CATALYSING TRANSFORMATION CREATING SHARED PROSPERITY FOR THE FUTURE

INTEGRATED REPORT

2025

NATIONAL EMPOWERMENT FUND

Growing Black Economic Participation

CATALYSING TRANSFORMATION CREATING SHARED PROSPERITY FOR THE FUTURE

Glossary 2
Acronyms 3

OVERVIEW AND REPORTS

01 About this report 4
02 Minister's foreword 6
03 Deputy Minister's foreword 8
04 Performance highlights 10
05 Chairperson's Report 12
06 Chief Executive Officer's Report 16

07 About the NEF 20
08 Stakeholder management 34

09 Key Risk and Material Issues 38

10 Chief Financial Officer's report 48
11 Performance review 56
12 Growing B-BBEE through partnerships 64

13 Investing in human capital 66
14 Corporate social investment (CSI) 72

GOVERNANCE

15 Governance 76

INVESTEE PROFILES

16 NEF investee profiles 90

FINANCIAL STATEMENTS

17 Annual financial statements 96

GLOSSARY

Approved	Final committee approval obtained by legal agreements not yet signed.
Black	"Black people" is a generic term which means Africans, Coloureds and Indians -(a) who are citizens of the Republic of South Africa by birth or descent; or (b) who became citizens by naturalisation before 27 April 1994; or who would have been entitled to acquire citizenship by naturalisation prior to that date – as defined by the Broad-Based Black Economic Empowerment (Act 53 of 2003, as amended by Act 46 of 2013) (B-BBEE Act), and the B-BBEE Codes of Good Practice.
Commitments	Legal agreements signed. (Deals may have been approved in current and previous financial periods). All conditions precedent may not have been met yet.
Disbursements	Full or part cash advancements made against all approved and committed deals (deals may have been committed in current and previous financial periods) subject to all condition's precedent having been met by the investee.
Drawdowns	Advances made against approved facilities based on agreed-upon milestones.
Revised APP	Following the new administration, APP targets were revised in alignment with the Ministry's strategy.

ACRONYMS

APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRM	Credit Risk Management
CIR	Cost-to-income Ratio
CSI	Corporate Social Investment
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
the dtic	The Department of Trade, Industry and Competition
EME	Exempted Micro Enterprises
ESD	Enterprise and Supplier Development
FICA	Financial Intelligence Centre Act, No. 38 of 2001
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IMF	International Monetary Fund
IR	Integrated Report
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
MP	Member of Parliament
MTN	Mobile Telephone Networks
NEF	National Empowerment Fund (Trust)

NEF ACT	The National Empowerment Fund Act, No. 105 of 1998
NERSA	National Energy Regulator of South Africa
NPL	Non-Performing Loans
PFMA	Public Finance Management Act, Act 1 of 1999
PIU	Pre-Investment Unit
POIU	Post-Investment Unit
POPIA	Protection of Personal Information Act
QSE	Qualifying Small Enterprises
ROI	Return on Investment
RPMC	Risk and Portfolio Management Committee
RTCDF	Rural, Township and Community Development Fund
SARB	South African Reserve Bank
SARS	South African Revenue Service
SEDFA	Small Enterprise Development and Finance Agency
SME	Small and Medium Enterprise
SO	Strategic Objective
SPF	Strategic Projects Fund
Stats SA	Statistics South Africa
The Board	Board of Trustees
The NEF	The National Empowerment Fund
TWR	Turnarounds, Workouts and Restructurings
UIF	Unemployment Insurance Fund
WECONA	Women Economic Assembly

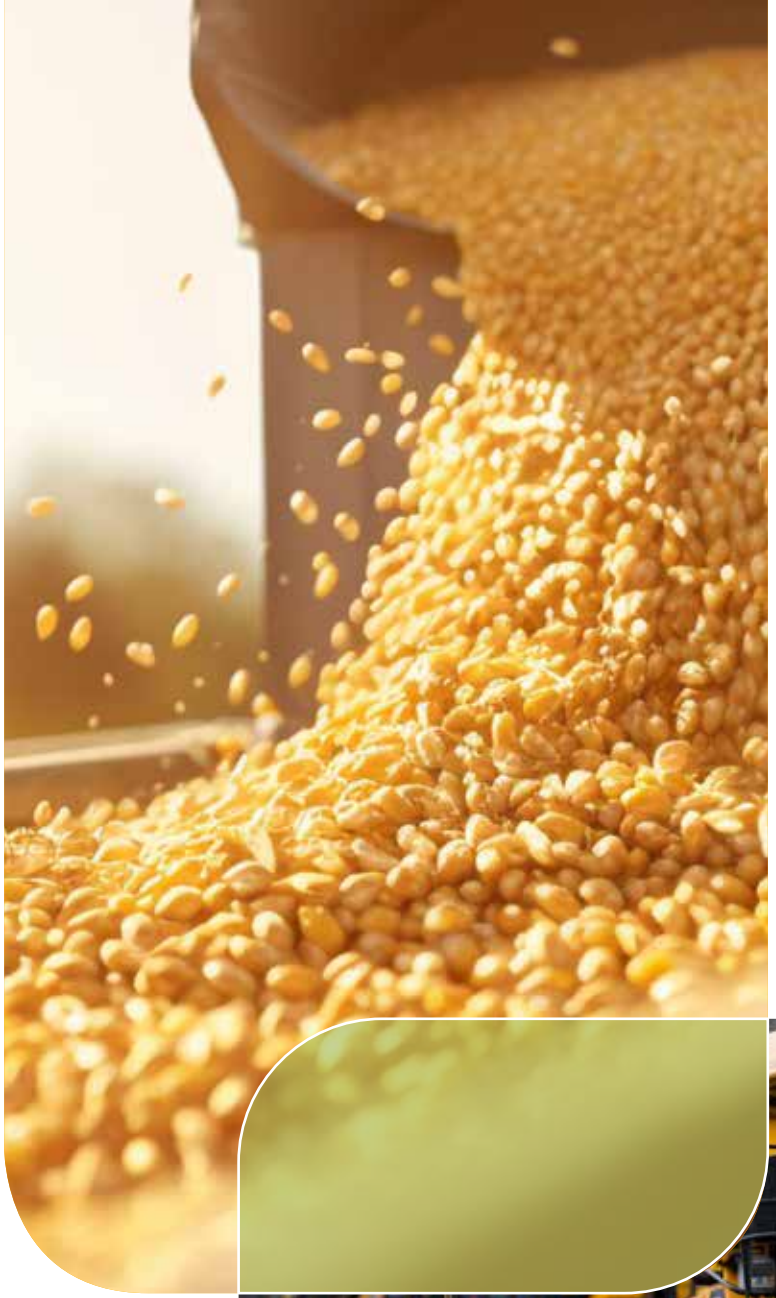
01 ABOUT THIS REPORT

This Integrated Report provides a comprehensive overview of the National Empowerment Fund (NEF's) performance, strategic direction, material risks, business model, stakeholder engagements, operating environment, and contribution to economic transformation during the 2024/25 financial year. It outlines the progress made in fulfilling the NEF's mandate to advance Broad-Based Black Economic Empowerment (B-BBEE), as empowered by the National Empowerment Fund Act, 105 of 1998.

The report presents both the financial and non-financial performance of the NEF's operations, highlighting achievements against the revised and approved Annual Performance Plan (APP), with particular emphasis on key performance indicators (KPIs), including the financial performance of the Trust and its subsidiaries. It also outlines the NEF's alignment with national priorities, especially those driven by the Department of Trade, Industry and Competition (**the dtic**) in support of the bold agenda for transformation and inclusive growth. The Integrated Report is prepared in accordance with the International Integrated Reporting Council's Integrated Reporting (IR) Framework and complies with relevant South African regulatory and governance standards. It aims to provide stakeholders with clear, accurate, and timely information and insights into the NEF's performance, governance, strategic direction, and the value created during the 2024/25 financial year.

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP), and in compliance with the requirements of the Public Finance Management Act (Act 1 of 1999 as amended) ("PFMA") and the National Empowerment Fund Act (Act 105 of 1998) ("NEF Act"). To ensure accuracy and reliability of both financial and non-financial data presented in this report, data has been rigorously verified and validated through established internal governance structures. In addition, the NEF's Internal Audit Department conducts quarterly reviews of the performance milestones to provide ongoing assurance regarding the integrity of the information disclosed to stakeholders throughout the year and at financial year-end. Furthermore, independent assurance on key performance indicators and financial information has been provided by the independent external auditor, SNG Grant Thornton. The NEF welcomes feedback, insights, and suggestions on how to enhance the future of this Integrated Report.

Please direct your input to info@nefcorp.co.za.



Mr Parks Tau
Minister of Trade,
Industry and Competition

02

MINISTER'S FOREWORD

The 2024/25 Integrated Report stands as a testament not only to the NEF's steadfast commitment to advancing Broad-Based Black Economic Empowerment (B-BBEE) but our commitment to fostering inclusive and sustainable economic growth, job creation, and ensuring that the benefits of South Africa's economic progress are equitably shared among all its people. As the Shareholder Minister, I am pleased to highlight the significant progress made thus far and the strategic direction that will guide the NEF in the years ahead.

In the 2024/25 financial year, the NEF funded 197 Small and Medium Enterprises (SMEs), significantly surpassing the set target of 150. This achievement reinforces the NEF's ongoing commitment to promoting entrepreneurship and supporting the expansion of black-owned businesses by providing much-needed capital across key strategic sectors of the domestic economy, as identified by the economic cluster.

The NEF continues to play a catalytic role in stimulating investment, disbursing R1.01 billion into the domestic economy – reflecting a year-on-year growth of 20% in investments relative to the previous financial year. These investments generated significant multiplier effects, including increased economic value added, expansion of the taxable base, employment, and higher household income levels. In terms of employment, the NEF facilitated the creation of 13 653 job opportunities, making a meaningful contribution to addressing South Africa's high unemployment rate. The NEF reaffirmed its commitment to advancing South Africa's re-industrialisation agenda and transforming the manufacturing sector by allocating 58.9% of its total investment to this priority area. This strategic investment focus underscores the organisation's role in addressing structural economic imbalances, revitalising productive capacity, and promoting inclusive industrial growth as a catalyst for sustainable job creation and economic resilience. According to the Broad-Based Black Economic Empowerment Commission, average black participation in this sector is approximately 27%. The NEF's achievement in investing in Black Industrialists is particularly impactful, as it directly addresses historical barriers to capital and market access that have long constrained black entrepreneurs in strategic industries.

As we reflect on the achievements and challenges of the past year, we also look forward with renewed determination to the opportunities ahead to make an even greater impact, with the NEF championing the transformation imperatives. The Department of Trade, Industry and Competition (**the dtic**) has set a bold agenda for the 2025/26 financial year and the years ahead, of industrialisation, job creation and inclusive

growth. Central to this agenda are the three pillars of decarbonisation, digitalisation, and diversification, which will shape **the dtic's** industrial policy drive toward inclusive and sustainable industrial development.

Our vision is to build a competitive, diversified industrial base that generates sustainable jobs and ensure equitable economic transformation. Through targeted interventions, we aim to significantly reduce poverty and inequality, address the high cost of living affecting most South Africans, and empower previously marginalised communities. We believe that these efforts will contribute to building a more resilient and globally competitive South African economy.

On behalf of **the dtic**, I would like to express my profound gratitude to the Board of Trustees under the leadership of the Chairperson, as well as the Executive Management and staff led by the Chief Executive Officer. Your dedication, professionalism, and commitment to excellence have been instrumental in the NEF's ongoing success in driving transformation, expanding opportunities for black entrepreneurs, and advancing South Africa's inclusive growth agenda.

Mr Parks Tau
Minister of Trade, Industry and Competition (**the dtic**)
Government of the Republic of South Africa

"The NEF reaffirmed its commitment to advancing South Africa's reindustrialisation agenda and transforming the manufacturing sector by allocating 58.9% of its total investment to this priority area. This strategic investment focus underscores the organisation's role in addressing structural economic imbalances, revitalising productive capacity, and promoting inclusive industrial growth as a catalyst for sustainable job creation and economic resilience."

Mr Zuko Godlimpi
Deputy Minister of Trade, Industry and Competition

03 DEPUTY MINISTER'S FOREWORD

This report of the National Empowerment Fund (NEF) documents a year of remarkable resilience and intentional execution despite the rapidly changing operating environment, which brought new leadership in government, the dtic and the NEF, as well as constraints on the domestic fiscal position and intensified geopolitical challenges. These have affected most private and public institutions.

The NEF navigated these challenges and not only achieved most of its targets but also stayed a beacon of hope for black people and aspiring entrepreneurs, despite its persistent capital constraints. Its performance for the fiscal year 2024/25 proves the NEF's commitment to championing the inclusive growth and broader transformation agenda of the South African government, as envisaged by the authors of the Freedom Charter and the Constitution.

For the period under review, the NEF continued to engage and pursue various partners from private and public sectors to enter third-party funding arrangements aimed at advancing Broad-Based Black Economic Empowerment (B-BBEE) and fostering inclusive growth. They have made notable investments by leveraging third-party funds, which made up 30% of the NEF's total investment for the period under review. This achievement is particularly significant as it proves the NEF's ability to attract added funding for greater development impact from both public and private institutions.

The third-party fund model is crucial as it enables the provision of concessionary and blended finance, including grants and low interest loans, which reduces the financial burden on SMEs and enhances their sustainability and growth prospects. This model, which the NEF has implemented over the years, is a testament of its strategic positioning as a trusted fund manager for the proposed Transformation Fund, which intends to ensure that scarce public resources are complemented by private capital.

South Africa's re-industrialisation and inclusive growth require concerted efforts, and the NEF is playing its part by aligning its programmes with government priorities. As seen during the 2024/25 fiscal year, the NEF's investments are geared to support government programmes and policies intended to stimulate growth and job creation. These include the Special Economic Zones, Industrial Parks, Black Industrialists, Master Plans, amongst others.

I would like to extend my sincere gratitude to everyone who contributed to this successful performance of the NEF. More importantly, I am proud of the 20th consecutive annual clean audit, which is a testament to the standard of corporate governance principles to which the NEF subscribes and upholds.

Mr Zuko Godlimpi
Deputy Minister of Trade, Industry and Competition (**the dtic**)
Government of the Republic of South Africa

"The performance for the financial year 2024/25 demonstrates the NEF's commitment to champion the inclusive growth and broader transformation agenda of the South African government as envisaged by the authors of the Freedom Charter and the Constitution."

04 PERFORMANCE HIGHLIGHTS

NUMBER OF FUNDED SMES
TARGET 150
ACHIEVED 197

VALUE INVESTED
TARGET R1.5 billion
ACHIEVED R1 billion

PERCENTAGE OF AGRI-BUSINESSES FUNDED RELATIVE TO NUMBER OF SMES
TARGET 40%
ACHIEVED 44.2%

PERCENTAGE OF INVESTMENTS TO BLACK INDUSTRIALISTS
TARGET 50%
ACHIEVED 58.5%

DISBURSEMENTS TO BUSINESSES OWNED BY WOMEN, YOUTH AND PEOPLE LIVING WITH DISABILITY
TARGET 50%
ACHIEVED 38.6%

PERCENTAGE OF DISBURSEMENTS TO CATALYTIC SECTORS
TARGET 75%
ACHIEVED 42.1%

PERCENTAGE OF INVESTMENTS IN SMES OPERATING OUTSIDE OF THE 5 MAIN METROS
TARGET 45%
ACHIEVED 48.2%

NUMBER OF NEW JOBS CREATED
TARGET 10 500
ACHIEVED 13 653

NUMBER OF PEOPLE TRAINED
TARGET 3 000
ACHIEVED 4 339

NUMBER OF OPERATIONAL AND/OR FUNDED INCUBATED BUSINESSES
TARGET 9
ACHIEVED 20

ECONOMIC VALUE ADDED
TARGET R4.5 billion
ACHIEVED R9.9 billion

VALUE OF REVENUE FROM EXPORTING CLIENTS
TARGET R75 million
ACHIEVED R161.5 million

SUPPLIERS PAID WITHIN 20 DAYS
TARGET 80%
ACHIEVED 96%

INVESTEES PAID WITHIN 45 BUSINESS DAYS FROM COMMITMENT
TARGET 70%
ACHIEVED 83.5%

PERCENTAGE OF PORTFOLIO IMPAIRED
TARGET 30%
ACHIEVED 30%

COLLECTION RATIO
TARGET 80%
ACHIEVED 80%

▲ Target exceeded ▼ Target not met ● Target met

Ms Thinavhuyo Mpye
Meeting Chairperson,
Board of Trustees

05 CHAIRPERSON'S REPORT

Economic Overview

The global economy faced elevated uncertainty during the 2024/25 financial year and is projected to slow in 2025 due to market shocks, most notably heightened trade tensions leading to tariff increases, policy uncertainty, and sluggish demand, all of which are dampening growth prospects worldwide. Following a moderate recovery through 2024, global GDP growth is projected to slow from 3.3% in 2024 to 2.8% in 2025 (International Monetary Fund (IMF), 2025). Advanced economies are forecast to grow by 1.4%, while emerging market and developing economies are anticipated to expand at a moderate pace of 3.7%. Growth in world trade volume is projected to fall sharply to 1.7%, while global headline inflation is projected to ease to 4.3% in 2025. Advanced economies are expected to return closer to target inflation rates, while emerging markets will experience a more gradual disinflation process.

In 2024, South Africa's real GDP growth continued to face significant headwinds, registering a modest increase of 0.6%, slightly down from the 0.7% growth recorded in 2023 (Stats SA, 2025). This marginal slowdown underscores persistent structural challenges and subdued economic momentum. Aggregate demand grew moderately, maintaining a pace close to that of 2023. Household spending remained the main driver

81%
Percentage of the KPIs achieved in FY2025

58.5%
Percentage of Investments to Black Industrialists achieved against a target of 50%

R162 million
Value of revenues from exporting clients achieved against a target of R75 million

R100 billion
Capital Mobilisation Target for the Transformation Fund

of domestic demand, increasing by 1.0% in 2024 and contributing 0.7 percentage points to overall GDP growth. Expenditure was concentrated in non-durable and semi-durable goods, including clothing, food, furnishings and recreational activities. Investment spending declined by a significant 3.7%, subtracting 0.5 percentage points from GDP growth in 2024, mainly due to reduced investment in buildings, machinery and other equipment, signalling weak business confidence, limited appetite for fixed investment, and ongoing structural constraints.

On the supply side, finance, real estate and business services continued to be the largest contributors to growth, expanding by 3.5% and accounting for 0.8 percentage points of GDP, highlighting the sector's resilience and centrality. Other sub-sectors that reported growth included education, healthcare, and utilities (electricity, gas and, water). By contrast, the agriculture, forestry and fishing sector contracted by 8.0%, worsening from a 4.8% decline in 2023. This was largely attributed to mid-summer droughts induced by El Niño, which adversely affected the 2023-24 summer crop, as well as ongoing animal diseases that hindered the full recovery in livestock production (Agribusiness Chamber, 2024). Other contracting sectors included construction, trade, transport, and manufacturing, with respective declines of 5.1%, 1.4%, 1.3% and 0.5%.

In 2024, inflation in South Africa remained within the lower half of the 3%–6% target range, supported by subdued demand, moderating food and fuel costs. Headline inflation averaged 4.7% in 2024, with a projected decline to 3.6% in 2025, driven by improved fuel price expectations and lower electricity tariffs announced by National Energy Regulator of South Africa (NERSA). In response to ongoing uncertainty, the South African Reserve Bank's (SARB) Monetary Policy Committee maintained the prime lending rate at 11% in March 2025. The SARB expects the domestic interest rate to stabilise at a neutral level of approximately 11.25% over the medium term.

South Africa's consolidated budget deficit is projected to narrow from 4.8% of GDP in 2024/25 to 3.4% by 2027/28, signalling a return to a more sustainable fiscal trajectory. This improvement is driven by a growing primary budget surplus and revenue strengthening, with revenue expected to exceed non-interest expenditure, thereby allowing gross loan debt to stabilise at 77.4% of GDP in 2025/26 before declining gradually (National Treasury, 2025). Over the medium term, consolidated government expenditure is set to increase at an annual average rate of 5.4%, rising from R2.4 trillion in 2024/25 to R2.81 trillion in 2027/28. Payments for

"A key focus for the Board during the year under review was the appointment of a new CEO. The Board actively participated in identifying a suitable candidate, leading to the appointment of Mr Mziwabantu Dayimani as NEF CEO, effective 5 December 2024, by the Minister following the Board's recommendation. Mr Dayimani has over 15 years of executive management experience in the development finance sector and demonstrated strong leadership as Acting CEO over the past year. Notably, his guidance has been instrumental in the development of the new strategic plan and driving the NEF's transformation agenda."

capital assets is expected to be the fastest-growing expenditure category, with an average annual growth rate of 7.5%, largely driven by increased allocations to infrastructure projects in transport, and water.

