.

Eskom-BUSA Roundtable

BUSA's energy committee met with the Eskom board and executives on April 19, 2023, to discuss business proposals and priorities. The Eskom turnaround strategy was presented, and mitigation strategies were proposed to lessen the impact of load shedding.

Environment Policy

BUSA's environmental policy focused on the pursuit of a Just Transition to ecologically sustainable economies and societies. Collaborations were made with partners such as the NBI, PCCC, DWS, and DFFE.

As requested by the Presidential Climate Change Commission, BUSA developed a private sector vision of the Just Transition for 2050, aligning with the Just Transition Pathway outcomes and recommendations. The

emphasis is on ensuring a fair transition with decent work objectives, social inclusion, and poverty eradication. The BUSA Vision 2050 was approved by the Energy and Environment Standing Committee and will undergo further consultation with specific members before being shared with all members.

The Climate Change Bill

The Climate Change Bill is important legislation for governing climate change in South Africa. It establishes institutional arrangements and outlines a mitigation system and adaptation plans. BUSA supported the Bill and provided comprehensive comments. The Bill is expected to be signed into law soon. BUSA is also engaged in the development of regulations for carbon budgets and sectoral emission targets.

Water policy

BUSA met with the Department of Water and Sanitation (DWS) to address slow progress and unimplementable license conditions. The outcome was an agreement to schedule future meetings in advance and ensure decision-makers are present. BUSA-DWS Task Team had its first meeting to review licenses and conditions.

Waste definition

BUSA has concerns about the waste definition in NEMLA 4 and advocates for a thorough review to avoid negative impacts on the circular economy. BUSA seeks to collaborate with stakeholders for sustainable waste management policies, but previous engagements did not yield desired outcomes. BUSA believes discussions with the department should be paused until the Constitutional Court makes a decision on the matter.

Carbon Border Adjustment Mechanism (CBAM)

BUSA has expressed concerns about CBAM and its implications for the South African

economy. The issue has been raised at the World Trade Organisation, but a resolution is unlikely in the short-to-medium term. BUSA and NBI have held information sessions on EU CBAM and will continue to raise awareness and develop a response.

BUSA and the Department of Forestry, Fisheries, and the Environment (DFFE) have a close relationship, discussing climate change mitigation, waste management, and biodiversity. In 2024, BUSA aims to formalize this relationship by agreeing on terms of reference with each chief directorate of the DFFE.

On October 17, 2023, BUSA organized a stakeholder engagement session with the DFFE focused on developing draft carbon budgets and mitigation plan regulations. The session aimed to understand DFFE's initial thoughts on carbon budget allocation and share considerations for developing the draft regulations and plans.

BUSA and Danish Industry Partnership

BUSA and Danish Industry are in discussions to form a strategic partnership addressing the Just Transition through Social Dialogues in South Africa. The partnership is expected to start in 2024.

The objective is to facilitate discussions between business and labour stakeholders for a fair and equitable Just Transition. This includes building trust, enhancing communication, and developing inclusive policies through skilled facilitation and transparent information sharing. The goal is to achieve sustainable cooperation in addressing transition challenges and contribute to a fair process.

The partnership also aims to introduce the Climate Fit tool, adapted for the South African context, to BUSA members. The tool will increase private sector engagement in climate change

disclosures and help businesses prepare for CBAM-related information requirements and potential liability. The aim is to support more significant climate action and alleviate administrative burdens.

Conference of Parties 28 (COP28)

BUSA provided NBI with the opportunity to engage BUSA members in both subcommittees to secure Pavilion sponsors for COP28. This resulted in an influx of requests, which NBI appreciated. Preparation and engagement for the COP28 Pavilion began in 2023. BUSA allocated dedicated time for NBI to discuss Pavilion preparations, in accordance with prior agreements made in 2022.