South Africa's outlook is challenged by both global and domestic factors. Externally, trade disruptions, including a 30% tariff imposed by the United States on South African exports and uncertainty around the renewal of the African Growth and Opportunity Act (AGOA) are expected to curtail export opportunities and raise import costs. Domestically, structural inefficiencies, persistent energy supply disruptions, and policy uncertainty remain key constraints. As a result, real GDP growth is projected at 1.0% in 2025 – a modest recovery from 0.6% in 2024, but still well below the country's potential growth rate (IMF, 2025).

The NEF Governance Approach

The NEF's governance approach is grounded in widely acceptable frameworks, sound governance practices, and a culture of professional ethical conduct. We firmly believe that effective corporate governance is essential to delivering the desired developmental impact. The NEF remains committed to the continuous improvement and strengthening of its governance framework to ensure ongoing alignment with established governance standards.

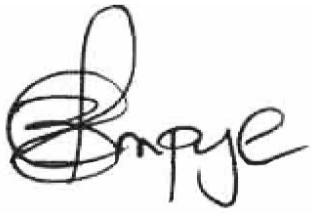
The Minister of Trade, Industry and Competition (**the dtic**) has delegated oversight responsibility to the NEF Board, which acts as the shareholder representative on behalf of the South African Government. In line with good corporate governance, the appointment of new trustees is the responsibility of the Minister, and this process is currently underway.

A key focus for the Board during the year under review was the appointment of a new CEO. The Board actively participated in identifying a suitable candidate, leading to the appointment of Mr Mziwabantu Dayimani as NEF CEO, effective 5 December 2024, by the Minister following the Board's recommendation. Mr Dayimani has over 15 years of executive management experience in the development finance sector and demonstrated strong leadership as Acting CEO over the past year. Notably, his guidance has been instrumental in the development of the new strategic plan and driving the NEF's transformation agenda.

Another key priority for the Board was overseeing the NEF's new strategic direction and targets. The Board concentrated on reviewing and approving the five-year strategic plan for the NEF to ensure alignment with the updated outcomes and KPIs of the new government, reflecting a shift towards an impact-driven approach. In addition, the Board played a vital role in supporting the establishment of the R100 billion Transformation Fund, which is scheduled for rollout beginning in the 2025/2026 financial year, with an annual allocation of R20 billion.

Performance for the Year

In the 2024/25 financial year, the NEF continued to demonstrate institutional effectiveness and a strong commitment to high performance, achieving 13 out of 16 key performance indicators (KPIs), which represents an 81% achievement rate. As highlighted in the performance overview section, notable successes included KPIs related to the number of new jobs created and the number of SMEs funded. In particular, the performance in third-party fundraising was pivotal, providing resources that enabled the achievement of most KPIs. The NEF successfully raised in excess of R810 million third-party funds, thereby strengthening the NEF's balance sheet and its sustainability.



Meeting Chairperson
Ms Thinavhuyo Mpye

Mr Mziwabantu Dayimani
Chief Executive Officer

06 CHIEF EXECUTIVE OFFICER'S REPORT

The 2024/25 financial year marks an important period for the National Empowerment Fund (NEF) as we navigate a rapidly evolving socio-economic and political landscape, both domestically and globally.

It is a privilege to present the 2025 Integrated Report of the NEF during a period in which our institution reaffirms its strategic commitment to driving and deepening inclusive growth and transformation in South Africa, as reflected in the strategic planning sessions held with stakeholders throughout the year.

During the year under review, our efforts focused on the national imperative to redress historical economic imbalances by building a more equitable and competitive economy. This was achieved through supporting black-owned SMEs and industrialists by facilitating access to markets, reducing financing costs, and implementing other targeted interventions.

Leadership Transition and Strategic Continuity

The year under review was marked by significant leadership changes across various levels of governance, including transition to the historic Government of National Unity (GNU), which ushered in new leadership

197
Number of funded SMEs against a target of 150

R9.9 billion
Economic value added against a target of R4.5 billion

13 653
Number of new job opportunities created against a target of 10 500

83.5%
Percentage of investee paid within 45 working days of commitment against a target of 70%

at both ministerial and executive levels. The transition has resulted in continuity, strategic alignment, and a shared vision for transformation, while also presenting both opportunities and challenges.

The NEF maintained strategic continuity by aligning its revised 2024/25 Annual Performance Plan (APP) with national priorities, including the National Development Plan, the Medium-Term Strategic Framework, and **the dtic's** reimagined industrial policy. The leadership changes led to the introduction of the new key performance indicators and targets for the 2024/25 financial year. Despite these changes, the NEF sustained strong momentum in executing its mandate by leveraging robust governance structures, strong institutional values, a service delivery orientation, and a high-performing staff complement – qualities cultivated over many years.

Overview of the Operating Environment

During the financial year, the NEF like many other South African businesses, operated within a highly complex and rapidly evolving environment shaped by domestic and global developments. On the policy front, negative perceptions toward transformation-related policies and initiatives resurfaced. The NEF continues to address these through transparency, adherence to good corporate governance, and consistent stakeholder engagement.

South Africa continued to face subdued growth, with GDP only increasing by 0.6% at the end of 2024, weighed down by decreases in the agriculture, manufacturing, and trade sectors. Economic disparities persist as a result of weak economic growth, which continues to limit meaningful opportunities and the full participation of black South Africans in the mainstream economy. This is reflected in the persistently low levels of income and business ownership, as well as the high unemployment rates that disproportionately affect black youth and women, particularly in townships and former homeland areas.

The prevailing status quo is reinforced by persistent barriers to entry across various industries that continue to confront black-owned SMEs. These include limited access to capital and markets, as well as high input costs. However, recent macroeconomic improvements – such as declining inflation and interest rates, along with noticeable improvements in electricity supply and logistics infrastructure – present a valuable opportunity to chart a new and inclusive growth path.

"In response to the challenges confronting black SMEs, the NEF has scaled up its investment towards SMEs in catalyctic sectors such as agriculture, manufacturing, tourism, and emerging service industries. During the 2024/25 financial year, the NEF supported 197 SMEs, exceeding the annual target by advancing over a billion in funding. This included a deliberate emphasis on agribusinesses, to which 44.2% of the annual investment was funded, therefore, contributing to food security, the creation of rural incomes and sustainable value chains. This performance was driven by the NEFs newly developed Aggregator Model. Notably, the targeted focus on job creation, spatial development, and women empowerment within SME funding is expected to have a far-reaching impact – stimulating SME growth and contributing to the reduction of poverty and inequality which continue to mirror South Africa's racial disparities."

Over the past year, the NEF responded to the prevailing operating environment by prioritising investments in catalyctic sectors identified by **the dtic**. Investments in these sectors have far-reaching multiplier effects across the broader economy, including the creation of new SMEs, expansion of economic base, and the ability to crowd-in co-funders and attract private investment opportunities. To support these priorities, the NEF developed six new programmes designed to ensure strategic alignment and impact. These programmes include Black Industrialists, Aggregator Model, SMEs, Digital Economy, Green Economy, Cultural Beneficiation.

A High Performing Organisation

At the NEF, we pride ourselves on fostering a high-performance culture built on the foundation of a skilled and dedicated staff, supported by a conducive working environment, strong organisational values, and a shared commitment to excellence. Our workforce – comprising predominantly Black South African professionals, with a significant representation of women and youth – reflects our continued drive to advance the participation of historically marginalised groups in the economy.

Below is a summary of organisation's performance against the approved KPIs and targets for the 2024/2025 financial year:

- **Economic Value Add:** The additional value created by all investees on the NEF's portfolio amounted to R9.9 billion against a target of R4.5 billion.
- **Value invested:** The NEF deployed R1 billion into the domestic economy against a target of R1.5 billion.
- **Number of funded SMEs:** The NEF supported 197 transactions against a target of 150 at the end of quarter four.
- **Number of job opportunities to be created:** the organisation supported the creation of 13 653 new jobs against a target of 10 500.
- **Percentage of agri-businesses funded relative to the number of SMEs:** 44.2% of the investments made were towards agri-businesses against a target of 40%.
- **Percentage of investments in SMEs operating outside the five main metros:** the organisation disbursed 48.2% of its total investments outside the five metros relative to a target of 45%.
- **Percentage of disbursements to businesses owned by women, youth and people living with disability:** the NEF achieved 38.6% against a target of 50%.
- **Percentage disbursed to catalytic sectors:** the NEF disbursed 42.1% against a target of 75%.
- **Percentage of investment to Black Industrialists:** the organisation disbursed 58.5% against a target of 50%.
- **Number of people trained:** the NEF trained 4 339 people compared to a target of 3 000.
- **Number of operational and/or funded incubated businesses:** the NEF reported 20 against a target of 9.
- **Value of revenues from exporting clients:** revenue to the tune of R161.5 million was generated from NEF-funded exporting clients against a target of R75 million.
- **Percentage of suppliers paid within 20 days of approval:** the NEF achieved 96% against a target of 80%.
- **Percentage of Investees paid within 45 working days from commitment:** the organisation achieved 83.5% against a target of 70%.
- **Collections ratio:** the NEF achieved a collections rate of 80% against a target of 80%.
- **Percentage of portfolio impaired:** the NEF reported an impairment rate of 30% against a maximum threshold of 30%.

Despite the complex and challenging operating environment, the NEF continued to deliver on its annual commitment and mandate by providing and facilitating affordable access to finance and strategic markets for black-owned SMEs as these ranked among the key economic constraints. The performance underscores the organisation's operational resilience, strategic alignment, and effective execution across its core programmes, despite facing significant financial constraints during the first half of the financial year. These challenges were compounded by a constrained public finance environment and a tightening in the enterprise and supplier development landscape – key enablers for raising third-party funding. Nonetheless, the NEF remained agile and focused, demonstrating its ability to deliver on its mandate under demanding conditions.

Driving Inclusive Growth Through SME Funding

The NEF recognises the fundamental role that SMEs play in fostering inclusive economic growth and creating sustainable employment opportunities in South Africa. SMEs are widely recognised as the backbone of South Africa's economy, accounting for approximately 95% of all businesses according to the Competition Commission's Concentration Tracker Report (2021). As such, the NEF remains resolute in its strategic commitment to drive inclusive growth by expanding equitable access to finance for SMEs across all provinces and sectors.

In response to the challenges confronting black SMEs, the NEF has scaled up its investment towards SMEs in catalyctic sectors such as agriculture, manufacturing, tourism, and emerging service industries. During the 2024/25 financial year, the NEF supported 197 SMEs, exceeding the annual target by advancing over a billion in funding. This included a deliberate emphasis on agribusinesses, to which 44.2% of the annual investment was funded, therefore, contributing to food security, the creation of rural incomes and sustainable value chains. This performance was driven by the NEFs newly developed Aggregator Model. Notably, the targeted focus on job creation, spatial development, and women empowerment within SME funding is expected to have a far-reaching impact – stimulating SME growth and contributing to the reduction of poverty and inequality which continue to mirror South Africa's racial disparities.

What to Expect in the Short to Medium Term

Looking ahead, the NEF is poised to play an even more strategic and catalytic role in advancing South Africa's inclusive economic growth over the short to medium term. A key development in this regard is the proposed Transformation Fund, which is currently undergoing a public consultation process. The NEF welcomes these engagements and remains hopeful that, should the Fund be established, it will expand the reach of SME funding and entrench the prioritisation of investments in high-growth, labour-absorbing, and catalytic sectors such as agriculture, manufacturing, digital, and green industries, among others.

The NEF will continue to deepen its focus on supporting women, youth, and people with disability, with a target of directing at least 50% of total investments towards SMEs that are owned and managed by individuals from these groups. This focus forms part of a broader commitment to redressing spatial and gender inequalities by stimulating economic activity in townships and rural areas, thereby unlocking new economic opportunities for black South Africans and fostering inclusive growth.

We also plan to enhance turnaround times by digitizing key processes, thereby increasing operational efficiency and improving customer satisfaction. Additionally, the NEF will strengthen its internal systems across core business functions and support services, including scaling up technical capacity to meet the anticipated rise in demand. Ultimately, stakeholders can expect the NEF to remain proactive in navigating the rapidly evolving operating environment, adapting to domestic and global policy shifts, and playing a leading role in building an inclusive, industrialised, and resilient South African economy.

Appreciation

I wish to extend my deepest gratitude to everyone who contributed to the NEF's successes during the financial year, a period marked by significant government transitions. There were opportunities and challenges, but we continued to make meaningful strides in our mission, owing to the unwavering dedication, resilience and commitment of all NEF's key stakeholders.

The NEF's achievements are a direct reflection of the dedication, hard work, and professionalism of our employees. Their commitment to excellence, innovation, and ethical conduct has enabled us to surpass performance expectations, deliver impactful services to black-owned businesses, and drive meaningful change in the lives of South Africans.

I am equally grateful to our funding partners, stakeholders, investees, and the many business owners who continue to place their trust in the NEF. Their entrepreneurial spirit and tenacity remain a constant source of inspiration in our mission to drive inclusive economic growth.

My sincere appreciation also goes to the Board of Trustees, whose wise counsel, sound, governance, and unwavering commitment have provided the foundation for our progress and resilience. I extend heartfelt thanks to our shareholder and the Minister of Trade, Industry and Competition for their clear strategic direction, focused on addressing the economic constraints through industrial policy interventions, and for their steadfast support as we advance NEF's transformation mandate.

Mr Mziwabantu Dayimani
Chief Executive Officer

07 ABOUT THE NEF

7.1 Vision

Our vision is to be the leading provider of innovative transformation solutions for an economically inclusive South Africa. We seek to be the lead financier of Broad-Based Black Economic Empowerment (B-BBEE) investments in the DFI space.

7.2 Mission

The NEF is a catalyst for B-BBEE in South Africa.

We enable, develop, promote, and implement innovative investment and transformation solutions to advance sustainable black economic participation in the economy.

7.3 Values

The values of the NEF are the glue that holds the ethical tapestry of the organisation together. Collectively, these values form the acronym EMPOWER, as outlined below:

ETHICS

MOTIVATION

PERFORMANCE

OWNERSHIP

WORTHY

EXCELLENCE

RESPECT

These values are the emblem of the NEF's service to the nation. They stand as a living testament of the NEF's commitment to integrity. Launched in September 2014, the values are accompanied by a pledge made by everyone at the NEF – from Trustees and Executives to managers and staff – as outlined below:

"As a member of the NEF family, I hereby solemnly pledge to remain faithful to the values and ethos of the NEF, because as an instrument in the quest for inclusive growth, I recognise that the economic dreams and aspirations of black people depend on my willingness to serve with truth in my heart. In taking the hopes of black economic freedom to greater heights, and growth itself to the skies, I hereby undertake that as a patriot I will perform my call to duty with integrity and honour, with empathy and dedication to excellence, inspired by the vision of a growing and inclusive economy. This is my oath, my vocation, my contract with the nation."

The NEF mandate has been diligently and passionately pursued for the past 21 years, achieving significant milestones. Since inception, the NEF has provided more than R15.584 billion in financial support to 1 775 black-owned and managed businesses, thereby assisting these businesses to support over 142 779 jobs. This has been complemented by a range of non-financial support tools provided to clients.

7.4 Mandate

7.4.1 Constitutional Mandate

The existence of the NEF as a statutory entity is validated and certified by Section 9 of the Constitution of the Republic of South Africa, 1996, which asserts that "equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken".

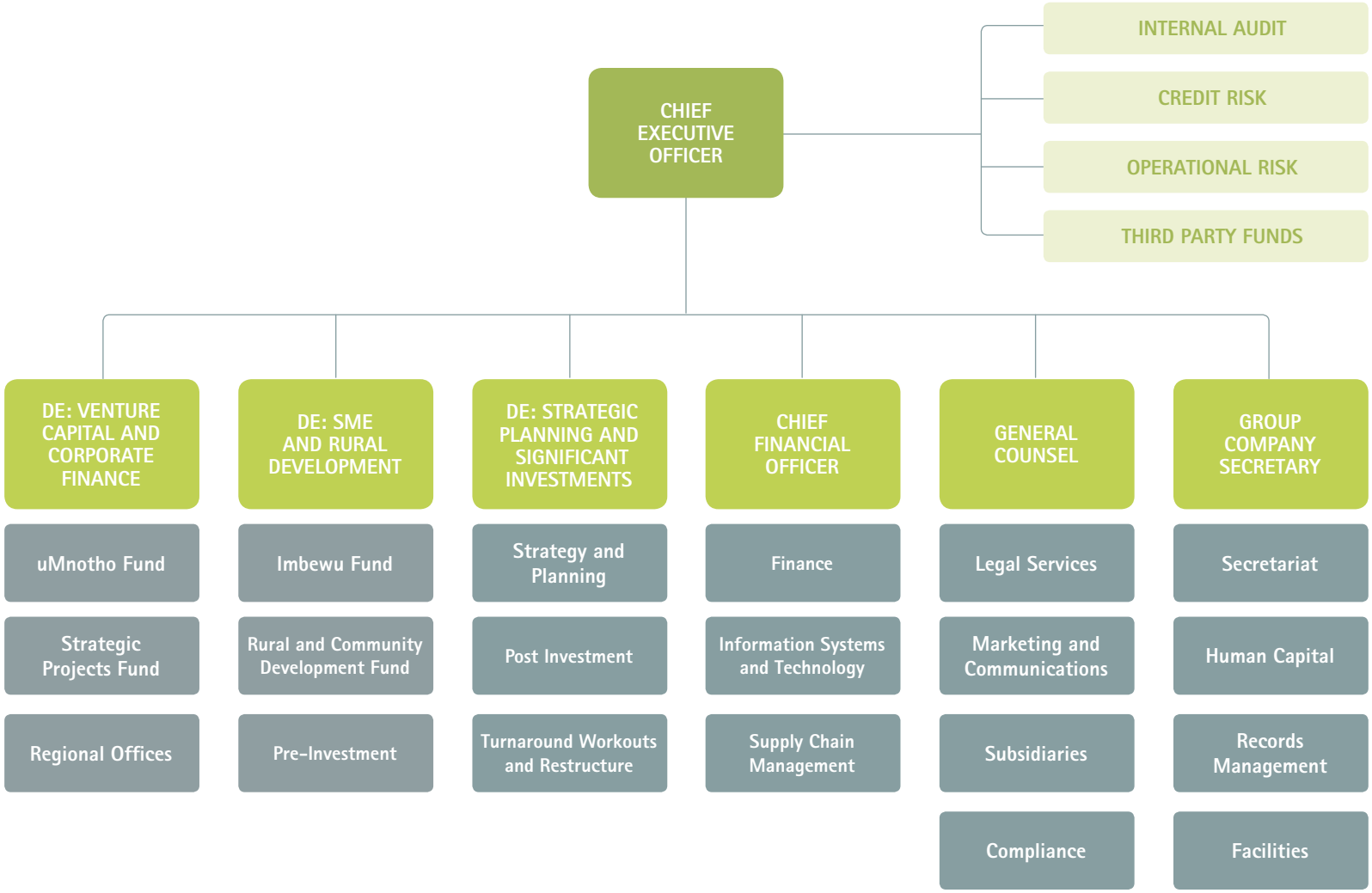
Arising from this constitutional injunction, the NEF Act of 1998 empowers the development financier "to establish structures and mechanisms to redress the inequalities brought about by apartheid by facilitating the broader economic ownership by historically disadvantaged persons".