BUSA and NBI worked together to coordinate the business constituency's participation in COP28. The registration of delegates and acquisition of accreditations were completed. BUSA's representation at COP28 included Cas Coovadia, Khulekani Mathe, and Happy Khambule.

BUSA participated in IOE side events at COP28, focusing on skills for a Just Transition and business readiness for climate ambition. The CEO of BUSA and the CEO designate took part in these side events and held bilateral meetings with the ILO, NBI, and the Climate Commission. Happy Khambule participated mainly in the main negotiating processes, covering agenda items on Response Measures, the Just Transition, and issues related to Compliance and Paris Agreement Implementation.

Key outcomes of COP28 included:

- Developed countries will continue to lead the way in transitioning away from fossil fuels in energy systems in a just, orderly, and equitable manner.
- Targets have been established for the global goal on adaptation and its framework.

- An agreement has been made on how to fund arrangements for addressing loss and damage, with a current pledge of \$700 million.
- To limit global warming to 1.5 degrees Celsius, a reduction of 43% in global greenhouse gas emissions is required by 2030, 60% by 2025, and net zero emissions by 2050.
- Inefficient fossil fuel subsidies that do not address energy poverty or just transitions will be phased out.
- The importance of protecting and restoring nature and ecosystems was emphasised.
- The global stocktake report indicated that the world is not on track to meet its commitments under the Paris Agreement.

Conclusion

BUSA's Energy and Environment Policy Unit has made significant strides in fostering a regulatory environment that supports business growth and promotes sustainability. Our comprehensive and strategic engagements have ensured that business perspectives are well-represented in policy developments, driving forward our mission of sustainable and inclusive economic growth.

As we continue to navigate the complex landscape of energy and environmental policy, BUSA remains dedicated to championing the interests of our members and contributing to a resilient and prosperous South African economy.



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BUSA 2023 A.G.M HIGHLIGHTS

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MEMBERSHIP LIST 2024

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CHAMBERS

- SBI (previously AHI)
- American Chamber of Commerce in SA (AMCHAM)

CORPORATES

- Business Leadership SA (BLSA)
- Manufacturing Circle

PROFESSIONALS

- Consulting Engineers South Africa (CESA)
- National African Federation for the Building Industry (NAFBI)

UNISECTORALS

- Agricultural Business Chamber (AGBIZ)
- Aluminium Federation of South Africa (AFSA)
- Apparel Manufacturers' of South Africa (AMSA)
- Association for Savings and Investment South Africa (ASISA)
- Banking Association SA (BASA)
- BEV SA
- Business Process Enabling (BPESA)
- Chemical and Allied Industries' Association (CAIA)
- Confederation of Associations in the Private Employment Sector (CAPES)
- Consumer Goods Council South Africa (CGCSA)
- Energy Council of SA
- Energy Intensive Users Group of Southern Africa (EIUG)
- Financial Intermediaries Association (FIA)
- FishSA
- Generic Biosimilar Medicines of SA (GBMSA)
- Health Funders Association (HFA)
- Hospital Association SA (HASA)
- Industrial Gas Users Association SA (IGUASA)
- Innovative Pharmaceutical Association of SA (IPASA)
- Institute of Retirement Funds Africa (IRFA)
- Master Builders SA (MBSA)
- Mineral Council South Africa
- National Association of Automobile Manufacturers of South Africa (NAAMSA)
- National Association of Automotive Component and Allied Manufactures

(NAACAM)

- National Clothing Retail Federation (NCRF)
- Paper Manufacturing Association of SA NPC (PAMSA)
- The Recording Company of SA (RISA)
- Retail Association (RA)
- Retail Motor Industry (RMI)
- Road Freight Association (RFA)
- Polyco
- South African Apparel Association (SAAA)
- South African Association Freight Forwarders (SAAFF)
- South African Insurance Association (SAIA)
- The South African Medical Technology Industry Association (SAMEDI)
- South African Paint Manufacturers Association
- South African Petroleum Industry Association (SAPIA)
- South African Property Owners Association (SAPOA)
- South African Sugar Association (SASA)
- Steel and Engineering Industries Federation of South Africa (SEIFSA)
- Tourism Business Council of South Africa (TBCSA)

ASSOCIATIONS

- Youth Remployment Services

BOARD OF TRUSTEES

- Absa Group Limited
- Aspen Pharmacare
- Deloitte
- Discovery Health
- Ernst & Young
- Investec Ltd
- JSE
- MTN (Pty) Ltd
- Price WaterHouse Coopers
- Rothschild
- SAB Limited
- Sanlam Life Insurance Ltd
- SAPPI Ltd
- Sasol Group Services
- Shell South Africa
- Vodacom



BUSAS ANNUAL FINANCIAL STATEMENTS

1 JANUARY -

31 DECEMBER 2023 —

BUSAS
ANNUAL
REPORT —



BUSA ANNUAL FINANCIAL STATEMENTS



Zelda Setladi

Business Unity South Africa

OPERATIONS MANAGER

Business Unity South Africa NPC
Registration No:
2014/042417/08

Annual Financial Statements for the
year ended December 31, 2023

Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Business Unity South Africa NPC operates as a non-profit company to ensure that organised business plays a constructive role, within the context of the country's economic growth, development and transformation goals.
Directors	Mr Mxolisi Donald Mgojo Mr Cassim Coovadia Mr Adrian Gore Ms Bongile Kunene Ms Busisiwe Mavuso Ms Charlotte Kelepile Mokoena Mr Christopher Campbell Ms Deidre Penfold Mr Gareth Ackerman Mr John Dludlu Mr Michael Mabasa Ms Michelle Constant Mr Mzila Mthenjane Mr Stavros Nicolaou
Business address	61 Katherine Street Sandton 2196
Bankers	Absa Bank
Auditor	Motlanalo Chartered Accountants & Auditors Incorporated Chartered Accountant (SA) Registered Auditor
Secretary	SGA Law Africa
Company registration number	2014/042417/08

Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Contents

The reports and statements set out below comprise the annual financial statements presented to the directors:

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Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 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 their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the company's cash flow forecast for the year to December 31, 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

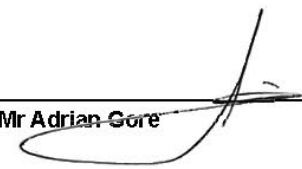
The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on page 7 - 8.

The annual financial statements set out on pages 9 to 23, which have been prepared on the going concern basis, were approved by the board of directors on 01/08/2024 and were signed on its behalf by:

Signed on behalf of the Board of Directors By:



Mr Cassim Coovadia



Mr Adrian Gore

Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Business Unity South Africa NPC for the year ended 31 December 2023.

1. Nature of business

The principal activity of Business Unity South Africa which operates as a non profit company is to ensure that organised business plays a constructive role in ensuring an environment that promotes inclusive economic growth, development and economic transformation.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Auditors

Motlanalo Chartered Accountants & Auditors Incorporated continued in office as auditors for the company for the 2023 financial year.

At the AGM, the members will be requested to reappoint Motlanalo Chartered Accountants & Auditors Incorporated as the independent external auditors of the company and to confirm Mr George Higgins as the designated lead audit partner for the 2024 financial year.

4. Secretary

The company secretary is SGA Law Africa.

Business address

Office 5, 2nd floor
Building B, Loftus Park
Kirkness Street, Arcadia
Pretoria
0083

5. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control program, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

6. Directors

The directors in office at the date of this report are as follows:

Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Directors' Report

Directors (continued)