7.4.2 Legislative and Policy Mandate

The NEF reports to Parliament through the Minister of **the dtic**. The work of the NEF is governed by a broad legislative framework, as outlined below:

	ACT	PURPOSE OF ACT
1	National Empowerment Fund Act, No. 105 of 1998	To establish a trust and define its objects for the promotion and facilitation of economic ownership of income-generating assets by historically disadvantaged persons; to establish mechanisms to redress historic inequalities and structures to attain the objects of the trust; to provide for the control, management and the dissolution of the trust; and to provide for matters incidental thereto.
2	Broad-Based Black Economic Empowerment Act, No. 53 of 2003	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue Codes of Good Practice and to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
3	The Public Finance Management (PFMA) Act, No. 1 of 1999	To regulate financial management in the national and provincial governments to ensure that all revenue, expenditure, assets, and liabilities of those governments are managed efficiently and effectively to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.
4	Companies Act No. 71 of 2008	To promote flexibility and simplicity in the formation and maintenance of companies; to encourage transparency and high standards of corporate governance, as appropriate, given the significant role of enterprises within the social and economic life of the nation.
5	Financial Intelligence Centre Act, No. 38 of 2001	To establish a Financial Intelligence Centre and a Money Laundering Advisory Council in order to combat money laundering and the financing of terrorist and related activities; to impose certain duties on institutions and other persons who might be used for money laundering and the financing of terrorist and related activities. As a money remitter, the NEF is an Accountable Institution in terms of FICA and the Act contains stringent requirements with which it is obliged to comply.
6	Employment Equity Act, No. 55 of 1998	The purpose of the Act is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.
7	Protection of Personal Information Act, No. 4 of 2013	The purpose of the Act is to promote the right to privacy in the Constitution, while at the same time protecting the flow of information and advancing the right of access to, and protection of, information. As a DFI and an employer, the NEF is expected to balance the need to use personal data for business purposes with the rights of the individuals to privacy in the form of their personal details. The Information Regulator began enforcement of the POPI Act on 1 July 2021.

7.5 Organisational Structure



7.6 Group Structure

NATIONAL EMPOWERMENT FUND TRUST			
NEFCorp SOC Ltd	Zastrovect Investments (Pty) Ltd trading as Goseame	Surge Technologies (Pty) Ltd trading as Surgetek	Delswa (Pty) Ltd
100%	100%	100%	100%
NEFCorp is an investment holding company that was established by the NEF Trust in 2002. The company has made strategic acquisitions of the land and property on which the Goseame business is conducted and earns rental income.	The NEF invested in Goseame in June 2012. The business is involved in the wholesale and retail of fresh produce, groceries, flowers, and meat in Limpopo. In September 2013, the NEF took over ownership and management of the business. It is currently going through a rigorous turnaround. Since the take-over of the business by the NEF, it has shown steady profitability, supported by new markets. Goseame is able to support 270 permanent jobs. With a successful turnaround, the NEF is seeking to dispose of its interests in Goseame in due course.	Surgetek is a leading manufacturer and distributor of earthing, lighting, and over-voltage surge protection devices in Africa. The NEF assumed control after the company experienced financial distress and was placed under business rescue. The business is currently undergoing a turnaround after which a suitable equity investor will be identified.	Delswa is a wholly owned subsidiary of the National Empowerment Fund, whose primary purpose is a property holding company. The NEF originally invested into the Delswa group, which was a corporate clothing manufacturing group founded in 1931. The group had its head office in Johannesburg, while manufacturing took place in Kimberly. The business was forced to close its doors in 2017, subsequent to an unsuccessful turnaround attempt, after which the NEF took ownership of the entity housing the factory premises in Kimberly. The property was sold to a successful bidder and the property company is in the process of being deregistered.

7.7 Our Regional Presence

The NEF has a regional presence across all nine provinces of South Africa, ensuring that its mandate to drive economic transformation and inclusive participation reaches every corner of the country. The NEF's head office is based in Johannesburg, Gauteng, serving as the central hub for national coordination, strategic planning, and oversight. Each provincial office is equipped to deliver the NEF's full range of services, including investment support, business planning assistance, and post-investment monitoring. This decentralised approach allows the NEF to respond more effectively to the unique economic conditions, development needs, and sectoral opportunities present in each province.

7.8 Our Business Model

The NEF's business model is centred on providing financial and non-financial support to black-owned businesses across various stages of development, from start-up to expansion. The NEF offers tailored funding solutions through its dedicated funds each designed to address specific needs of aspiring black entrepreneurs. In addition to funding, the NEF provides pre and post investment services such as, entrepreneurial training, social facilitation, investor education, and incubation among others to enhance sustainability and long-term growth of entrepreneurs. By partnering with communities, businesses, government and other key stakeholders, the NEF drives inclusive economic transformation and job creation.

7.8.1 Financial Support:

The NEF provides tailored financial support to black-owned businesses across various sectors and stages of business development. Funding solutions include start-up, expansion, and acquisition finance through a range of dedicated financial instruments and products.

iMbewu Fund:
The iMbewu Fund provides start-up and expansion capital to support black-owned SMEs, with the aim of addressing market failures that hinder their growth and sustainability. The fund offers three distinct products tailored to different business needs: Franchise, Contract, and Entrepreneurship.

Rural, Township and Community Development Fund (RTCDF):
The Rural, Township and Community Development Fund (RTCDF) provides financial support to businesses that are typically located in rural, township, and peri-urban areas. Its primary aim is to stimulate local economic development in economically depressed regions by enabling access to capital for entrepreneurs operating in these under-served communities.

uMnotho Fund:
This uMnotho Fund is designed to improve access to BEE capital and consists of six funding products: Acquisition Finance, New Ventures Finance, Expansion Finance, Capital Markets Fund, Liquidity and Warehousing, and Property. These products provide capital to black-owned and -managed enterprises for acquiring equity stakes in established white-owned enterprises, new ventures finance, expanding operations, and supporting BEE businesses that are or want to be listed on the Johannesburg Stock Exchange (JSE).

Strategic Projects Fund (SPF):
The Strategic Projects Fund (SPF) supports large-scale strategic initiatives by funding early-stage development activities such as feasibility studies. The fund aims to transforming promising project concepts into bankable ventures while grooming entrepreneurs into successful Black Industrialists. Projects supported under this fund typically fall within South Africa's priority sectors with high potential for job creation. The fund guides initiatives through six developmental phases: Scoping and Concept Study, Pre-Feasibility Study, Bankable Feasibility Study, Financial Closure, Construction Phase and Technical Completion. The fund also allows the NEF to participate as a BEE equity partner in these projects.

Third Party Fund Administration and Partnerships:
The NEF raises and manages third-party funds through strategic partnerships to expand access to capital for black entrepreneurs. These funds, aligned with national priorities, are governed by formal agreements with funders and are aimed at expanding access to capital for black entrepreneurs. This model supports the growth of assets under management, facilitates participation in larger and more impactful projects, and allows for risk- and -cost-sharing with third-party partners.

7.8.2 Non-Financial Support:

The NEF offers vital non-financial support to businesses, enhancing viability through capacity building, strategic planning and risk mitigation. NEF provides training in financial management, legal assistance, and advisory services to help businesses overcome challenges and optimise operations. It also promotes market access, innovation, and sustainability, strengthening the business ecosystem for historically disadvantaged entrepreneurs.

Pre-Investment Unit (PIU) and Regional Offices
The NEF offers a range of support services to assist entrepreneurs throughout their funding journey in the following manner:

- Application Administration is responsible for registering new applications and directing them to the appropriate funds for assessment.

- The Product Advisory Service responds to client enquiries and provides business development support.
- As part of its non-financial support, the NEF provides access to the Business Planner Tool, an online resource designed to help users compile comprehensive business plans and conduct financial modelling.
- Business Incubation is offered to nurture early-stage ideas that are not yet ready for funding.
- Additionally, the NEF provides Entrepreneurial Training, which focuses on capacity building for entrepreneurs managing emerging businesses.

Social Facilitation and Investor Education:

The NEF supports social and economic development through various initiatives aimed at empowering communities and enhancing inclusive participation. It plays a key role in social interventions within NEF-funded transactions that involve communities or employee empowerment structures by identifying economic opportunities, market linkages, and suitable development interventions.

The Investor Education Programme promotes a culture of saving and investing among black people.

Legal Services Unit:

The NEF's legal function plays a critical role in safeguarding the NEF's interests throughout the investment process. Legal protection is there to ensure that the NEF's legal rights are being upheld. Due diligence is done to verify that all conditions precedent are satisfied before finalising transactions while the legal team is also responsible for contracting, drafting and negotiating to ensure that all agreements are accurately prepared and concluded in a timely manner. Additionally, the Litigation and Recovery function undertakes legal action to recover losses, including in instances of criminal or unlawful conduct.

The Post Investment Unit (POIU):

The Post Investment Unit plays a vital role in supporting the sustainability and growth of NEF-funded businesses. Through intensive monitoring, ongoing operational oversight, and strategic support, the unit manages the investment portfolio by tracking investee performance, enforcing credit control measures, and driving collections. In addition, POIU strengthens investees' capacity by facilitating tailored mentorship and training interventions aimed at improving business performance and long-term viability.

Turnarounds, Workouts and Restructuring Unit (TWR):

The TWR unit is dedicated to assisting investees that are in distress. The primary goal is to strategically revitalise struggling or underperforming investees and restore them to profitability. This involves identifying the root causes of underperformance, developing and implementing a turnaround plan, and monitoring progress to ensure success. The TWR unit has specialists who are dedicated to providing support to businesses in distress through the provision of:

- Low-interest loans and grants or subsidised credit that assist businesses in covering operational costs, payroll, and debt obligations.
- Debt restructuring and moratoriums that offer temporary relief on loan repayments or extended payment terms to prevent insolvencies.
- Business advisory and restructuring support.

7.9 Value Creation Business Model

The NEF's value creation business model illustrates the organisations funding lifecycle – from application and assessment, through disbursement, to post-investment support. Through this model, the NEF deploys financial capital but also leverages human and social capital to empower black-owned businesses, driving transformation, and foster inclusive economic development. The NEF executes its business model through the following key operational processes:

Process	Pre-Investment Services	Deal Origination	Reporting and Credit Assessment	Deal Adjudication	Deal Commitment	Deal Disbursement	Post Investment Services
Function	Pre-Investment	SME, Township, and Rural Division	SME, Township, and Rural Division	Investment Committees	Legal Services Unit	Finance Department	Post Investments Unit
		Venture Capital and Corporate Fund Division	Venture Capital and Corporate Fund Division	iMbewu Fund	iMbewu Fund	Legal Services Unit	Turnarounds, Workouts, and Restructuring Unit
			Regional Offices	uMnotho Fund	uMnotho Fund	iMbewu Fund	Legal Services Unit
			Credit Risk	Rural, Township, and Community Development Fund	Rural, Township, and Community Development Fund	uMnotho Fund	
				Strategic Projects Fund	Strategic Projects Fund	Rural, Township, and Community Development Fund	
				Regional Offices	Regional Offices	Strategic Projects Fund	
				Credit Risk		Regional Offices	
Process	Enquiries and Application	Deal Origination	Reporting and Credit Assessment	Deal Adjudication	Deal Commitment	Deal Disbursement	Post Investment Services
Activities	Enquiries, Product Advisory	Business Development	Producing the investment report and supporting documents	Presentation by investment teams	Drafting of legal agreements	Condition Precedent Collection	Monitoring
		Deal Screening	Assessment of Investment Report	Review by adjudicating committee	Signing of legal agreements	Conveyancing	
		Due Diligence	Production of Credit Risk Report	Decision-making		Security	
						Disbursement compliance checklist	

7.10 Strategic Objectives

The NEF's strategic objectives are derived from **the dtic's** strategic priorities, which are largely based on the priorities of the Medium-Term Development Plan (MTDP) – inclusive growth and job creation. The NEF will adopt a multifaceted approach that encompasses priority sectors, value chains, and regional and district development approaches, among others. Below are **the dtic** strategic priorities and the corresponding actions through which the NEF will drive and contribute to their achievement.

7.10.1 Transformation

SO1

The NEF is dedicated to advancing economic transformation by increasing support for black-owned enterprises, particularly those led by women, youth, and people living with disability. Through targeted funding, the NEF aims to foster a more inclusive economy by helping these groups access financial resources, participate in key sectors, and contribute to national growth.

7.10.2 Induced Demand

SO2

To boost local production and reduce the reliance on imported goods, the NEF aims to enable SMEs to replace imports and enhance their export capacity. This objective focuses on building the capabilities of local businesses to meet domestic demand, while also positioning them to compete in international markets, thereby contributing to South Africa's trade balance.

7.10.3 Investment Stimulus

SO3

The NEF will play a pivotal role in driving investment into catalytic sectors of the economy. By raising and deploying capital, the NEF aims to stimulate economic recovery and create jobs. This objective supports investment in sectors such as agriculture, manufacturing, and digital services, which are vital for long-term industrial growth and economic diversification.

7.10.4 Catalytic Sectors

SO4

The NEF remains committed to driving inclusive economic growth by supporting South Africa's catalytic sectors. These sectors, identified for their potential to stimulate substantial economic activity, job creation, and innovation, include Agriculture, Manufacturing, Tourism, Digital Services, and Renewable Energy. By prioritising investments in these industries, the NEF seeks to address key national priorities and contribute to the sustainable transformation of the South African economy.

7.10.5 Structural Reform

SO5

In support of inclusive regional development, the NEF will focus on disbursing funds to underdeveloped provinces and areas outside major metropolitan areas. This objective aims to address spatial inequalities by ensuring that funding reaches regions historically excluded from economic growth, thereby promoting balanced and equitable development across the country.

7.10.6 Internal Process Efficiencies (Capable State)

SO6

The NEF is committed to contributing to the development of a capable and effective state by strengthening institutional capacity, governance, and operational efficiency. Through improved internal systems, robust risk management, and enhanced service delivery mechanisms, the NEF will ensure that its operations align with the principles of transparency, accountability, efficiency, impact, and performance excellence. These efforts will support the broader goal of building a responsive, developmental state capable of driving inclusive economic growth.

7.11 Strategic Programmes

The NEF has developed a strategic programme for each strategy to align its resources with its strategic objectives, aptly named after the respective strategies.

7.11.1 Growing Black Industrialists

This programme drives economic transformation by scaling black-owned enterprises in strategic sectors such as manufacturing, infrastructure, agro-processing, and mining services. It provides large-scale funding solutions, enabling beneficiaries to secure contracts, expand production capacity, and access new markets. The ultimate goal is to unlock R60 billion in private sector funding while generating 155 000 jobs over seven years.

7.11.2 Aggregator Model

The Aggregators Programme supports black-owned intermediaries that consolidate supply and demand across fragmented markets, enabling smaller enterprises to participate in value chains. Through procurement finance and strategic partnerships, it facilitates access to contract opportunities in construction, tourism, manufacturing, and fast-moving consumer goods. This programme creates jobs, scales township-based suppliers, and promotes export competitiveness of black-owned brands.

7.11.3 Green Economy

This programme accelerates investment into renewable energy, energy storage, and low-carbon manufacturing to position black-owned businesses at the forefront of South Africa's just transition. It supports ventures in solar, wind, biogas, and green hydrogen while catalysing localisation and industrial participation. A key focus is unlocking climate finance and blended instruments to scale commercially viable, high-impact projects.

7.11.4 Digital Economy

The Digital Economy Programme fosters black participation in digital infrastructure, platform-based services, and tech-enabled enterprises. It prioritises partnerships with the private sector to co-fund scalable digital solutions, including ICT manufacturing, logistics platforms, and township-based innovation hubs. By investing in digital inclusion, the programme drives job creation, innovation, and rural connectivity.

7.11.5 SMEs

This programme expands access to finance for black-owned SMEs in sectors such as retail, personal services, tourism, and light manufacturing, with a focus on township and rural economies. It leverages existing funds and partnerships to support business expansion, procurement linkages, and service excellence. By targeting high-growth and community-based businesses, the programme promotes job creation and local economic revitalisation.

7.11.6 Natural & Cultural Beneficiation

This programme promotes inclusive growth through strategic investments in tourism, heritage infrastructure, and the creative industries. It supports landmark projects such as the God's Window Skywalk and Cape Point Film Studios, positioning South Africa as a global destination for film and cultural tourism. Community ownership and transformation in historically exclusive spaces are central to driving broad-based development and sustainable employment.

08 STAKEHOLDER MANAGEMENT

The NEF recognises that strong, consistent engagement with its stakeholders is essential to fulfilling its mandate and ensuring long-term sustainability. This stakeholder report outlines the NEF's key stakeholder groups, methods of engagement, and progress during the reporting period.

8.1 Stakeholder Overview

The NEF engages with a variety of internal and external stakeholders including individuals, groups, and organisations who directly or indirectly affect, or are affected by, its operations. During the year under review, these included:

- **Government and Parliamentarians:** As an agency of the government under **the dtic**, the NEF engages with various government institutions for oversight and alignment. Members of Parliament (MPs) and **the dtic** are key stakeholders in ensuring accountability and fulfilment of the NEF's mandate.
- **Internal Stakeholders:** These include engagements among the NEF Board, its Sub-Committees, Executive Committee (EXCO), and all staff members.
- **Clients/Investees:** These include black-owned small and medium enterprises (SMEs) that receive financial and non-financial support from the NEF to grow and sustain their businesses.
- **Fellow Development Finance Institutions (DFIs):** These include external engagements with the Industrial Development Corporation (IDC), Small Enterprise Development and Finance Agency (SEDFA), Export Credit Insurance Corporation (ECIC), and the Development Bank of Southern Africa (DBSA) among others. These partnerships contribute to local, provincial, and national development goals.
- **Enterprise and Supplier Development (ESD) and Third-Party Fund Partners:** These include engagements with strategic partners that co-fund or co-manage enterprise development programmes, including Spur Group, Sun International, Accenture, Dumisa (Absa), UIF, the JSE, Growth Wheel, and others.
- **Organised Business and Professional Bodies:** These include engagements with the Black Business Council (BBC), Women Economic Assembly (WECONA), African Women Chartered Accountants (AWCA), Township Economy Development Community of South Africa (TEDCOSA), Tourism Business Council of South Africa (TBCSA), and regional business chambers.
- **Media and the Public:** Media engagements are used to raise public awareness about the NEF's mandate, showcase supported businesses, and promote access to its offerings.

8.2 Methods of Engagement

- **Strategic Sessions and Oversight:** Board strategy workshops, parliamentary engagements, and ministerial briefings to ensure alignment on priorities and implementation of strategies.
- **Employee Engagements:** Regular internal communications and performance reviews help foster alignment and strategic buy-in across the organisation.
- **Client Support and Education:** Outreach through provincial town halls, exhibitions, webinars, investor education workshops, and face-to-face engagements in underserved and rural areas.
- **Partnership Development:** Collaborative engagements with government departments, municipalities, DFIs and the private sector to unlock third-party capital and expand funding reach.
- **Media Relations:** Media briefings, interviews, press statements, and social media were utilised to promote key initiatives, share milestones, and highlight impactful beneficiary stories.
- **Participation in Events:** The NEF participated in summits, panel discussions, and exhibitions such as the Tourism Indaba and the Women Economic Assembly (WECONA), expanding its reach and deepening sector-specific insights.

8.3 Key Outcomes and Issues Raised by Stakeholders

- Concerns were raised regarding red tape, slow turnaround times, and the complexity of the application process.
- Requests for improved responsiveness and streamlined processes were received from both clients and partners.
- Stakeholders expressed strong support for the NEF's consistent focus on women, youth, and people living with disability.
- Positive feedback was received for initiatives such as the Tourism Transformation Fund, Women Empowerment (WEEP) Workshops, the Transformation Fund consultation process, and the Spaza Shop Support Fund launch.

8.4 Addressing Stakeholder Feedback

- The NEF is reviewing internal processes to reduce bureaucracy and improve turnaround times.
- The organisation is investing in technology and skills development to enhance service delivery.
- Strategic stakeholder engagements are planned for the rollout of the Transformation Fund and Spaza Shop Fund in the coming financial year.

8.5 Measuring Engagement Effectiveness

- Stakeholder engagement effectiveness is reviewed during board meetings, ministerial evaluations, and performance reviews.
- Public relations reach, media coverage, event participation, and survey feedback inform ongoing stakeholder strategies.

8.6 Looking Ahead

In the upcoming financial year, the NEF will deepen its engagement with businesses, communities, and government on critical initiatives such as the Transformation Fund and the Spaza Shop Support Fund, and the advancement of rural and township economies. The organisation remains committed to inclusive growth, job creation, and stakeholder-driven development.

60%
80%
50%
40%
70%

09 KEY RISK AND MATERIAL ISSUES

As a Development Finance Institution (DFI), the NEF's core mandate is to provide funding to black entrepreneurs and black-owned and managed enterprises. This role inherently exposes the organisation to greater economic vulnerability, as the success of these enterprises is closely tied to broader economic conditions. In addition, NEF-supported entrepreneurs often lack sufficient personal financial resources or assets to make significant equity contributions towards the establishment, acquisition and/or expansion of their enterprises or offer collateral typically required by traditional lenders. These limited credit enhancements result in a higher credit risk for the NEF when compared to conventional finance providers.

The NEF monitors its strategic and key risks on a quarterly basis. Despite the prevailing economic challenges, the 2024/25 financial year demonstrated encouraging stability in the performance of the NEF's portfolio. The NEF portfolio has shown stability and recovery in the last few quarters of the 2024/25 financial year with collections remaining stable at 83% of instalments raised. By 31 March 2025 the total receipts stood at R563 million, compared to the approximately R466 million by the end of March 2024. 57% of the loan book remained collectable at the end of the 2024/25 financial year compared to 44% at the end of 2023/24, while the impairments ratio improved from 32% in 2023/24 to 30% by the end of the 2024/25 financial year. However, there was a regression in non-performing loans (NPLs) which increased to 27%, up from 22% in the previous financial year. Lastly, 10% of the loan book was on moratorium as at the end of the 2024/25 financial year, compared to the average of The above portfolio performance reflects a slight improvement in the performance of the NEF book which mirrors the overall performance of the South African economy. The country's GDP saw a modest increase of 0.6% in the last quarter of 2024 (Q4), which is reflected in the NEF portfolio performance. However, this is still quite subdued and does not suggest that the economy is fully out of the woods.

The implementation of the updated GRAP 104, in determining the impairment provision, may lead to increased impairment expenses and a reduction in the current good return on investment (ROI) of 11%.

9.1 Managing NEF's Key Risks

The NEF's Risk and Compliance Department continuously assesses, proposes mitigating strategies, communicates, and monitors a range of internal and external risk factors that may impact the organisation's strategic objectives and overall performance. These risks are reported on a quarterly basis to the NEF's Board' subcommittee responsible for risk management and oversight, namely, the Risk and Portfolio Management Committee (RPMC).

The fundamental objective of risk management at the NEF is to ensure that the organisation's strategic objectives (SOs) are achieved. Accordingly, the risk management process is closely aligned with these SOs. Throughout the 2024/25 financial year, the Risk and Compliance Department proactively managed risks to ensure the successful delivery of the following strategic objectives:

- **SO1** Transformation
- **SO2** Induced Demand
- **SO3** Investment Stimulus
- **SO4** Catalytic Sectors
- **SO5** Structural Reform
- **SO6** Internal Efficient Processes (Capable State)

The following key risks were identified, monitored, and reported during the 2024/25 financial year as part of efforts to ensure the achievement of the strategic objectives outlined above:

R1 CHANGES IN LOCAL AND INTERNATIONAL ECONOMIC CONDITIONS

SO6

Risk Description	Response	Residual Risk
Several global and domestic factors adversely impacted the South African economy in the financial year under review. These included ongoing geopolitical tensions such as the Russia-Ukraine war, instability in the Middle East, and the imposition of the US tariffs on imports, which collectively increased the cost of doing business. • Consequently, many NEF investees continued to experience financial distress, leading to only marginal improvements in impairments.	• The Post Investment Unit and TWR team implemented various mitigating strategies, including the granting of payment holidays. Grant-funded mentorship support was extended to affected investees, providing access to essential services such as accounting, marketing, and operational expertise aimed at improving their performance and commercial viability.	The residual risk remains **HIGH**.

R2 UNSUSTAINABLE LEVELS OF IMPAIRMENTS AND CREDIT RISK

SO6

Risk Description	Response	Residual Risk
The NEF operates within a high-risk lending environment, supporting businesses that other financial institutions are not keen to support. These businesses are more susceptible to external market conditions. • Continued economic strain reduced the buying power of consumers, which in turn impacted the revenue and repayment capacity of investees. • The expected benefits from improving interest rates have not materialised as anticipated. • Apathy towards debt obligations was observed in some investees, further exacerbating default rates.	• Post Investment Unit and TWR teams supported investees by facilitating access to new and broader markets, including export opportunities. • The Credit Risk Department was empowered to decline applications deemed high-risk, with the aim of reducing high levels of impairments. • The Legal Services Unit intensified collection efforts and instituted litigation processes against persistent defaulters who have shown disregard for their debt obligations.	The residual risk remains **HIGH**.

R3 INABILITY TO MEET CASH COMMITMENTS

SO3

Risk Description	Response	Residual Risk
• Challenging economic conditions and a persistently high-interest rate environment negatively impacted on the NEF's ability to collect on outstanding loan facilities. • Despite the negative impact on NEF's cash resources, the NEF continued to support black-owned businesses, driven by growing demand from its target market. • Additional risks were posed by the potential for new funding approvals to exceed available cash resources.	• The Finance Department provides weekly updates to relevant business units regarding available cash to fund new transactions. • Priority is given to funding transactions supported by third-party funds to preserve the NEF's core resources. • A Third-Party Fund Department was established in the 2024/25 financial year with the mandate of raising additional capital to supplement the NEF's internal funding capacity.	The residual risk remains **MEDIUM**, supported by improved collections to R562 million and third-party funding raised to the value of approximately R810 million from **the dtic** and other partners.

R4 LACK OF CAPITAL TO CONTINUE OPERATING (SUSTAINABILITY RISK DUE TO LACK OF RECAPITALISATION) SO3

Risk Description	Response	Residual Risk
• Ongoing financial constraints within the fiscus have affected the dtic's ability to consistently recapitalise the NEF. • The lack of reliable, regular funding limits the NEF's capacity to support the volume of black-owned businesses demanding assistance – particularly given the higher risk profile of these enterprises.	• Regular engagements are held with the dtic regarding the NEF's funding requirements. • Support from the dtic has included the allocation of specialist ring-fenced funding. • Third-Party funding opportunities are actively pursued, resulting in the successful mobilisation of over R810 million in the 2024/25 financial year.	The residual risk was downgraded to **MEDIUM**.

R5 FAILURE TO ACHIEVE MANDATE BY NOT MEETING APPROVALS, DISBURSEMENTS AND JOBS TARGETS SO2

Risk Description	Response	Residual Risk
• The challenging economic conditions continue to impact the viability of transactions, making it difficult to source transactions that align with the NEF's mandate to support black-owned businesses and generate employment. • Limited availability of internal cash resources has restricted the NEF's capacity to fund new transitions. • The lack of adequate human capital capacity in skills and experience may impact on achieving the NEF's objectives.	• Targeted marketing and awareness campaigns have been intensified, including active participation in various events to enhance uptake of NEF products. • The implementation of a performance management system with weekly monitoring of operational targets, resulting in improved organisational performance. • Cash constraints also impacted on the organisation achieving all of its targets, however, there is continuous engagement with the dtic and other Third-Party funders.	The residual risk was downgraded to **MEDIUM**, as the NEF achieved 80% of its strategic targets, raising over R810 million from third parties and collecting R562 million during the year.

R6 ABILITY TO ATTRACT AND RETAIN KEY HUMAN CAPITAL SKILLS SO6

Risk Description	Response	Residual Risk
• The NEF operates within a highly specialised sector that relies on the availability of highly skilled staff. • The demand for the skills that the NEF requires is high and the NEF often competes with other financial institutions for these sought-after skills. • Post-COVID-19, the global demand for finance-related skills has increased, driven by workforce mobility, remote working trends, and the loss of key talent during the pandemic. • Uncertainty around the NEF's recapitalisation has contributed to higher employee turnover, particularly among staff seeking long-term job security and stability. • This creates a risk of insufficient capacity to effectively execute the organisation's mandate.	• The NEF's development mandate continues to provide staff with meaning and purpose. • The NEF Management continues to create a conducive working environment for staff. • Key interventions include succession planning, an expedited recruitment process, salary benchmarking to ensure market competitiveness, and the provision of performance-based incentives. • Staff turnover remained manageable, averaging five (5) resignations per quarter, primarily at middle to lower management levels.	The residual risk was downgraded to **MEDIUM**.

R7 FAILURE TO MEET THIRD-PARTY FUNDER'S REQUIREMENTS

SO1

Risk Description	Response	Residual Risk
• A key pillar of the NEF's long-term sustainability strategy is sourcing third-party funding to mitigate the risks associated with limited and inconsistent recapitalisation by the fiscus. • There is an inherent risk of failing to secure adequate third-party funds or not meeting the expectations of third-party partners, resulting in reputational damage and the potential withdrawal of funding support.	• A dedicated Third-Party Funds Department was established to focus on targeted fund-raising efforts. • The department was capacitated with skilled personnel to identify potential partnerships and maintain effective relationship management with third-party funders. • As a result of these efforts, over R508 million was raised during the 2024/25 financial year.	The residual risk was downgraded to **MEDIUM**.

R8 FAILING INFRASTRUCTURE RISK

SO6

Risk Description	Response	Residual Risk
• Ongoing national infrastructure challenges – including unreliable electricity supply (loadshedding) and failures in water supply infrastructure (e.g., ageing water pipes and pumps) – have continued to negatively impact the operations and commercial viability of NEF investees. • These disruptions increase the risk of loan defaults, impairments, and potential write-offs, as many investees are forced to halt operations during service interruptions, reducing revenues and profitability.	• The NEF's Alternate Energy Fund continues to support investees in mitigating the effects of loadshedding. • The Post Investment Unit actively monitors the impact of infrastructure failure on existing clients, while new deal teams recommend and incorporate solutions in new transactions. • Notably, there was a reduction in loadshedding since May 2024, which contributed to improved performance for several affected investees.	The residual risk was downgraded to **MEDIUM**.

R9 CONCENTRATION RISK

SO6

Risk Description	Response	Residual Risk
• The NEF's significant exposure to a limited number of investments – particularly MTN and Busamed – poses a concentration risk that can materially affect the NEF's balance sheet. • MTN operates in multiple high-risk markets, and fluctuations in its share price directly impact the NEF's asset value.	• The Finance Department completed a detailed analysis of the MTN investment, after which the NEF accepted the associated risk. • Due to recent movements in the share price of MTN, the Board has requested an updated. analysis, including exploration of potential strategic options. • The Busamed investment is actively monitored, with NEF representation on its board.	The residual risk was downgraded to **MEDIUM**.

R10 FRAUD RISK AND CYBERSECURITY RISK

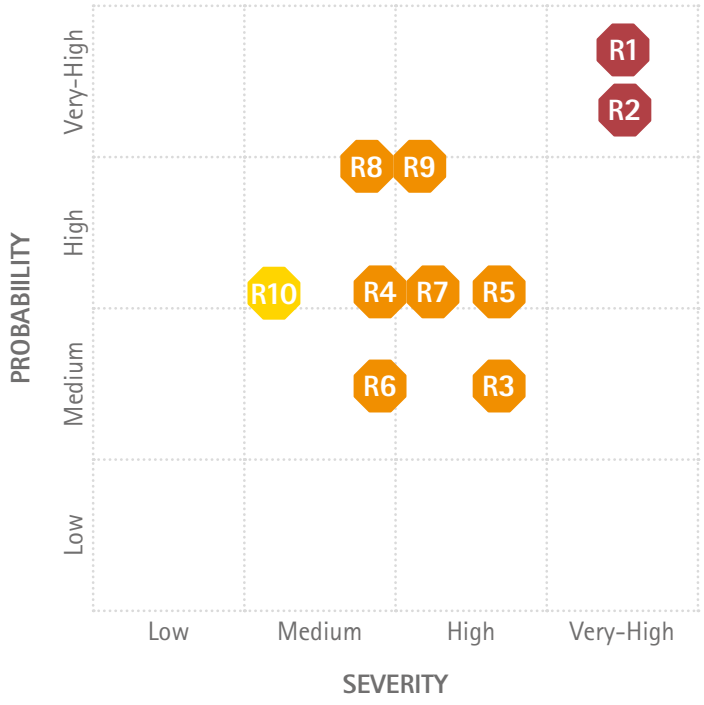
SO6

Risk Description	Response	Residual Risk
• As a funding institution, the NEF is inherently exposed to the risk of fraud due to the nature of its operations. • Fraud risks may arise from internal sources such as bribery or misconduct by NEF officials, or external sources such as Afraudulent funding applications submitted by investees intending to misappropriate NEF funds. • Several organisations in South Africa and across the globe have seen rise in the cyber-attacks such as ransomwares. This is another form of fraudulent activities that the NEF is inherently exposed to.	• A range of fraud prevention initiatives are in place, including fraud prevention policies, an independent whistleblowing hotline, and fraud prevention plans. • An Ethics Management Programme is also being rolled out. • Credit and background checks are performed on all applications to screen for prior defaults, adverse judgements, or irregularities with institutions such as SARS and other creditors. • No significant incidents of fraud were recorded during the 2024/25 financial year. • Cyber security management system is operational and tested at least biannually through penetration tests.	The residual risk was downgraded to LOW.

The key risk heat map in Figure 1 is a graphic representation of the residual risk levels associated with each of the NEF's key risks after the implementation of management's control and mitigation measures.

Figure 1: Key Risk Heat Map

Risk Heat Map



Risk #	Risk
R1	Changes in local and international economic conditions (Market Risk)
R2	Unsustainable levels of impairments (Credit Risk)
R3	Inability to meet cash commitments (Liquidity Risk)
R4	Sustainability/Recapitalisation Risk
R5	Failure to achieve mandate Risk
R6	Inability to attract and retain key skills
R7	Failure to meet Third Party Requirements Risk
R8	Failing Infrastructure Risk
R9	Concentration Risk
R10	Fraud and Cybersecurity Risk

Figure 2 shows the movement in the rating of the key risks from the previous financial year:

Figure 2: Movement in Key Risk Ratings

Risk #	Risk	Movement of Residual Risk from 2023/24
R1	Changes in local and international economic conditions (Market Risk)	▶
R2	Unsustainable levels of impairments (Credit Risk)	▶
R3	Inability to meet cash commitments (Liquidity Risk)	▶
R4	Sustainability/Recapitalisation Risk	▼
R5	Failure to achieve mandate Risk	▼
R6	Inability to attract and retain key skills	▼
R7	Failure to meet Third-Party Requirements Risk	▼
R8	Railing infrastructure Risk	▼
R9	Concentration Risk	▼
R10	Fraud Risk and Cybersecurity Risk	▼

▲	Increase in the residual risk rating from the prior financial year
▶	No change from the previous year
▼	Decrease in residual risk rating from the prior financial year

The key risk heat map shows 10 key risks monitored during the 2024/25 financial year. Of these, two (2) risks remained high, unchanged from the previous financial year, while one (1) remained at a medium rating. Six (6) were downgraded from high to medium, reflecting improvements in the performance of the NEF portfolio and a more stable operational environment, and one was downgraded from medium to low risk.

9.2 Management of Credit Risk

Credit Risk Management (CRM) forms part of the Enterprise-wide Risk Management (ERM) process and is at the core of the NEF's work, which is the provision of financial support, in the form of interest-bearing debt and quasi equity instruments. The credit risk management is a significant part of the ERM process which is given priority and allocated necessary and adequate resources to ensure that NEF remains profitable and sustainable in order to continue delivering on the organisation's mandate.

Credit risk is defined as the possibility of a borrower or a counterparty defaulting on a repayment obligation(s) arising from a credit agreement, resulting in financial loss to the credit provider or lender.

The role of the Credit Risk function, within the NEF's ERM process, is to ensure that monetary resources of the organisation are lent to enterprises with proven commercially viability and, as such, are worthy of credit provision. In other words, the function plays an active role in the investment process as shown in Figure 3.

Figure 3: Investment process

Credit risk management is a shared responsibility across all departments involved in the investment process, namely Fund Management, the Legal Services Unit, Post Investment, and the Turnaround Workout and Restructures (TWR) units. However, the Credit Risk Department serves as a dedicated and independent department responsible for the assessment of all credit applications submitted to the approving committees. This department is responsible for ensuring that all credit risk factors are identified, reported and mitigated prior to approval. Where it is determined that the risks identified in a funding application have not been sufficiently addressed, the Credit Risk Department retains the prerogative to decline such applications, thereby safeguarding the NEF from undue credit exposure.

9.3 Key Credit Risk Indicators Monitored and Outcomes

The Risk and Compliance Department closely monitors the key risk indicators for potential credit risk factors that may adversely affect the overall performance of the organisation. An adverse movement in the credit risk indicator (year-on-year) represents a potential increase in credit risk. These indicators are further analysed and explained below to provide a broader understanding of the level of credit risk monitoring at the NEF:

1. Impairment Ratio

Key Credit Risk Indicator Description	Observation	Response
• Impairment ratio indicates potential erosion of the book value of the investment/credit portfolio of an organisation and the extent of the potential credit risk on the existing portfolio. • The impairment provision is a provision of the possibility that an investment will not be recoverable, or the investee is unlikely to repay the debt facility, denoting an increase in credit risk	• There was a slight improved in the impairment ratio from 33% in 2023/24 to 30% in 2024/25. • The South African economy seems to be still struggling with recovery from the effects of the Covid-19 pandemic, high interest rates, high inflation rate as well as the macro-economic challenges relating to geopolitical instability with Russia/Ukraine war and strained relations between Israel and its neighbouring countries of Palestine, Lebanon and Iran. The NEF investees are, unfortunately, not spared from this instability. • The slight improvement reflects the efforts of both the investment teams and the post investment monitoring teams.	The due diligence investigations, credit risk assessment and approval processes have been boosted with introduction of pre-investment risk detection and construction projects team improve pre-investment credit risk management and security value of property investments.

2. Return on Investment (ROI)

Key Credit Risk Indicator Description	Observation	Response
• Return on investment (ROI) serves as a key indicator of the financial performance of the NEF's investment portfolio. It is calculated as the total returns expressed as a percentage of the total investment book value. • A year-on-year increase in ROI or performance above target generally reflects the quality and commercial viability of investments made and indicates lower credit risk. Conversely, a decline in ROI or underperformance against target may suggest a deterioration in portfolio quality and heightened credit risk.	• ROI increased from 7.67% in 2023/24 to 9.5% in 2024/25. • The decline was primarily attributed to the reduction in the prime lending rate, following a series of repo rate cuts by the South African Reserve Bank (SARB) during the last two quarters of the financial year. This decline in returns was particularly evident on facilities priced on a prime-linked basis.	The NEF will continue to closely monitor and assess the pricing of investment facilities advanced to investees.

3. Non-performing Loans (NPL) Ratio

Key Credit Risk Indicator Description	Observation	Response
• The Non-performing Loans (NPL) ratio measures the proportion of investees who are unable to meet their debt obligations as they fall due. • It is calculated by dividing the aggregated outstanding balances with arrears exceeding 90 days by the total loan book value. A higher NPL ratio signals increased financial distress among investees and a heightened credit risk profile for the organisation.	• The NPL ratio increased from 22% in 2023/24 to 27% in 2024/25, reflecting growing financial pressure among investees. The upward trend is indicative of a more challenging economic environment, with more investees unable to meet their debt obligations within 90 days.	The Post Investment and TWR units continue to implement various turn-around strategies aimed at rehabilitating financially constrained investees.

4. Collections Ratio

Key Credit Risk Indicator Description	Observation	Response
• The Collection Ratio measures the extent to which active investees are meeting their monthly instalment obligations. • It is calculated as the value of actual collections received over the total value of instalments or debit orders raised. • The ratio excludes investees under moratorium as well as those handed over to the Legal Services Unit for breach of legal agreements, from whom no collections are expected.	• The Collections Ratio remained steady at 80% in both 2023/24 and 2024/25. • This consistency reflects the NEF's sustained focus on collections on the portfolio performance and improving performance of NEF's investee businesses.	The Post Investment and TWR units continue to implement various turn-around strategies to support financial distressed investees.