Directors	Designation	Changes
Mr Mxolisi Donald Mgojo	President	Appointed Friday, January 26, 2024
Mr Cassim Coovadia	Chief Executive Officer	
Mr Adrian Gore	Vice President	
Ms Bongzi Kunene	Non-executive	
Ms Busisiwe Mavuso	Non-executive	
Ms Charlotte Kelepile Mokoena	Non-executive	Appointed Thursday, August 17, 2023
Mr Christopher Campbell	Non-executive	
Ms Deidre Penfold	Non-executive	
Mr Gareth Ackerman	Non-executive	
Mr John Dlodlu	Non-executive	
Mr Michael Mabasa	Non-executive	
Ms Michelle Constant	Non-executive	
Mr Mzila Mthenjane	Non-executive	Appointed Wednesday, September 13, 2023
Mr Stavros Nicolaou	Non-executive	
Ms Zoleka Boitumelo Lisa	Non-executive	Resigned Thursday, August 17, 2023
Mr Roger Baxter	Non-executive	Resigned Sunday, December 31, 2023
Mr Bonang Mohale	President	Resigned Thursday, August 17, 2023
Ms Busisa Jiya	Non-executive	Resigned Sunday, December 31, 2023

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

8. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At December 31, 2023 the company's investment in property, plant and equipment amounted to R593,666 (2022:R246,954). Additions in the current year amounted to R470,516.

9. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would require disclosure in or adjustment to financial statements.

10. Going concern

The annual financial statements have been 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 that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Business Unity South Africa NPC

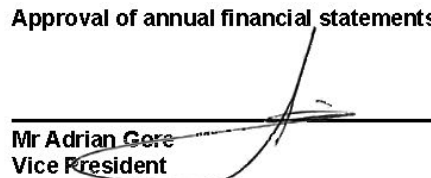
(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

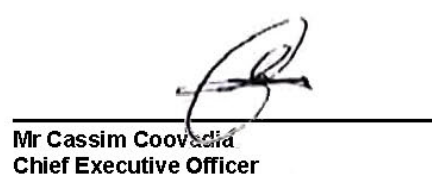
Directors' Report

The annual financial statements set out on page 9, which have been prepared on the going concern basis, were approved by the board of directors on 1 August 2024, and were signed on its behalf by:

Approval of annual financial statements



Mr Adrian Gere
Vice President



Mr Cassim Coovadia
Chief Executive Officer



Independent Auditor's Report

To the Directors of Business Unity South Africa (NPC)

Opinion

We have audited the Financial Statements of Business Unity South Africa (NPC) set out on pages 7 to 21, which comprise the Statement of Financial Position as at 31 December 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Business Unity South Africa (NPC) as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled Business Unity South Africa Annual Financial Statements for the year ended 31 December 2023, which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

1. 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 our 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.
2. 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 company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
4. Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Motlansalo Chartered Accountants and Auditors Inc.
Per: George Higgins CA (SA)
Registered Auditor
Engagement Leader

16 August 2024
Rivonia, Gauteng

1 2 3 4 5 6 7 8 9 10 11 12

Business Unity South Africa NPC

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Annual Financial Statements for the year ended December 31, 2023

Statement of Financial Position as at December 31, 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	593,666	246,954
Current Assets			
Trade and other receivables	5	1,580,777	1,653,773
Cash and cash equivalents	6	35,791,287	26,696,847
		37,372,070	28,350,620
Total Assets		37,965,740	28,597,578
Equity and Liabilities			
Equity			
Reserves	20	4,616,260	1,804,500
Retained income		16,519,428	23,122,487
		21,135,688	24,926,987
Liabilities			
Non-Current Liabilities			
Operating lease liability	4	339,923	237,257
Current Liabilities			
Trade and other payables	10	10,112,213	2,829,959
Deferred income	8	5,635,969	541,198
Provisions	9	741,947	62,177
		16,490,129	3,433,334
Total Liabilities		16,830,052	3,670,591
Total Equity and Liabilities		37,965,740	28,597,578

Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue	11	28,096,321	26,629,796
Other income	12	15,332,909	14,322,311
Operating expenses	13	(53,391,524)	(38,339,230)
Project income		18,794,417	16,020,000
Project expense		(14,178,157)	(14,215,500)
Other project income		3,688,140	871,603
Other project expenses		(3,688,140)	(871,603)
Operating (loss) surplus		(5,346,034)	4,417,377
Investment revenue	16	3,359,235	1,432,399
(Loss) surplus for the year		(1,986,799)	5,849,776
Total comprehensive (loss) income for the year		(1,986,799)	5,849,776

Business Unity South Africa NPC

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Annual Financial Statements for the year ended December 31, 2023

Statement of Changes in Equity

Figures in Rand	Other NDR	Retained income	Total equity
Opening balance as previously reported	-	19,213,318	19,213,318
Adjustments			
Prior year adjustments	-	(136,107)	(136,107)
Balance at January 1, 2022 as restated	-	19,077,211	19,077,211
Total comprehensive income for the year	-	5,849,776	5,849,776
Transfer between reserves	1,804,500	(1,804,500)	-
Total changes	1,804,500	(1,804,500)	-
Balance at January 1, 2023	1,804,500	23,122,487	24,926,987
Total comprehensive loss for the year	-	(1,986,799)	(1,986,799)
Transfer between reserves	4,616,260	(4,616,260)	-
Total changes	4,616,260	(4,616,260)	-
Balance at December 31, 2023	4,616,260	16,519,428	21,135,688

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Annual Financial Statements for the year ended December 31, 2023

Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash generated from operations	17	8,010,222	3,234,721
Investment revenue		3,356,685	1,296,292
Net cash from operating activities		11,366,907	4,531,013
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(470,516)	(161,231)
Proceeds from sale of property, plant and equipment	2	-	1,316
Net cash from investing activities		(470,516)	(159,915)
Total cash movement for the year		9,091,890	4,371,098
Cash and cash equivalents at the beginning of the year		26,038,329	21,664,681
Lease guarantee		661,068	661,068
Total cash at end of the year	6	35,791,287	26,696,847

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(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period..

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the management determined that there were no changes in circumstances that indicates that the useful lives and residual values have changed.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Computer equipment	Straight line	5 years
Leasehold improvements	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated

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Annual Financial Statements for the year ended December 31, 2023

Accounting Policies

1.3 Intangible assets (continued)

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.5 Tax

Tax

The company is exempt from tax in terms of Section 10 (1) (d) of the income Tax Act 58 of 1962.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term

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

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment assets may be impaired.

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Annual Financial Statements for the year ended December 31, 2023

Accounting Policies

1.7 Impairment of assets (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to the defined contribution retirement benefit plans are charged as an expense as they fall due.

1.9 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past events; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.10 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.11 Revenue

Revenue is primarily comprises of membership fees and project income. Revenue is recognised when is received or receivable. Revenue is measured at the fair value of the consideration received or receivable, excluding added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Rental income from third party under an oprating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and included in 'other income'.

Project income received in advance are reported as a current liability if they will be earned within one year. Deferred income is recognised when the funds are received from the funder and derecognised to the other income when the terms of the contract have been met by BUSA to the extend of expenses that have been incurred. For further information refer to note 8.

1.12 Prior period errors

Prior period errors are ommisions from, and misstatements in, an entity's financial statements for one or more prior periods arising from failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were authorised for issue; and (b) could reasonably be expected to have been obtained and taken into account in preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts and fraud.

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Annual Financial Statements for the year ended December 31, 2023

Accounting Policies

1.13 Project reserve accounting policy

The excess amounts not spent for specific BUSA projects but without signed agreements are allocated to a reserve in the statement of changes in net equity in order to be spent on the projects in the next financial year.