9.4 Compliance at the NEF – Key Regulatory Milestones

Ethics management and regulatory compliance were focal points for the NEF during the 2024/25 financial year. The Compliance Unit achieved several key milestones and implemented critical measures to ensure sound governance, particularly in the management of conflicts of interest. Key accomplishments included:

- Implemented a robust Ethics Management Framework
- Strengthened management of conflicts of interest
- Delivered ethics training, fraud management and tested whistleblowing platforms
- Conducting OHS (Occupational Health & Safety) monitoring and promoted a safe working environment
- Participated in advisory task teams for Third-Party Fund concept documents
- Promoted continuous customer-centric practices
- Ensured regulatory compliance across expanding business activities

Overall key compliance approvals, activities and tasks also included the following:

Mr Phumudzo Siphuma
Chief Financial Officer

10 CHIEF FINANCIAL OFFICER'S REPORT

In the 2024/25 fiscal year, the National Empowerment Fund (NEF) recorded an overall surplus of R405.9 million, representing a substantial turnaround from the R291.4 million loss recorded in March 2024 and significantly exceeding the target. This remarkable outcome marks the NEF's first surplus since March 2022 and highlights the organisation's financial resilience, improved operational efficiency, and strategic focus.

The surplus for the year was significantly bolstered by the positive fair value gains from listed investments, dividends received from listed and unlisted investments, strong revenue growth, and improved cost efficiencies. Notably, the NEF achieved a historic collection of R562 million, primarily from the regular installments - an improvement of R100 million compared to the R465 million reported in the previous year.

The Board's updated strategy, which focuses on catalytic and high job-creation sectors with low to medium risk, is yielding positive results while advancing the NEF's developmental mandate. The Post investment department has strengthened its operational capacity and enhanced its fund recovery mechanisms, contributing to improved performance.

For all new loan investments authorised during the 2024/2025 financial

R788 million
Value of net revenue

R405.9 million
Net surplus exceeding target

R1 billion
Value disbursed to black SMEs

R526 million
Value of collections

year that have exited their initial moratorium period, the collection rate stands at 95%. Furthermore, the NEF's loan book balance increased to R3.2 billion, up from R3 billion the previous year - reflecting a R200 million growth and resulting in higher interest income from investments.

The NEF achieved a disbursement of R1.015 billion during the 2024/25 financial year, a significant increase from the R837 million disbursed in the previous year. This improvement is largely attributed to a reduced turnaround time of 45 days between commitment and disbursement, as well as the strengthening of the investment value chain.

An unencumbered cash balance of R429.8 million was achieved, despite the organisation disbursing over R1 billion during the same period - demonstrating strong cash flow and liquidity management. As at 31 March 2025, the NEF's total cash balance stood at R1.78 billion.

Notably, the NEF successfully met the majority of its key financial indicators, as detailed in the economic indicators table.

Financial Indicator	March 2025	Target 2025	Indicator
Collection Ratio	80%	80%	▲
Return on Investment (ROI)	9.5%	7%	▲
Impairment Ratio	30%	30%	▲
Cost to Income Ratio	38%	54-58%	▲
Surplus before fair value adjustments	R438.1m	R72.3m	▲
Overall, Surplus/Deficit	R405.9m	R2.3m	▲
Unencumbered Cash	R429.8m	R400m	▲
Disbursements	R1.0bn	R1.5bn	▼

▲ Favourable performance
▼ Unfavourable performance

"The NEF achieved a disbursement of R1.015 billion during the 2024/25 financial year, a significant increase from the R837 million disbursed in the previous year. This improvement is largely attributed to a reduced turnaround time of 45 days between commitment and disbursement, as well as the strengthening of the investment value chain."

Statement of financial position as at 31 March 2025

R'million	2025	2024	%	Indicator
Investments in associates and subsidiaries	112	78	44%	▲
Investments at fair value	1 567	1 269	23%	▲
Originated loans	1 785	1 668	7%	▲
Finance lease receivables	460	341	35%	▲
Cash and cash equivalents	1 781	2 234	-20%	▼
Other	64	72	-11%	▼
Total Assets	**5 769**	**5 663**	**2%**	▲
Net Asset	4 657	4 251	10%	▲
Other liabilities – investments in subsidiary	9	9	0%	▶
Trade and other payables	73	75	2%	▲
Enterprise Development Fund (ESD)	1 030	1 328	22%	▲
Total net assets and liabilities	**5 769**	**5 663**	**2%**	▲

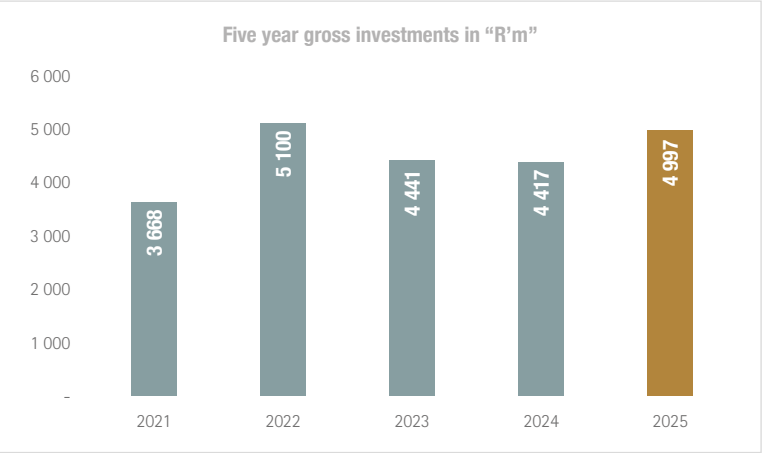
Statement of the financial performance as at 31 March 2025

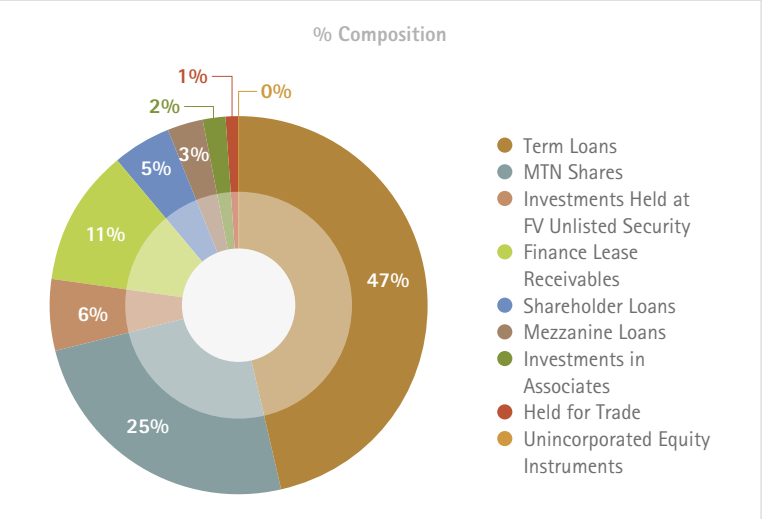
R'million	2025	2024	%	Indicator
Net Revenue	788	658	20%	▲
Social Benefit	-49	-42	-16%	▼
Administration Expenses	-301	-329	8%	▲
Net Operating Income	**438**	**287**	**53%**	▲
Net Impairment Charge	-332	-287	-16%	▼
Fair Value Gain	300	-292	203%	▲
Surplus for the year	**406**	**-292**	**239%**	▲

▲ Increase
▼ Decrease
▶ Stable

Gross Portfolio Under Management

The gross investment portfolio consists of debt and equity investments in both unlisted and listed entities. The total gross portfolio under management, excluding cash investments, surged from R3.7 billion in FY2021 to R5 billion in FY2025. The growth is attributable to the recovery of the listed investments and the growth of the loan book and its quality.

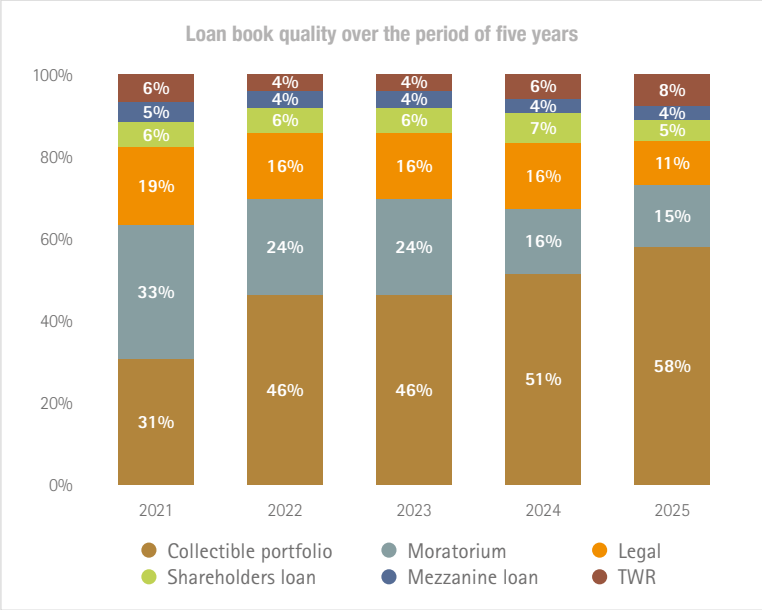




Description	Fair Value / Amortised Cost R million	% Composition
Term Loans	2 346	47%
MTN Shares	1 246	25%
Investments Held at FV Unlisted Security	293	6%
Finance Lease Receivables	578	12%
Shareholder Loans	229	5%
Mezzanine Loans	139	3%
Investments in Associates	123	2%
Held for Trade	42	1%
Unincorporated Equity Instruments	0	0%
	4 997	**100%**

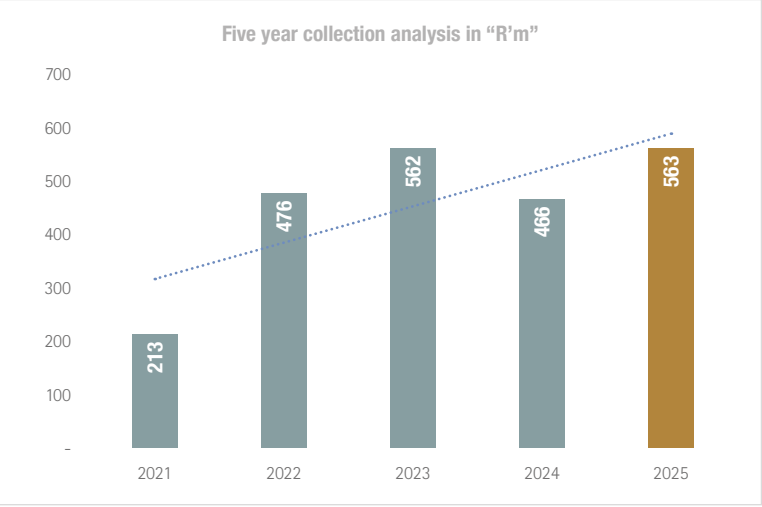
Loan Book Quality

The total loan book (debt investment) consisting of term loans, finance lease receivables, shareholder loans, and mezzanine loans account for 67% of the total gross investment portfolio of R5 billion.



The quality of the NEF's loan book has shown marked improvement between FY2021 and FY2025. Over this period, the total loan balance increased from R2.3 billion to R3.2 billion, indicating a growth in capital deployment. More significantly, the portion of collectable loans improve from 31% to 58%, demonstrating an enhanced portfolio quality and repayment discipline.

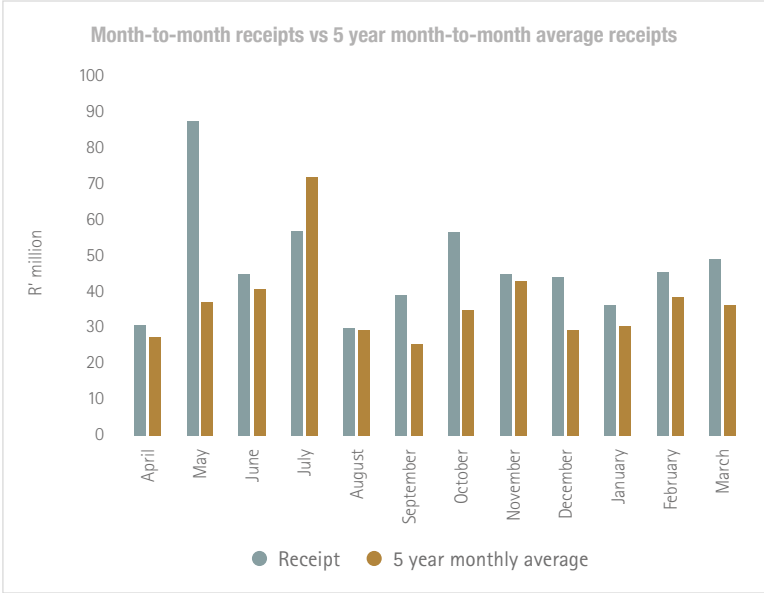
Simultaneously, the percentage of loans in moratorium declined sharply by 56%, from 33% to 15%. It is worth noting that over 90% of these moratorium accounts are still within their initial grace period, highlighting disciplined structuring and management of new investments. Moreover, the combined share of the loan book under Turnaround, Workouts and the Restructuring (TWR) and the legal litigation declined from 26% to 19%, reflecting better credit performance and a reduced reliance on post-investment interventions. These trends underscore the success of the NEF's recovery efforts, tighter credit risk management, and enhanced collection strategies. Amidst a challenging yet gradually stabilising economic environment in South Africa, the improved quality and resilience of the portfolio signal a positive trajectory in portfolio returns and developmental impact.



Repayments of Loans From Investees

Collections for FY2025 demonstrated a significant recovery compared to the previous year, marking a record high in total receipts over the past five years. This exceptional performance is a clear indicator of the effectiveness of the NEF's enhanced credit risk management strategies, supported by post-pandemic economic recovery tailwinds.

Over the last five financial years, the NEF successfully collected a cumulative total of R2 billion from investees. The strong collections in FY2025 not only bolster the organisation's liquidity and sustainability but also reflect improved client repayment behaviour and the increased maturity of the loan portfolio.



Additionally, the average monthly collection in the current financial year has surpassed the five-year average for all twelve months, confirming a significant improvement in the NEF's loan book.

The overall financial performance for the fiscal year 2024/25 has been excellent, marked by a historic surplus for the year, significant repayments by investees, and the implementation of the board strategy, which has resulted in a collection rate of 95% on the newly approved transactions. Additionally, over R1 billion has been disbursed in the ordinary course of business, and there has been an overall improvement in the quality of the loan book. Furthermore, nearly all targets for the key economic indicators have been achieved.

Information Systems and Technology (IST) Management

Over the past financial year, the NEF has continued its comprehensive journey of digital transformation, anchored by the strategic replacement of legacy systems, integrating automated workflows, and enhancing overall system inter-operability. This ongoing commitment is transforming the NEF into a more agile, responsive, and data-driven organisation. Central to this transformation is the replacement of the Loan Management System, whose development has been completed. This modernised system addresses historic inefficiencies and lays a solid foundation for automation, integration, and improvements in loan structuring and collection processes.

The new Online Loan Application Portal was completed, enabling applicants to submit and track their applications online. Integration with Microsoft Dynamics CRM is currently being finalised, with full rollout planned for mid-2025. This marks a pivotal milestone in enhancing the digital customer journey and reducing manual data entry across departments. Significant progress has also been made on the ERP Accounting System replacement. This project aligns with the NEF technology roadmap and addresses risks associated with the legacy platforms.

The Customer Relationship Management (CRM) system replacement project is targeting a fit-for-purpose solution to overcome previous limitations and support customer engagement. The rollout is expected to commence in the 2025 financial year. The Tswelopele Business Process Automation Project has seen major strides, with various workflows, alerts, and solutions implemented. The NEF enhanced its digitalisation capabilities by augmenting existing external resources with internal resources. This initiative serves as the orchestration layer, integrating major systems and processes into a unified, coordinated solution.

Staff capability development has been central to the NEF's automation drive. Over 140 employees received training in Power Apps, AI tools, Microsoft Teams tools and Excel (basic and advanced). To further embed best practices and support departmental digitisation, a business analyst was appointed.

Cybersecurity remains a critical pillar. Following the migration to Microsoft 365 and the establishment of a Security Operations Centre, further investments were made to strengthen endpoint protection, implement Managed Detection solutions, and conduct vulnerability scans. A new cybersecurity management solution was procured, and Disaster Recovery upgrades were completed to mitigate risks and enhance business continuity. Network and connectivity improvements also progressed, with the completion of the telephony system upgrade and secure Wi-Fi access points installed at all offices, supporting hybrid work and high-availability systems.

In governance, the NEF continues to adhere to the COBIT framework, with stringent project governance enforced through the IST Steering Committee, regular risk reviews, and Change Advisory Board oversight for projects.

Overall, the NEF's IST environment is evolving into a secure, integrated, and automation-ready ecosystem. Through strategic investments in technology, people, and governance, the NEF is laying a strong digital foundation to scale operations sustainably, enhance service delivery, and remain resilient in an increasingly data-centric world.

Supply Chain Management (SCM)

During this financial year, 10 tenders were issued, of which seven (7) were awarded. All tenders were evaluated in accordance with the NEF Supply Chain Management Policy, the National Treasury Supply Chain Management Regulations, the Preferential Procurement Policy Framework Act, and all applicable practice notes.

In line with its mandate to support and promote enterprises owned and managed by black people, the NEF prioritises procurement from businesses with significant black ownership and active involvement in day-to-day management. This focus is further reinforced by the NEF Supply Chain Management Policy, which emphasises the development of black-owned businesses in targeted sectors, guided by specific targets set in the annual performance plan.

The NEF's total procurement for the year amounted to R51.3 million, spread across 286 suppliers. Of this, 74.3% was procured from suppliers with 51% to 100% black ownership - significantly exceeding the annual target of 65%. Further analysis of procurement spend reveals that 55.46% was directed to Exempted Micro Enterprises (EMEs) and an additional 11.89% from Qualifying Small Enterprises (QSEs).

The five-year procurement trend from majority of black-owned entities is illustrated in Figure 1 below.

Procurement during the year from majority black-women-owned businesses was at 43.8% against a target of 30%. The NEF continues to support and empower black-women-owned businesses.

The five-year procurement from majority black-women-owned entities is illustrated in Figure 2 below.

Supply Chain Management practices were upheld at the highest levels of good governance, with no audit findings reported during the financial year. The Procurement Committee confirms that no procurement irregularities were identified for the NEF Trust in the financial year ending FY2025.

Figure 1: Five-year trend on spend towards Black-owned entities

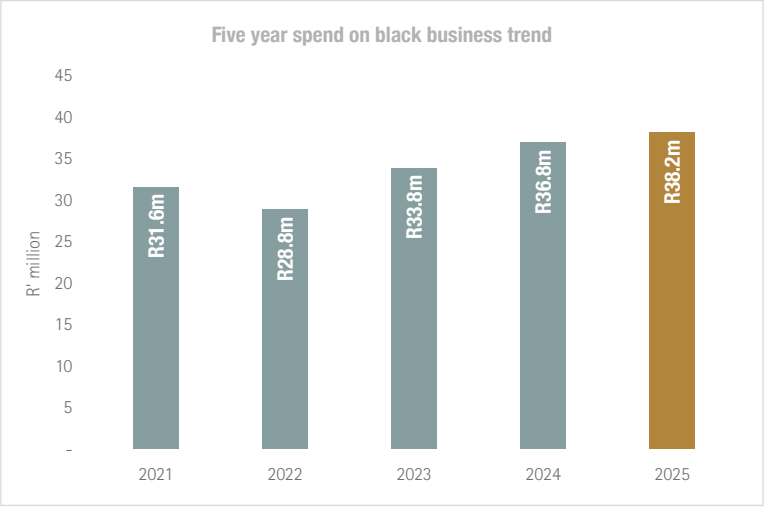
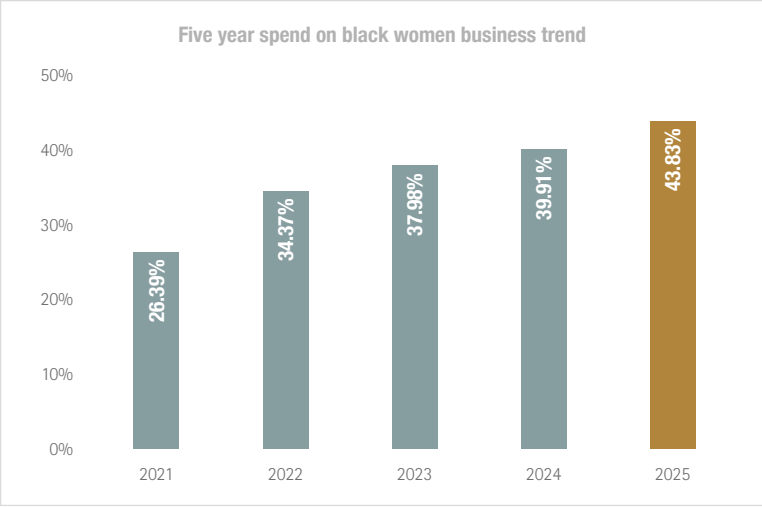


Figure 2: Five-year trend on spend towards Black-women-owned entities



NEF Group irregular expenditure

The NEF has obtained PFMA exemption from the Minister of Finance for a period of 5 years which includes the 2025 financial year for its subsidiaries. This exemption regularises the compliance status of the affected NEF subsidiaries and enables their operations to be assessed in line with private sector practices. Consequently, the expenditure incurred by these subsidiaries during the current financial year is not considered irregular.

However, the below table shows the reconciliation of the irregular expenditure for the periods (FY2021-FY2024) in which the NEF did not obtain the exemption for its affected subsidiaries and this table should be read in conjunction with note 37 of the consolidated audited annual financial statements.

Reconciliation of irregular expenditure		
Description	**2024/2025**	**2023/2024**
Opening Balance	960 300 017	698 642 283
Irregular expenditure Incurred in the current year	–	261 657 734
Irregular expenditure condoned	(960 300 017)	–
Closing balance	**-**	**960 300 017**

Appreciation

I extend my sincere appreciation to the Board of Trustees, its Sub-Committees, the Senior Management team, and all NEF employees for their invaluable contribution towards achieving the annual outcomes. Despite a challenging year, the NEF remained resolute and diligent, which played a critical role in the attainment of the desired results.

Phumudzo Siphuma
Chief Financial Officer

11 PERFORMANCE REVIEW

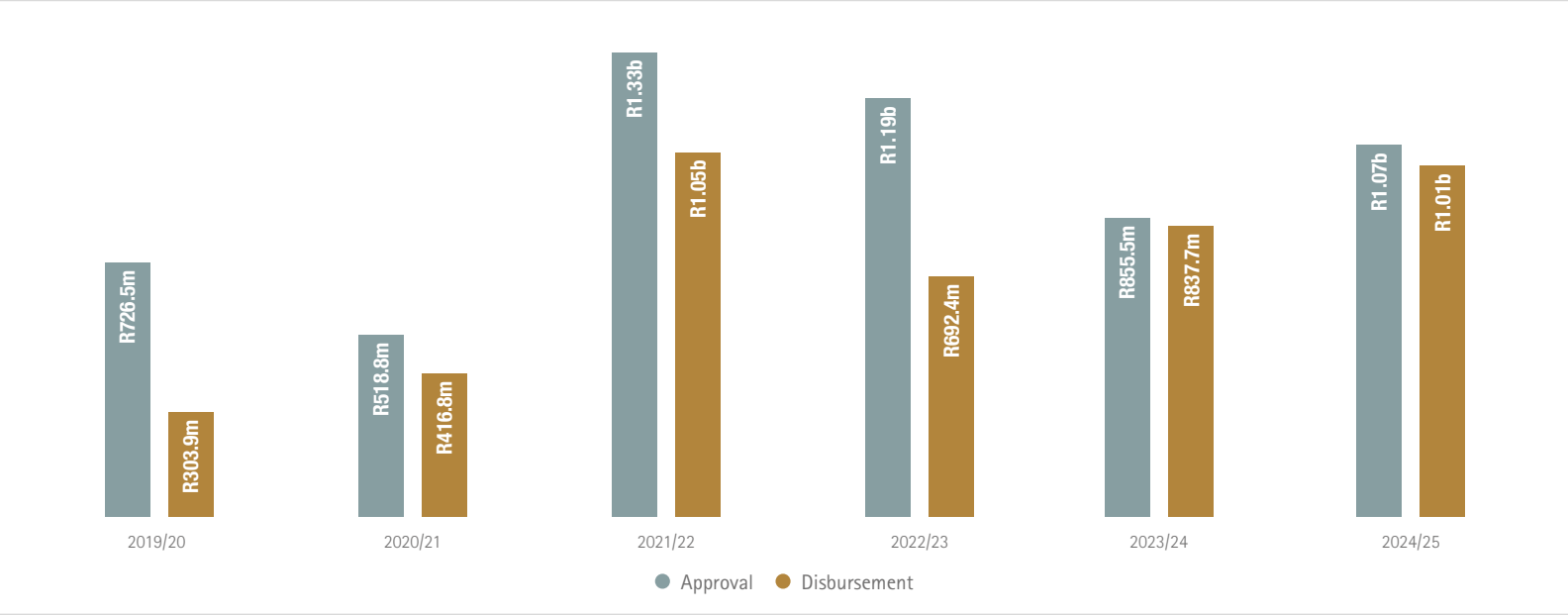
The NEF's year-to-date performance contributed an additional R1.1 billion in approvals, increasing the cumulative life-to-date approvals to R16.2 billion. This continuous improvement in performance underscores the commitment to empowering black businesses as well as women and youth-owned businesses. In the financial year under review, the NEF approved a total of 152 transactions, bringing the cumulative number of transactions approved since inception to 1 765.

The NEF reported the second-highest value of investment (R1 billion) since inception in the year under review, only surpassed by the 2021/22 performance (R1.1 billion), which was driven by COVID-19 and other related programmes. These investments have been directed into black-owned businesses, including those led by women and youth, contributing to economic inclusivity by fostering business development and growth, facilitating market access, and creating jobs across the country. Life-to-date disbursements now exceed R11.5 billion, supporting 147 606 jobs.

APPROVALS
R1.1 billion

VALUE OF INVESTMENTS
R1.0 billion

Figure: 6 Year Approvals and Disbursements



11.1 Achievement Against Strategic Objectives

11.1.1 Transformation

The NEF remains steadfast in its commitment to fostering economic transformation by empowering black-owned enterprises, with a particular focus on increasing participation by women, youth, and persons with disability. During the reporting period, we achieved 38.6% against a target of 50% for this KPI. While short of the target, this performance reflects continued progress in supporting historically underrepresented groups through targeted funding, creation of market access, and strategic partnerships, the NEF aims to address current inequalities and promote access to economic participation for those who do not have such access.

NUMBER OF FUNDED SMEs

2024 2025	197
TARGET	150
2023/2024	113

In the 2024/25 financial year, the NEF surpassed its target by funding 197 Small and Medium-sized Enterprises (SMEs) from 113 in the previous year, reflecting a 74% increase. This achievement underscores the NEF's pivotal role in bolstering the SME sector, which accounts for approximately 64% of all jobs in South Africa. By providing financial support and other non-financial support such as market access, the NEF is instrumental in enhancing the resilience and sustainability of SMEs, particularly in a period characterised by challenging economic conditions.

PERCENTAGE OF INVESTMENTS TO BLACK INDUSTRIALISTS

2024 2025	58.5%
TARGET	50%
2023/2024	57.2%

The NEF allocated 58.5% of its investments to Black Industrialists, surpassing the 50% target. This initiative addresses systemic barriers faced by black entrepreneurs, such as limited access to capital and markets. By empowering Black Industrialists, the NEF contributes to diversifying the industrial base and fostering inclusive economic growth.

PERCENTAGE OF AGRIBUSINESSES FUNDED

2024 2025 **44.2%**

TARGET 40%

2023/2024 11.5%

Agriculture remains a cornerstone of South Africa's economy, contributing significantly to food security, employment creation, and poverty reduction. In FY2025, 44.2% of NEF-funded businesses operated within the agribusiness sector, exceeding the 40% target. This strategic focus is vital, especially considering the sector's challenges, including a 5%-6% decline in real agricultural GDP during the first three quarters of 2024. By investing in agribusinesses, the NEF supports the revitalisation of rural economies and the promotion of sustainable agricultural production.

NUMBER OF PEOPLE TRAINED

2024 2025 **4 339**

TARGET 3 000

2023/2024 N/A

The NEF trained 4 339 individuals, exceeding the target of 3 000. Capacity-building is crucial for equipping entrepreneurs with the skills necessary to navigate the complexities of the business environment. This initiative aligns with national strategies aimed at reducing unemployment and fostering a culture of entrepreneurship.

PERCENTAGE DISBURSED TO BUSINESSES OWNED BY WOMEN, YOUTH, AND PEOPLE LIVING WITH DISABILITY

2024 2025 **38.6%**

TARGET 50%

2023/2024 38.5%

While the NEF disbursed 38.6% of its funds to businesses owned by women, youth, and persons with disability, this fell short of the 50% target. These groups often face compounded challenges, including limited access to finance and markets. The NEF recognises the need for intensified efforts to bridge this gap and is committed to implementing targeted interventions to enhance inclusivity.

NUMBER OF OPERATIONAL AND/OR FUNDED INCUBATED BUSINESSES

2024 2025 **20**

TARGET 9

2023/2024 N/A

The NEF supported 20 operational and/or funded incubated businesses, more than doubling the target. Our business incubation provides critical support to aspiring entrepreneurs and emerging enterprises, including mentorship, tailored support, skill enhancement, networking, and access to critical resources. This approach was instrumental in stimulating sustainable SMEs owned and managed by black people, women and youth.

11.1.2 Investment Stimulus

The NEF continues to play a pivotal role in stimulating investment across high-growth and job creating sectors through targeted incentives, and export opportunities as well as the creation of new SMEs. This aligns with the NEF's mandate and the broader dtic group to drive economic recovery, job creation, and industrial diversification. In the 2024/25 financial year, the NEF's strategic investments have yielded substantial economic and social benefits.

ECONOMIC VALUE ADDED

2024 2025 **R9.9 billion**

TARGET **R4.48 billion**

2023/2024 **N/A**

The NEF's interventions generated an economic value add of R9.9 billion, surpassing the set target by over R5.4 billion. This achievement reflects largely the ability of funded business to generate revenues, and the multiplier effects of NEF's investments derived from all sectors. By channelling funds into these businesses, the NEF not only stimulates immediate economic activity but also lays the groundwork for sustained industrial growth and competitiveness.

VALUE INVESTED

2024 2025 **R1 billion**

TARGET **R1.5 billion**

2023/2024 **R838 million**

While the NEF invested R1.011 billion, falling short of the R1.5 billion target, this figure still represents a significant increase from the previous year's R838 million. The shortfall is attributed to a steep increase in the target for value invested from the initial R675 million to R1.5 billion coupled with cautious investment strategies amid widespread economic uncertainties. Nonetheless, the NEF's investments have been strategically directed towards sectors with high growth potential and capacity for job creation, ensuring optimal impact per rand invested.

NUMBER OF JOB OPPORTUNITIES CREATED

2024 2025 **13 653**

TARGET **10 500**

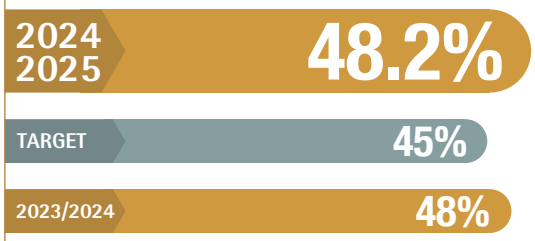
2023/2024 **2 348 NEW JOBS**

The NEF's investments facilitated the creation of 13 653 job opportunities, exceeding the target by over 3 153 new jobs. This outcome is particularly significant in the context of South Africa's high unemployment rate, which stood at 32.9% in the fourth quarter of 2024. By focusing on labour-intensive sectors and supporting SMEs, the NEF contributes to creating employment and reducing poverty.

11.1.3 Structural Reform

The NEF is changing the structure of the South African economy which is concentrated in few cities and sectors. Our investments were directed towards underdeveloped provinces and areas beyond the five major metropolitan centres to address spatial inequalities. This strategic focus aims to rectify historical imbalances, localise the domestic economy, and promote export and equitable development across the nation.

PERCENTAGE OF INVESTMENTS TO SMEs OPERATING OUTSIDE THE 5 MAIN METROS



In the 2024/25 financial year, the NEF allocated 48.2% of its investments to SMEs operating outside the main metropolitan areas (City of Cape Town, City of Johannesburg, City of Tshwane, City of Ekurhuleni and the City of eThekwini), surpassing the 45% target. This achievement underscores the NEF's dedication to fostering economic growth in historically marginalised regions.

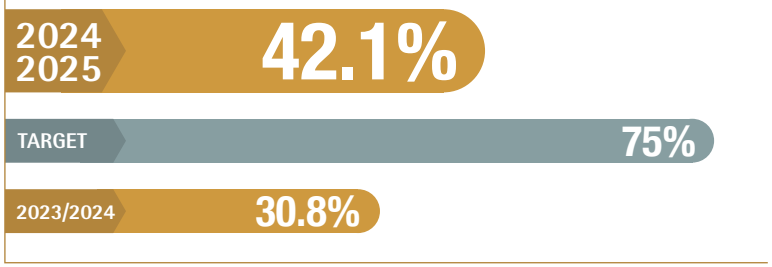
South Africa's spatial disparities are deeply rooted, with rural provinces like the Eastern Cape, Limpopo, and KwaZulu-Natal exhibiting higher poverty and unemployment rates compared to urban centres. For instance, the Eastern Cape contributes only 8% to the national GDP despite housing 13.5% of the population, highlighting the economic challenges faced by such regions.

By channelling investments into these underserved areas, the NEF not only stimulates local economic activity but also empowers communities through job creation and enterprise development. This approach aligns with national objectives to promote spatial justice and reduce regional disparities.

11.1.4 Catalytic Sectors

A large focus area for the organisation is investments towards catalytic sectors - namely agriculture, manufacturing, mining, tourism, digital economy, and the green economy. These sectors have been identified by the Economic Cluster to drive large-scale economic impact and as pivotal for absorbing labour, fostering innovation, and generating sustained economic growth. In the 2024/25 financial year, 42.1% of NEF investments were directed toward these sectors, an improvement from 30.8% in the previous year yet below the 75% target.

PERCENTAGE OF INVESTMENTS TO CATALYTIC SECTORS



11.1.5 Induced Demand

The NEF is focusing on empowering local SMMEs to produce goods that substitute imports and by enhancing their export capabilities – this supports **the dtic**'s localisation and export promotion strategies. The NEF's targeted interventions, including financial support and capacity-building initiatives, are designed to overcome challenges faced by South African SMEs in entering export markets. By focusing on import substitution and export promotion, the NEF's initiatives stimulate local production, thereby enhancing South Africa's economic self-sufficiency.

VALUE OF REVENUES FROM EXPORTING CLIENTS

2024 2025	**R161.5 million**
TARGET	R75 million
2023/2024	N/A

In the 2024/25 financial year, NEF-supported clients generated R161.5 million in export revenues, nearly doubling the set target. This significant achievement underscores the NEF's effective support in enabling SMEs to access and thrive in international markets. By facilitating export readiness and competitiveness, the NEF contributes to diversifying South Africa's export base and reducing dependency on imported goods.

11.1.6 Development of a Capable State

PERCENTAGE OF PORTFOLIO IMPAIRED

2024 2025	**30%**
TARGET	30%
2023/2024	33%

Maintaining a portfolio impairment rate of 30%, reaching the 30% threshold, reflects the NEF's strong due diligence and prudent risk management and effective support mechanisms for investees. This ensures that funded enterprises remain operational and financially viable.

The NEF generally funds riskier businesses in-line with its objectives to rebalance economic inequality by providing financial and non-financial support to SMEs with viable business proposals.

The achievement of the impairments threshold is bolstered by the NEF's extensive non-financial support system, which includes capacity building, strategic planning, and operational support offered through its Pre-Investment and Post-Investment interventions and Regional Offices support.

COLLECTIONS RATIO

2024 2025	80%
TARGET	80%
2023/2024	80%

Achieving an 80% collections ratio underscores the NEF's effectiveness in fostering financially disciplined enterprises. Timely repayments not only reflect the health of businesses of investees but also ensures the sustainability of the NEF's funding model, allowing for the continuous support of new ventures.

PERCENTAGE OF SUPPLIERS PAID WITHIN 20 DAYS OF RECEIVING A VALID INVOICE

2024 2025	96%
TARGET	80%
2023/2024	N/A

Paying 96% of suppliers within 20 days demonstrates the NEF's commitment to maintaining a reliable and efficient supply chain. Prompt payments enhance the liquidity of suppliers, enabling them to meet production demands and invest in capacity building. This efficiency is particularly important in addressing infrastructural challenges that have historically impeded South Africa's manufacturing sector.

PERCENTAGE OF INVESTEES PAID WITHIN 45 BUSINESS DAYS FROM COMMITMENT

2024 2025	83.5%
TARGET	70%
2023/2024	65.7%

Disbursing funds to 83.5% of investees within 45 business days reflects the NEF's agility in capital deployment and responsiveness to the needs of its stakeholders. This efficiency is particularly important in a landscape where public sector inefficiencies have been a significant impediment to sustained growth. By facilitating timely access to capital, the NEF empowers businesses to operate effectively and contribute to economic development.

12 GROWING B-BBEE THROUGH PARTNERSHIPS

As part of the process to consolidate the strategic direction for ESD and Third-Party Funds, which are being re-focused on mobilising funding, three fundamental focus areas have been identified for a coordinated approach. These areas – (a) fund mobilisation, (b) fund management, and (c) stakeholder management – will guide the NEF in raising funds and positioning itself as a preferred partner in developmental platforms. These focus areas are aligned with the NEF's fundraising target of R500 million for the 2024/2025 financial year.

To strengthen its funding portfolio, the NEF has been intensifying efforts to promote B-BBEE by partnering with various stakeholders to unlock funding opportunities for black enterprises. The NEF offers a platform for both private and public sector organisations to deliver sustainable B-BBEE solutions to black enterprises at an accelerated pace. This opportunity enables private sector companies to make their Enterprise Development (ED) and Supplier Development (SD) contributions to the NEF's Enterprise and Supplier Development Fund ("the NEF ESD Fund"). The NEF then utilises these contributions to co-finance investments, facilitating the growth as well as financial and operational independence of the beneficiaries.

The ESD and Third-Party Funds serve as catalysts for the NEF's strategic positioning as a transformative and relevant Development Finance Institution (DFI), reinforcing its role as a key player in the transformation agenda.

Since inception of the NEF ESD and Third Party Funds, the NEF has successfully mobilised over R3 billion in contributions from 28 private and public sector contributors, including major organisations such as Nissan, Sun City, Steve Tshwete Local Municipality, the Department of Transport, **the dtic**, Limpopo Department of Economic Development, Environment and Tourism, Northern Cape Department of Economic Development and Tourism and the Solidarity Fund, among others. Beyond financial contributions, the NEF also collaborated with ED and SD funders to provide non-financial support, including business training for SMMEs.

12.1 Development Impact of ESD & Third-Party Funds

During the year, the NEF's fundraising efforts made a meaningful contribution towards advancing inclusive economic growth and transformation. The capital mobilised enabled the funding of over 149 SMMEs, supporting the establishment of new enterprises and the growth of existing ones. This, in turn, contributed to the creation of 6 266 new jobs providing livelihoods and opportunities. Notably, approximately 35% of the funds raised were channelled into townships, rural, and peri-urban communities.

In addition to financial support, the NEF leveraged ESD funds to invested entrepreneurial capacity building, equipping 462 aspiring business owners with essential skills in areas such as business planning, financial management, and operations. Further development impact was achieved through strategic interventions, which enabled 200 entrepreneurs to establish an online presence. These efforts also helped unlock supplier contracts valued at R333 million, fostering broader participation in key economic value chains.