Business Unity South Africa NPC

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Annual Financial Statements for the year ended December 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Leasehold property	947,286	(947,286)	-	947,286	(947,286)	-
Furniture and fixtures	1,956,474	(1,708,770)	247,704	1,704,250	(1,669,784)	34,466
Computer equipment	1,208,461	(862,499)	345,962	990,170	(777,682)	212,488
Total	4,112,221	(3,518,555)	593,666	3,641,706	(3,394,752)	246,954

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	34,466	252,224	(38,986)	247,704
Computer equipment	212,488	218,292	(84,818)	345,962
	246,954	470,516	(123,804)	593,666

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold property	157,881	-	-	(157,881)	-
Furniture and fixtures	275,369	-	-	(240,903)	34,466
Computer equipment	184,946	161,231	(1,316)	(132,373)	212,488
	618,196	161,231	(1,316)	(531,157)	246,954

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Annual Financial Statements for the year ended December 31, 2023

Notes to the Annual Financial Statements

Figures in Rand

3. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Computer software, other	52,245	(52,241)	4	52,245	(52,241)	4

Reconciliation of intangible assets - 2023

	Opening balance	Closing balance
Computer software, other	4	4

Reconciliation of intangible assets - 2022

	Opening balance	Closing balance
Computer software, other	4	4

4. Operating lease liability

Net operating lease liability

5. Trade and other receivables

Trade receivables	234,695	60,010
Prepayments	-	40,797
VAT	1,169,401	1,416,854
Interest receivable	176,663	137,734
	1,580,777	1,655,395

Business Unity South Africa NPC

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Annual Financial Statements for the year ended December 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022	
6. Cash and cash equivalents			
Cash and cash equivalents consist of:			
Bank balances	35,130,219	26,035,779	
Lease guarantee	661,068	661,068	
	35,791,287	26,696,847	
7. Project reserves			
Unspent funds	4,616,260	1,804,500	
8. Deferred income - NSF project			
Project income	5,635,969	541,198	
9. Provisions			
Reconciliation of provisions - 2023			
	Opening balance	Utilised during the year	Closing balance
Provisions for leave	62,177	679,770	741,947
Reconciliation of provisions - 2022			
	Opening balance	Utilised during the year	Closing balance
Provisions for leave	168,176	(105,999)	62,177
Net provisions			
10. Trade and other payables			
Membership received in advance	3,142,765	1,317,608	
Grant Seta legal case	423,570	769,109	
Trade payables	105,878	743,242	
Project expense	6,440,000	-	
	10,112,213	2,829,959	
11. Revenue			
Membership fees	28,096,321	26,629,796	
12. Other income			
NSF handling fee	32,430	104,637	
Boardroom rental income	21,739	2,174	
	15,332,909	14,322,311	
13. Operating surplus (loss)			
Operating surplus (loss) include the following expenses:			

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Annual Financial Statements for the year ended December 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
13. Operating surplus (loss) (continued)		
Operating surplus (loss)		
Premises		
• Contractual amounts	2,354,507	2,365,523
Equipment		
• Contractual amounts	19,789	24,214
	2,374,296	2,389,737
Loss on sale of assets and liabilities	-	1,316
Depreciation and amortisation	123,804	531,157
Employee costs	21,314,837	14,378,947
Defined contribution funds	1,612,736	747,803
14. Auditor's remuneration		
Fees	215,442	200,339
15. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	123,804	531,157
16. Investment revenue		
Finance income		
Bank	3,359,235	1,432,399
17. Cash generated from operations		
Net (loss) profit before taxation	(1,986,799)	3,909,169
Adjustments for:		
Depreciation and amortisation	123,804	531,157
Loss on sale of assets and liabilities	-	1,316
Movement in provisions	679,770	(105,999)
Investment income	-	(1,296,292)
(Increase) decrease in operating lease assets	-	403,936
(Increase) decrease in operating lease liabilities	102,666	-
Investment income	(3,356,685)	-
Changes in working capital:		
(Increase) decrease in trade and other receivables	72,991	(755,640)
Increase (decrease) in trade and other payables	7,282,254	1,105,918
Increase (decrease) in deferred income	5,094,771	(558,844)
	8,012,772	3,234,721

Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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18. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	1,956,866	2,340,121
- after one year but not more than five years	7,077,739	1,486,428
	9,034,605	3,826,549

The company's future commitments is in respect of lease agreements over office premises..