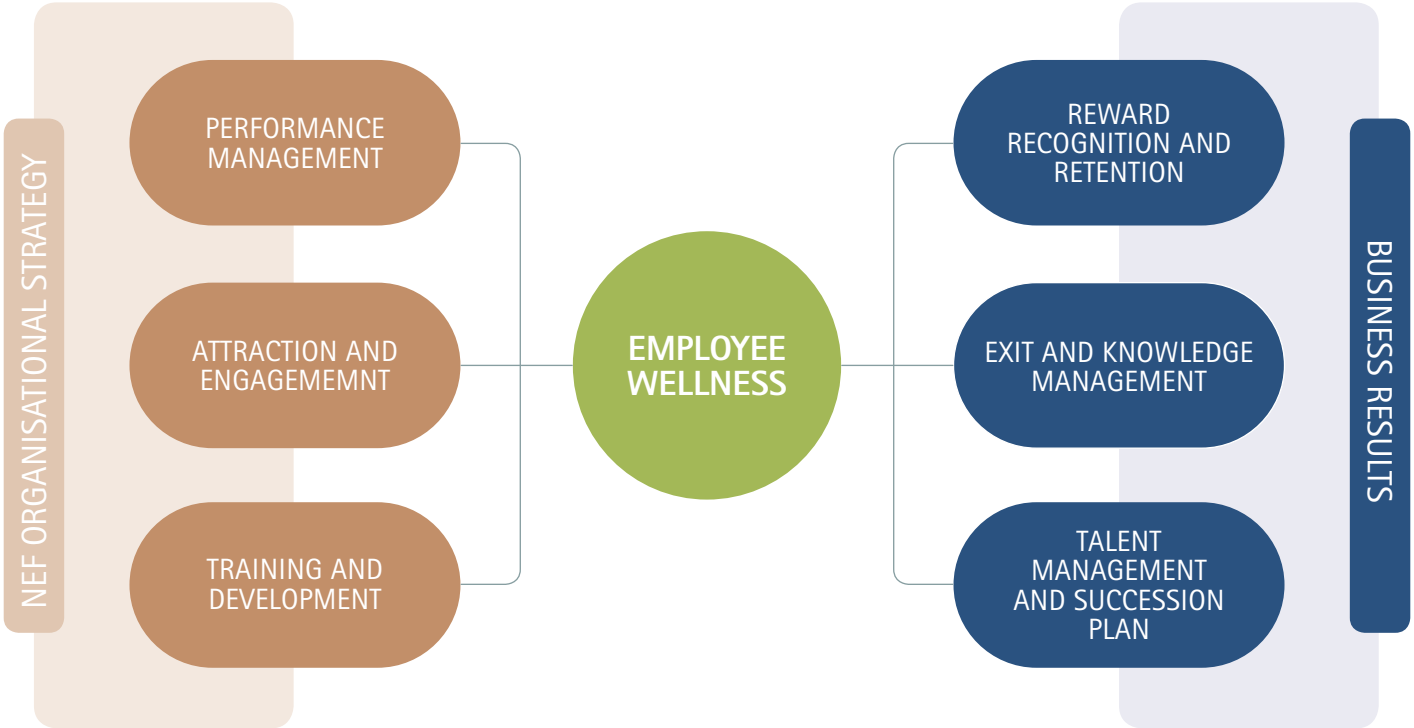
13 INVESTING IN HUMAN CAPITAL

13.1 Human Capital Management

The Human Capital Department plays a crucial role in enabling the NEF to achieve its strategic objectives by focusing on its most valuable resource – its PEOPLE. By fostering a supportive work environment, the department ensures that the NEF has the talent and capabilities needed to meet its goals and drive its mission forward.

13.2 Human Capital Strategy

The NEF's human capital strategy is designed to attract, develop, and retain top talent while supporting the organisation's core values. These values guide the recruitment, development, and retention of staff, ensuring that the NEF has the necessary skills and commitment to execute its mandate. Additionally, the strategy emphasises the importance of mental wellness in the workplace, recognising that unchecked mental health issues can have devastating consequences on both employees and the organisation. The integration of these values into the business strategy is essential for achieving the NEF's overall objectives and driving long-term success.



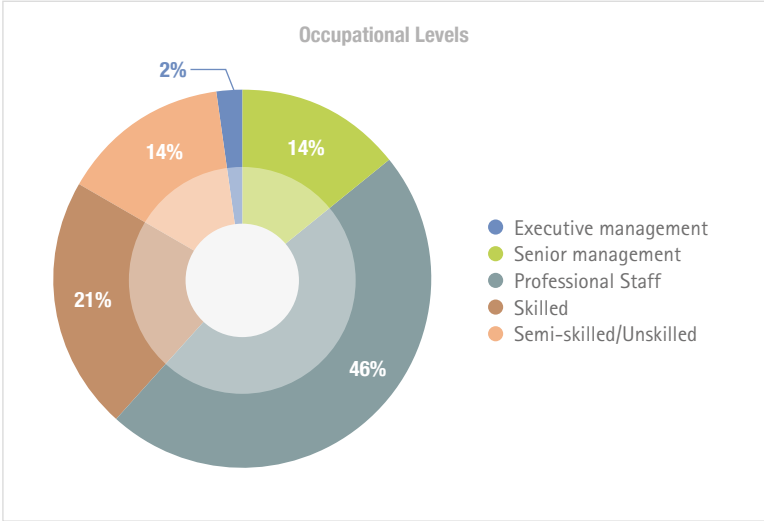
13.3 Employee demographics

The chart and table below provide a breakdown of employee representation by racial group. African employees constitute the majority, making up 95% (174 employees) of the workforce. Indian, Coloured, and white employees represent 2%, 2%, and 1% respectively. This reflects the population demographic, transformation and equity objectives of the country.

Employee demographics		
Total No. of Employees (Permanent)	2024/2025	
	Number	Percentage
African	174	95.1%
White	2	1.1%
Coloured	3	1.6%
Indian	4	2.2%
GRAND TOTAL	**183**	**100%**

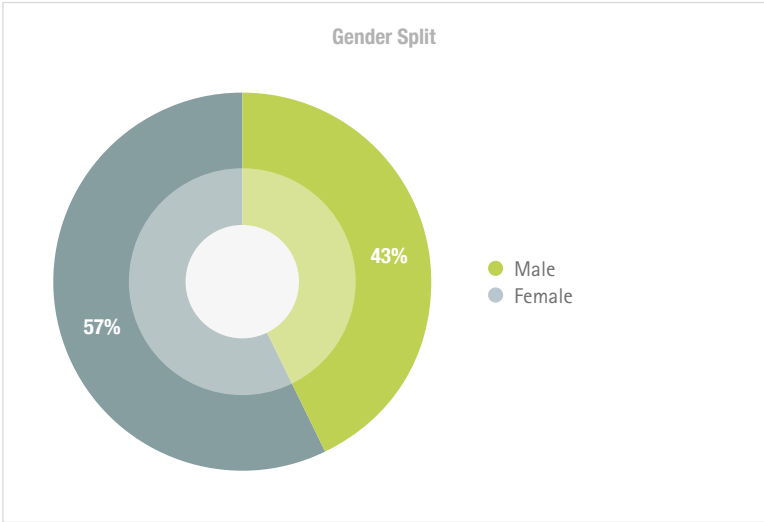
13.4 Occupational Levels

The chart illustrates the distribution of employees across various occupational categories within the organisation. Professional staff make up the largest group at 46%, reflecting the service-driven nature of the NEF which requires specialised education and professional expertise. It is followed by skilled employees representing 21% of the workforce while senior management and semi-skilled employees each account for 14%.



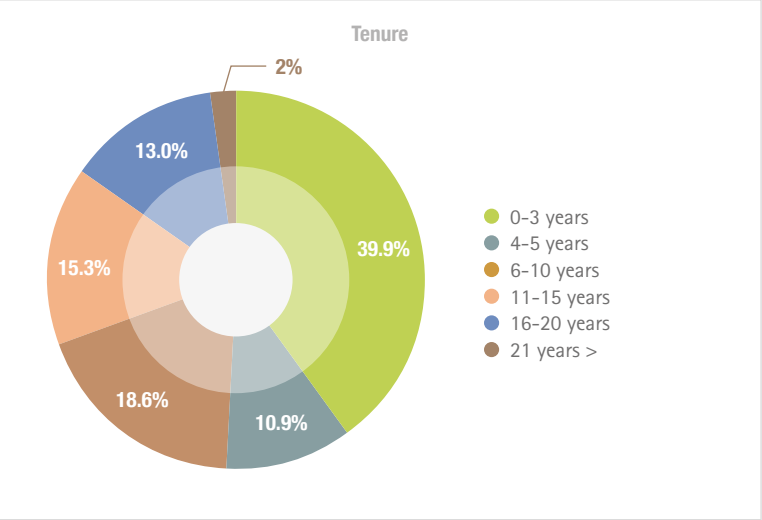
13.5 Gender Demographic

The NEF continues to lead in value creation by championing gender equality, with 57% of its workforce being female. Additionally, 78% of employees are between the ages of 30 and 40 years, reflecting a maturing organisation with a strong base of experienced professionals driving its mandate forward.



13.6 Tenure

It is worth noting that 60% of NEF employees have been with the organisation for between 6 to 21 years, demonstrating the NEF's success in fostering a work environment that supports professional growth, longevity, and a deep commitment to its mandate. Equally important, the remaining 40% of recently appointed employees bring fresh perspectives and contribute to a diverse and evolving knowledge base within the organisation.



13.7 Training and Development

The NEF, in its commitment to being a fit-for-purpose organisation that values employee development, has prioritised continuous learning and upskilling. Through the Human Capital Department, an enabling environment is created for employees to pursue further studies, ranging from undergraduate degrees to Master's programmes. The NEF strongly believes in the continuous learning and development of employees. The table below shows a summary of training by gender and related costs. A total of 307 training interventions were implemented, with women accounting for 60% of the participants.

	Permanent	Contract		
Gender	Number of Training Interventions	Number of Training Interventions	Total	Total Training Cost
Male	98	24	122	R815 395
Female	144	41	185	R1 375 302
Total	**242**	**65**	**307**	**R2 190 697**

13.8 Leadership Enhancements

The NEF is committed to cultivating an inspiring and empathetic leadership cohort that is agile and well-equipped to navigate the ever-changing environment that the NEF operates in. To support this goal, leadership assessments are undertaken to identify developmental gaps, which then inform tailored leadership training and capacity-building interventions.

13.9 External Bursaries

The NEF continues to support underprivileged students across South Africa, enabling them to pursue future careers and transform their lives. In 2025, a total of 25 beneficiaries, selected based on academic merit and financial need, were awarded bursaries.

The below table depicts the funds expanded towards this programme and the demographics of the beneficiaries.

External Bursaries			
Gender	Number	Amount	%
Male	8	539 225	25%
Female	17	1 619 760	75%
Total	**25**	**2 158 985**	**100%**

13.10 Remuneration

The Human Capital Department strictly adheres to the governance structures and policies of the NEF. Oversight of remuneration policies and their implementation is the responsibility of the Human Capital Remuneration Committee (HCRC), a subcommittee delegated by the Board of Trustees. During the year, the HCRC played a key role in appointing a specialist service provider to conduct remuneration benchmarking. In addition, the remuneration process is subject to internal audit to ensure adequate controls are in place and consistently followed.

13.11 Enhanced Employee Well-being to Foster High Performance

Over the past five years, mental health wellness challenges have escalated globally, demanding urgent attention from organisations. No longer merely a social concern, mental health has become a critical business imperative. If left unaddressed, it can have severe consequences for organisational performance, morale, and sustainability.

As an "Employer with a Soul", the NEF is committed to prioritising the well-being of its employees. In line with this commitment, the NEF has partnered with one of the country's leading Employee Wellness Service Providers to offer professional support to employees.

13.12 Looking Ahead

The NEF has noted the amendments to South Africa's Companies Act and will continue to monitor it for any further developments. Once the amendments are in effect, the NEF will report accordingly as it relates to Section 30A and 30B of the Companies Act.

14 CORPORATE SOCIAL INVESTMENT (CSI)

The NEF continues to play a meaningful role as a corporate citizen by advancing the social and economic upliftment of vulnerable communities through impactful Corporate Social Investment (CSI) initiatives. Building on the success of the 2023 Mandela Day campaign implemented across five provinces in the wake of the COVID-19 pandemic, the NEF has, in 2025, deepened its commitment to making a lasting impact. Guided by Executive Committee directives and in close collaboration with regional offices, this financial year, four rural provinces were identified to benefit from the NEF's 'Funder with a Soul' initiative, a programme rooted in restoring dignity, hope, and opportunity to underserved communities. One deserving beneficiary per province, such as a school, safety home, or elderly care facility, was carefully selected to ensure the greatest possible social impact is achieved.

The selection of beneficiaries per province was guided by a set of key criteria to ensure meaningful and impactful interventions. These included:

- The beneficiary had to align with the spirit and objectives of Mandela Day;
- The beneficiary had to be located in an area which demonstrated an urgent need for intervention;
- The beneficiary had to have a positive reputation; and
- Confirmation that the institution had not previously received assistance from the NEF under the same programme

Based on these criteria, the following institutions were identified for support under the Funder with a Soul initiative:

Province	Location & District Municipality	Beneficiaries	Donated items	Impacted beneficiaries
Free State	Botshabelo, Mangaung Municipality - Bloemfontein	Onalerona Care Centre is a safe and nurturing haven for vulnerable children, primarily girls, ranging from age 2 to 23 years.	• 5 Single Beds • 10 Blankets • 5 Sleeping Sponges • 1 Wardrobe • Canned Foods • Dried Foods/Grains • Toiletries • Hygiene/Cleaning Products	The centre currently houses 17 children. The younger children are housed in the main brick house, while the older ones stay in a shack.

Province	Location & District Municipality	Beneficiaries	Donated items	Impacted beneficiaries
North West	Pella, Moses Kotane Municipality - North West	Rekopane Old Age and Disability Centre is a registered non-profit organisation (NPO) that was founded in 2014 by a group of young people from diverse backgrounds, united by a shared vision to create a project that would bring lasting value to the communities of Pella and Kortkloof. Since its inception, the organisation has launched and implemented a range of impactful community development initiatives, including: • A Sports Academy • A Music Academy • Women Empowerment Programmes • Substance Abuse and Gender-Based Violence Awareness Campaigns • The Aaron Molete Foundation • A Community Social Club • The Aaron Molete Heritage Site Through these programmes, the NPO has made a meaningful contribution to the well-being of both the elderly and the youth by offering skills development, education, and social support tailored to the needs of the community.	• 3-Gas Stove • Gas Cylinder (Full) • Paint • Painting Roller and Brushes • Rice • Mielie Meal • Samp • Flour • Sugar • Coffee • Teabags • Milk • Mabele • Tinned Fish • Baked Beans • Box Soup • Cooking Oil • Salt • Double Chaffing Dish • Steel Folding Table 1800mm – Heavy Duty • 12-piece Plate Set 26.5cm Round White (Box)	Rekopane Old Age and Disability Centre is a community-based non-profit organisation dedicated to improving the quality of life for youth, the elderly, and persons with disability. The centre provides care and support to children who have been neglected, abused, or affected by illness, ranging in age from birth to 18 years. Depending on individual circumstances, some children may remain at the facility until the age of 21. The home currently accommodates 30 children, most of whom attend school. The centre ensures that all children receive regular medical check-ups, vaccinations, and attend court or social worker appointments as needed. In addition to its work with children, the centre provides a safe and supportive environment for 65 elderly residents, comprising 30 males and 35 females, aged between 68 and 80 years.

Province	Location & District Municipality	Beneficiaries	Donated items	Impacted beneficiaries
Northern Cape	Galeshewe township, Sol Plaatje Municipality - Kimberley	Child Welfare operates a comprehensive support network that includes the Sinothando Child and Youth Care Centre. The Welfare is the only organisation in the region that addresses the needs of over 5 000 vulnerable children across the communities of Coleville, Galeshewe, Donkerhoek, Platfontein, and Greenpoint. Support is delivered through a range of services, including early childhood education, residential care, safe parks, court interventions, and various community-based programmes.	• Baby Cot Mattresses • Potty Training Toilets • 1 Microwave • 1 4-plate Stove • 1 Washing Machine	The Sinothando Child and Youth Care Centre currently provides residential care for 30 children.
Eastern Cape	Ntabankulu, Ntabankulu Municipality	Ntabankulu Primary School	• 100 school shoes	100 school kids were impacted by this initiative.

2025 Back to School Programme – NEF & the dtic

The NEF continued to embody the spirit of Ubuntu and honour the life and legacy of Nelson Mandela by entrenching its Funder with a Soul initiative through its participation in the 2025 Mandela Day Back to School programme in partnership with **the dtic**. Responding to an invitation from **the dtic**, the NEF supported learners from under-resourced schools by donating dignity packs and sanitary products to promote health, confidence, and dignity amongst learners.

The first leg of the initiative took place on Tuesday, 28 January 2025, in the City of Ekurhuleni Metropolitan Municipality area. NEF representatives joined **the dtic** team during their engagement with Grade 12 learners across four secondary schools, where a total of 200 dignity packs were donated and distributed equally between boys and girls.

The schools visited were:

1. Mamelong Secondary School – Tsakane, Brakpan | Principal: Mr Malaza
2. Geluksdal Secondary School – Tsakane, Brakpan | Principal: Mr Chaka
3. Tandi Sibeko Secondary School – Nigel | Principal: Mr Kubheka
4. M.O.M Seboni Secondary School – Duduza, Nigel | Principal: Mr Lekoadu

The second leg of the programme took place on Friday, 31 January 2025, in Mabopane, Pretoria where NEF representatives joined **the dtic** to continue their support of learners in need. A total of 1 157 dignity packs were donated and distributed equally between boys and girls across the four schools.

The schools visited were:

1. Mokoma Special School – Mabopane | Principal: Mr Phiri
2. Reatlegile Primary School – Mabopane | Principal: Ms Mushi Sebitse
3. Letlotlo Primary School – Mabopane | Principal: Mr Mamabolo
4. Botsalo Primary School – Mabopane | Principal: Mr Magase

15 GOVERNANCE

15.1 Our Governance Philosophy

The NEF operates within a robust governance framework and is committed to upholding sound governance practices and a culture of professional ethical conduct. The NEF firmly believe that effective corporate governance is essential to unlocking shareholder value, and maximising developmental impact. Strong governance practices across the organisation are critical for securing third-party funds to meet operational and funding needs. The NEF remains committed to the continuous improvement and strengthening of its governance framework to ensure alignment with established governance standards. The NEF's corporate governance structures are supported by rational, current policies that reinforce the NEF's mandate and ensure the organisation fulfils its responsibilities in accordance with principles of good governance and ethical conduct.

15.2 The NEF Governance Ecosystem

Guided by the Founding Statement, the Minister of **the dtic**, as the Executive Authority, defines the core strategic performance areas in accordance with the NEF Act. The Board, as the Accounting Authority, provides strategic direction and leadership, enhances shareholder value, and ensures the NEF's long-term sustainable development and growth. In fulfilling its responsibilities, the Board is supported by the Chief Executive Officer and the Executive Team in implementing the approved corporate strategies, plans, and policies. The below legislations, policies and procedures guides the governance of the NEF.

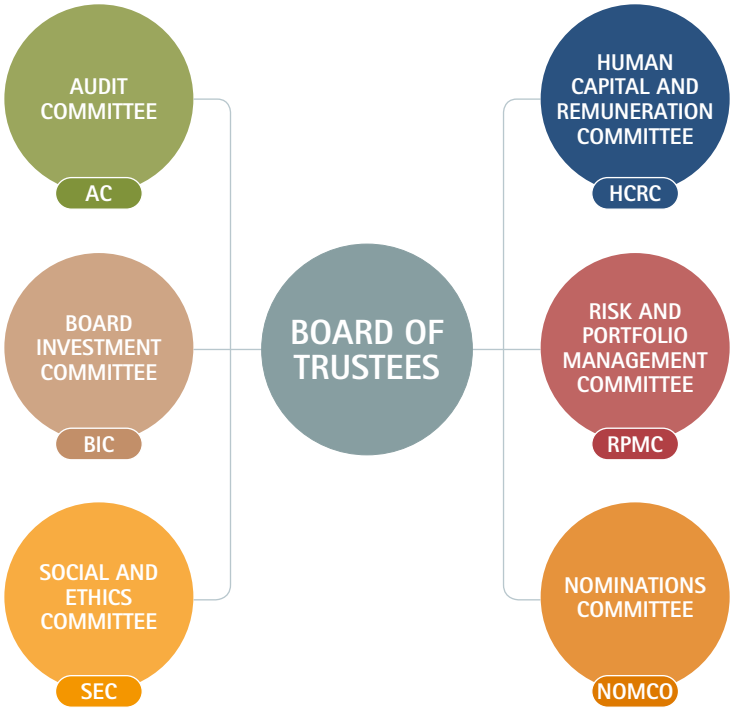
Key Legislation and Regulation:

- The NEF Act
- PFMA
- Companies Act

Policies and Procedures:

- Board Charter
- Director's Conflict of Interest Policy
- Delegation of Authority
- Employees Conflict of Interest Policy
- Sub-Committee Charters
- Whistleblowing Policy
- Fraud and Ethics Hotline

15.3 The NEF Governance Structure



The NEF operates within a robust governance framework, overseen by an independent Board of Trustees appointed by **the dtic** Minister. The NEF is committed to upholding the highest standards of corporate governance. The relationship between the Shareholder and the NEF Board is formalised through the Annual Performance Plan, which outlines the organisation's mandate and strategic priorities. The Board plays a pivotal role in ensuring compliance with corporate governance codes. As the Accounting Authority, the Board provides strategic direction, enhances shareholder value, and ensures the long-term sustainability of the NEF. In executing its duties, the Board has delegated certain responsibilities to its sub-committees, which include the Audit Committee, Board Investment Committee, Risk and Portfolio Management Committee, Social and Ethics Committee, Human Capital and Remuneration Committee, and the Nominations Committee.