Operating leases – as lessor (income)

Minimum lease payments due

- within one year	21,588	19,789
- after one year but not more than five years	21,588	43,176
	43,176	62,965

The company's future commitments is in respect of lease agreements over office equipment.

Business Unity South Africa NPC

(Registration number: 2014/042417/08)

Annual Financial Statements for the year ended December 31, 2023

Notes to the Annual Financial Statements

Figures in Rand		2023	2022	
19. Compensation paid to key management				
2023				
Executives		Salaries, bonuses and performance related payments	Expense allowances	Total
Mr. Cas Coovadia		4,287,511	24,000	4,311,511
Mr. Khulekani Mathe		3,243,617	12,000	3,255,617
Mr. Lunga Maloyi		1,648,934	12,000	1,660,934
Mr. Andile Khuzwayo		1,178,071	9,000	1,187,071
		10,358,133	57,000	10,415,133
2022				
Executives		Salaries, bonuses and performance related payments	Expense allowances	Total
Mr. Cassim Coovadia		4,102,644	24,000	4,126,644
Ms. Sinovuyo Moabalobelo		884,086	6,000	890,086
Mr. Olivier Serrao		82,723	-	82,723
		5,069,453	30,000	5,099,453

Business Unity South Africa NPC

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Annual Financial Statements for the year ended December 31, 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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20. Prior period errors

Correction: reallocation of project funds from payables to project reserves, a component of equity in accordance with project reserve accounting policy. Reallocation of interest received in January 2023 , which was for the period of December 2022.

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position

Project reserve	-	1,804,500
Accruals	-	1,804,500

Surplus or Loss

Investment revenue	-	136,108
Project income	-	3,688,140
Project expenses	-	3,688,140

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Annual Financial Statements for the year ended December 31, 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Membership fees		28,096,321	26,629,796
Other income			
Project income		19,895,000	30,325,500
NSF project - handling fee		32,430	104,637
Boardroom rental income		21,739	2,174
		19,949,169	30,432,311
Expenses (Refer to page 25)		(53,391,524)	(38,339,230)
Operating (loss) surplus		(5,346,034)	18,722,877
Investment income	16	3,359,235	1,432,399
Loss for the year		(1,986,799)	20,155,276

The supplementary information presented does not form part of the annual financial statements and is unaudited

Business Unity South Africa NPC

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Annual Financial Statements for the year ended December 31, 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Operating expenses			
Auditors remuneration	14	(215,442)	(200,339)
Bank charges		(46,513)	(46,378)
Computer expenses		(57,700)	(19,554)
Consulting and professional fees		(3,645,810)	(3,056,786)
Depreciation		(123,804)	(531,157)
Employee costs		(21,314,837)	(14,378,947)
Entertainment		(24,692)	(113,961)
Meeting costs		(62,958)	(27,562)
Office expense - furniture & fittings		(103,071)	(153)
Media monitoring		(60,712)	(76,617)
Sponsorships		-	(320,500)
Project expenses		(21,718,739)	(14,215,500)
Gifts and flowers		(34,943)	(17,188)
Venue hire - AGM		(73,400)	(190,218)
Insurance		(67,085)	(58,988)
Lease rentals on operating lease		(1,819,322)	(2,398,289)
Legal expenses		-	(43,400)
Postage		(362,615)	(203,475)
Printing and stationery		(181,754)	(120,965)
Loss on sale of assets and liabilities		-	(1,316)
Repairs and maintenance		(30,270)	(21,962)
Subscriptions		(2,236,665)	(1,673,210)
Travel - local		(124,120)	(67,591)
Travel - overseas		(1,087,072)	(555,174)
		(53,391,524)	(38,339,230)

The supplementary information presented does not form part of the annual financial statements and is unaudited



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01 January 2023 - 31 December 2023

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