The Chief Executive Officer and the Executive Team support the Board's mandate by implementing the approved strategies, plans, and policies. In line with the authority delegated by the Board, the CEO has established several management committees, including but not limited to, the Executive Committee, Portfolio Management Committee, Procurement Committee, and the Fund Management Third-Party Fund Committee. The Company Secretary serves as a critical link between the NEF Board and Management, facilitating and supporting the implementation of the annual Board Programme.

The NEF Board

At the core of the NEF Governance Framework is the Board, which serves as the custodian of corporate governance. The Board upholds the highest standards of corporate governance by ensuring that the tone is set at the top. In this regard, the Board works proactively with Executive Management to cultivate a corporate culture of effective governance across the organisation. The Board is responsible for overseeing the sustainability of the NEF, setting strategic direction, approving strategies, and monitoring performance. Key performance measures and targets for short, medium, and long-term strategic objectives are also endorsed and monitored by the Board, ensuring that strategies account for risks and the broader impact of the NEF's activities on the economy, society, and the environment. The NEF's commitment to sound corporate governance extends to its subsidiaries, companies, and clients.

The NEF Board Composition

The NEF Board reports to the Minister of **the dtic**, who acts as the shareholder representative on behalf of the South African government. The NEF Board shall consist of no fewer than seven and no more than 11 Trustees, appointed in accordance with section 8 of the NEF Act. Additionally, section 6(1)(b)(ii) of the Act stipulates that Board members shall be appointed based on their expertise and experience in fields such as law, economics, business practice, development practice, capital markets, and finance, among others.

Changes to Governance Structure and Board membership

Expirations of terms of office during the period under review:

- Dr T Monde (04 August 2024) – Member of the Board, Chairperson of Social and Ethics Committee and member of the Audit Committee.
- Dr N Moleko (04 January 2025) – Chairperson of the Board, member of the Board Investment Committee, Human Capital and Remuneration Committee, and Nominations Committee.

The Financial year started with a total of seven Trustees. By the end of the financial year, the Board had three vacancies. The vacancies emanated from the expiry of the term of office of three non-executive Trustees including the Chairperson. In line with good corporate governance, the process of appointing the new Trustees according to section 8 of the NEF act is in the ambit of the Minister of **the dtic** and is underway. By the end of the financial year the NEF Board comprised of 5 Trustees, of which 4 were non-executive Trustees, and 1 executive Trustee.

In terms of the NEF Act, the quorum consists of five Trustees therefore the NEF Board was able to discharge its duties, however, the vacancies in the Board affected the quorum requirement for the Nominations and Board Investment Committee thus the Board resolved that the responsibilities of the Nominations committee be considered at a Board level.

With regards to the Board Investment Committee, the Board amended the charter in-line with the existing membership.

The Board's Key Focus Areas

The appointment of the NEF CEO

The Board was involved in the vigorous process of identifying a suitable candidate for the NEF CEO vacancy. The Board's search process commenced in September 2023 and identified Mr Mziwabantu Dayimani as the most suitable candidate and recommended him to the Minister and parliament for appointment. The appointment of Mr Dayimani as the NEF CEO was subsequently approved with effect from 5 December 2024.

Mr Dayimani's extensive expertise in legal, corporate finance, and governance, combined with his deep understanding of the NEF's mandate, makes him an exceptional choice to lead the organisation into the future. With over 15 years of executive management experience in the

development finance sector and a proven track record over the past year as Acting CEO, his leadership has been pivotal in driving transformation, fostering collaboration and enhancing the NEF's impact across sectors. The Board takes pride in appointing an ingrown talent as CEO, which stands as a testament to the NEF's effective talent management and succession strategy.

Board Training and Development

The incumbent Trustees and Sub-committee members participated in various programmes, including corporate governance training, and ethics training. These programmes focused on directors' conduct, roles, and responsibilities, emphasising ethical leadership and setting expectations for the Board. The training also highlighted the implications for non-executive Trustees within the context of the Companies Act and corporate governance codes.

Approval of the APP

At the beginning of the seventh administration, Honourable Minister Parks Tau launched a revised strategy for **the dtic** and its entities. As such, this necessitated a change in the NEF's strategic objectives, KPIs and targets. The Board provided oversight on the new strategic direction and targets for the five-year period. The Board focused on reviewing and approving the five-year strategic plan for the NEF to ensure alignment with the updated outcomes and KPIs of the new government, reflecting a shift towards an impact-focused approach.

The Board further assisted the NEF with establishment of the R100 billion Transformation Fund which is targeted to be rolled out in FY2025/26 with an allocation of R20 billion per annum. Enhancing the third-party fundraising strategy which has culminated in the NEF raising in excess of R810 million, thus strengthening the NEF's balance sheet position and its sustainability.

The Board enhanced the NEF's governance framework by reviewing and approving the following policies and projects:

- Retirement Policy
- Review of the Board Remuneration Framework
- Delegation of Authority Matrix
- Remuneration Policy
- Review of the Board and Sub-committee Charters
- Appointment of Sub-committee Member
- Appointment of External Auditors
- The Acquisition of the NEF Head Office Premises

15.3.1 Board Sub-Committees

In carrying out its oversight responsibility, the Board has established and delegated responsibilities to six committees, namely the Audit Committee (AC), Risk and Portfolio Management Committee (RPMC), the Board Investment Committee (BIC), the Human Capital and Remuneration Committee (HCRC), the Nomination Committee (NOMCO), and Social and Ethics Committee (SEC). In addition, the Board establishes and sets the charters of the Board committees, which provide for the composition, roles, delegation of authority, and responsibilities of each of the Board committees listed below, all of which report on their activities to the Board.

While the Board remains the overall custodian of good corporate governance, each committee promotes integrity and transparency throughout the NEF. Board committees promote independent judgment and enhance the balance of power in decision-making, enabling the Board to discharge its duties effectively. The committees' terms of reference are reviewed regularly to ensure alignment with legislative developments and governance best practices.

The following applies to Board Committees:

- A non-executive Trustee chairs each Board committee.
- The Board appoints members of committees.
- Executive Management attend meetings where appropriate and by invitation.
- Board committee chairpersons report to the Board on deliberations, conclusions, and recommendations of each board committee.

Conflicts of Interest

Trustees must avoid situations that expose them to conflicts with the NEF's interests. Disclosures of conflicts of interest is a standard practice at every meeting and, where required, members are required to recuse themselves from deliberations on conflicted matters. In addition, members submit an updated list of their directorships and interests to the Company Secretary annually. The Conflict-of-Interest Policy manages potential conflicts of interest.

Board and Committee Evaluation

The effectiveness and performance of the Board and its subcommittees are evaluated periodically against their mandates. The Company Secretary

collates and communicates the feedback to the Board chair and the sub-committee chairs for action. During the year under review, the Board and sub-committees conducted evaluations except the Nominations Committee.

Non-executive Trustees' Remuneration

Non-executive Trustees do not have employment contracts with the NEF nor participate in any of its incentives. Non-executive Trustees' remuneration is determined by market benchmarking conducted annually. The fees paid to non-executive directors appear in the annual financial statements for the reporting period.

Board Meetings and Board of Trustees Attendance

An annual work plan against agreed Board objectives and goals is in place to ensure that the Board attends to its responsibilities in a structured and orderly manner throughout the year. The Board's activities are guided by the Board's annual programme that gets approved at the beginning of each financial year. The table below sets out the composition of the Board and attendance by the Board of Trustees at Board and sub-committee meetings:

	Scheduled Meetings	Special Meetings	Strategy Sessions
Total number of meetings	4	7	2
Non-Executive Trustees			
Dr Nthabiseng Moleko *term ended 4 January 2025	3/3	4/4	
Ms Thinavhuyo Mpye	4/4	7/7	
Ms Rethabile Nkosi	4/4	7/7	
Ms Philile Mbokazi	4/4	7/7	
Dr Monde Tom *term ended 4 August 2024	3/3	1/1	
Ms Lucretia Khumalo	4/4	7/7	
Mr Mziwabantu Dayimani (Acting CEO effective 4 January 2024 and appointed as permanent CEO on 5 December 2024)	4/4	7/7	

Activities and focus areas

Key activities and outcomes of the Board committee during the period under review included:

- The recapitalisation of the NEF through third-party partnerships to establish it as a sustainable vehicle for meaningful participation of black-owned companies in the South African economy.
- An in-depth analysis of the NEF's overall performance.
- An impairments analysis aimed at developing strategies to improve the quality of the NEF loan book and maximise investment returns.
- A review of the leadership and executive management succession plans.
- A review of the NEF Remuneration Framework and Performance Management Policy to ensure alignment with best practices.
- A review of the NEF Balance Scorecard to ensure that it is in line with best practices.

15.3.2 Audit Committee AC

The NEF Audit Committee is a statutory committee constituted in terms of the Public Finance Management Act, as amended, and the Companies Act, 71 of 2008, as amended. The committee assists the Board in discharging its integrated reporting and combined assurance duties and has oversight of the finance function in consultation with the office of the Chief Financial Officer, Internal Audit and Risk Management as it relates to financial matters and external audits.

Composition and Attendance

The committee consists of four members, two non-executive Trustees, and two independent non-executive members. In addition, the Chief Executive Officer, Chief Financial Officer, Internal Auditor, External Auditor, and a representative from the Auditor-General's office are permanent invitees to committee meetings.

The quarterly meetings of the Audit Committee are aligned with the key reporting and regulatory timelines. During the period under review, the committee held five meetings in line with its work plan and 11 additional special meetings. The table below sets out the composition of the Audit Committee and attendance at the meetings by its members for the 2024/25 financial year:

Members	Planned meetings	Special Meetings
Ms Thinavhuyo Mpye (Chairperson)	5/5	11/11
Dr Monde Tom *term ended on 4 August 2024	1/2	1/2
Ms Lebogang Ndadana	5/5	10/11
Mr Tyrone Soondarjee *resigned in May 2024	2/2	2/2

Key activities and outcomes of the Audit Committee during the period under review included:

- The appointment of new external auditors.
- The approval of the engagement letter and audit planning memorandum for the external audit of the financial year ended FY2025.
- Reviewing of the Annual Financial Statements.
- Consultations and agreed with executive management on the engagement letter, terms, audit plan, scope of work and audit fees for the financial year ended FY2025.
- Monitoring the effectiveness of internal controls and compliance with the Enterprise-wide Risk Management Framework to ensure the reliability of financial records for preparing the consolidated annual financial statements.
- Reviewing reports from the internal auditors.
- Considering the revised APP and balance scorecard as a result of the increased targets from the new administration.
- Assessing the consistency of information disclosed in the Integrated Report with the annual financial statements and information contained in operational reports.
- Assessing the NEF's finance function to ensure that it has established appropriate financial reporting procedures and that those procedures are operating effectively.
- Reviewing the appropriateness of the expertise and experience of the Chief Financial Officer and the financial management team.
- Monitoring the adequacy and reliability of management information and efficiency of management information systems.
- Reviewing fraud and litigation matters with a potentially significant impact on the financial statements.
- Assessing combined assurance from the external auditors, internal auditors and management to ensure that the combined assurance was adequate to address all material risks.
- Overseeing internal audit in the implementation of audits in the risk-based audit plan to evaluate the efficacy of risk.

15.3.3 Risk and Portfolio Management Committee RPMC

The Risk and Portfolio Management Committee (RPMC) provides risk governance and independent oversight for the NEF. The RPMC assists the Board in carrying out its risk responsibilities to ensure that the NEF has implemented effective strategies and plans for risk and portfolio management that will enhance its ability to achieve its strategic objectives and that the disclosure regarding risk is comprehensive, timely, and relevant. The RPMC oversees the development of the NEF's risk appetite framework and ensures that the risk profile is within the risk appetite parameters as well as oversight of the performance of the NEF funded portfolio and the quality of the loan book, ensuring compliance with risk policies and reviewing the overall risk profile of the NEF as well as the sufficiency of capital.

Composition and Attendance

The committee comprises of five members, three of which are non-executive Trustees, including the Audit Committee Chairperson. The Chief Executive Officer and the Chief Risk Officer are permanent invitees to committee meetings. The table below sets out the composition of the Risk and Portfolio Risk Committee and attendance at the meetings by its members for 2024/25:

Member	Number of Meetings
Ms Lucretia Khumalo – Chairperson	4/4
Ms Thinavhuyo Mpye	4/4
Ms Rethabile Nkosi	3/4
Mr Setlakalane Molepo	4/4
Dr T Xaba	4/4

Activities and focus areas

The RPMC's key activities and outcomes for the year under review included:

- Consideration of strategic risks and their impact on the achievement of the organisation's strategic goals. Assessed the adequacy of strategies and action plans formulated to mitigate identified risks and the combined assurance provided.
- Close monitoring of the top 20 non-performing exposures in the NEF investment portfolio.
- Monitor the performance of the NEF funded portfolio and the quality of the loan book.
- Monitoring of the impairments and activities undertaken to reduce impairment levels.
- Monitoring the NEF recapitalisation towards becoming a sustainable entity.
- Monitoring performance against the increased targets as the result of the new administration.
- Monitoring the people risk and measures undertaken to mitigate the risk.
- Monitoring the NEF Third Party Funds.

15.3.4 Social and Ethics Committee SEC

The Social and Ethics Committee (SEC) is a statutory committee constituted in terms of Section 72 read with Regulation 43 of the Companies Act. It assists the Board in discharging its duties relating to the oversight of organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships.

The Committee noted the amendments to South Africa's Companies Act that directly impact the Social and Ethics Committee. These amendments will be implemented and reported on accordingly.

Composition and Attendance

The committee currently has four members, two non-executive Trustees, one executive Trustee, and one independent non-executive Trustee. The General Counsel and the Chief Risk Officer are permanent invitees to the committee meetings. Other executives and senior management are invited to join meetings when matters within their respective areas of responsibility form part of the agenda. During the period under review, the committee had four scheduled quarterly meetings. The table below sets out the composition of SEC and attendance at the meetings by its members for the 2024/25 financial year:

Member	Planned Meetings	Special Meetings
Dr T Monde – Chairperson *term ended 4 August 2024	2/2	0/0
Ms Philile Mbokazi – Acting Chairperson	4/4	4/4
Ms Lungile Mpepo	4/4	4/4
Ms Molebogo Lekwane	4/4	4/4

Activities and focus areas

The SEC's key activities and outcomes for the year under review included:

- Promotion of equality, prevention of unfair discrimination, and corruption.
- The NEF's Contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed.
- Sponsorship, donations, and charitable giving.
- Ethical procurement of goods and services for the NEF and ensuring that clients and customers of the NEF conduct themselves in an ethical manner in their dealings with the NEF.
- The environment, health and public safety, including the impact of the activities of the organisation and of its products or services.
- Consumer relationships, including advertising, public relations, and compliance with consumer protection laws.
- Labour relations and employment activities of the NEF.
- Considering Politically Exposed Person transactions.
- Considering tenders for escalation to the Board.

15.3.5 Board Investment Committee BIC

The Board Investment Committee (BIC) is a credit-granting committee with delegated authority to consider transactions from R15 million up to R40 million per applicant and also considers and recommends transactions above this threshold to the Board for approval.

Composition and Attendance

Member	Number of Meetings
Ms Rethabile Nkosi – Chairperson	9/10
Dr Nthabiseng Moleko	6/7
Mr O Mafanya	10/10
Ms K Rantao	10/10
Ms M Moshe	8/10
Mr Mziwabantu Dayimani (Acting CEO effective 4 January 2024 and appointed permanent CEO on 5 December 2024)	9/10

The committee consists of six members, three of which are non-executive Trustees while the other three are independent non-executive Trustees, including the Board Chairperson, and the CEO as an executive member. Executives are permanently invited to attend committee meetings. The committee held 10 meetings during the reporting period. Committee members and meeting attendance are indicated in the table below:The BIC approved 11 transactions, valued at R466.6 million. 1 254 jobs are expected to be supported through these transactions.

15.3.6 Human Capital and Remunerations Committee HCRC

The Human Capital and Remunerations Committee (HCRC) supports the Board to enable alignment of the NEF's business and people strategies. To this end, the committee ensures a current and future focus on key people-related matters, which include:

- Advising and guiding on relevant and appropriate remuneration and performance policies, plans, trends and practices.
- Reviewing and confirming the performance of the organisation to ensure alignment of people performance to the NEF mandate and strategies.
- Overseeing people-related matters to ensure a robust and people-focused strategy to ensure effective and continued leadership capacitation.
- Guiding and advising on human capital policies to ensure appropriate governance while simultaneously ensuring that these policies enable the leadership to attract, retain, and manage employees.

Composition and Attendance

During FY2024/25, the committee consisted of five non-executive Trustees, including the Board Chairperson as a committee member. The committee held five meetings during the reporting period. Attendance for the meetings is depicted below:

Member	Planned Meetings	Special Meetings
Ms Philile Mbokazi – Chairperson	4/4	3/3
Dr Nthabiseng Moleko *term ended 4 January 2025	2/3	3/3
Mr Buyani Zwane	4/4	3/3
Ms Nokonwaba Shwala	3/4	3/3

15.3.7 Nominations Committee NOMCO

The Nominations Committee (NOMCO) assists the Board by overseeing and making recommendations regarding board committee vacancies for the Board's final approval.

Composition and Attendance

During FY2024/25, the committee consisted of four non-executive Trustees, including the Board Chairperson as a committee member, and one executive Trustee attend meetings as standing invitees. The committee did not hold any meetings during the period under review.

Board of Trustees

Executive Trustee and Chief Executive Officer

Mr Mziwabantu Dayimani (47)
Appointed in December 2024 as Chief Executive Officer

Qualifications and directorships

- LLB degree
- Masters in Tax Law
- Masters in Corporate Law
- Admitted attorney, Notary and Conveyancer
- Member of the Council of Nelson Mandela University

Mr Dayimani studied law at the University of Stellenbosch and is an admitted attorney of the High Court of South Africa. He is also a Notary Public (South Africa). He joined Cliffe Dekker in his early years as a candidate attorney and climbed the ranks to a senior associate.

Mr Dayimani joined the NEF in March 2008 as a Legal Advisor and later promoted to Manager in the CEO's Office in September 2010. During this period, he provided legal advice in the drafting of some of the aspects of the BEE Codes of Good Practice and has spent years working with commercial litigation, public finance law and tender regulation. He was subsequently appointed as a General Counsel in March 2011. In this role, he served as a strategic conduit between the NEF and key stakeholders across both the public and private sectors, strengthening partnerships and fostering collaboration to drive economic transformation.

Following his exemplary service as Acting CEO since January 2024, Mr. Dayimani was appointed as Chief Executive Officer of the NEF on 5 December 2024. With over 15 years of executive management experience in the development finance sector, he has demonstrated exceptional leadership, guiding the NEF in its mission to advance black economic empowerment.

Non-Executive Trustee and BIC Chairperson

Ms Rethabile Nkosi (40)
Appointed in August 2021

Qualifications and directorships

- MBA
- Postgraduate Diploma
- BSc in Agricultural Economics
- Chairperson of Landbank

Ms Nkosi is an agricultural economist, investment strategist and a seasoned development finance professional with over 19 years of experience. She has held numerous senior positions in the public and private sectors including the positions of Executive Director of Group Investments at AFGRI Group Holdings, Agribusiness Investment Specialist at the Public Investment Corporation, Lead Economist at Agri SA and Senior Manager for Research, Development and Strategy at the Office of the Auditor General of South Africa. She has also served on multiple boards of entities primarily in the financial services and agribusiness sectors, boasting over 19 years of expertise in developmental finance and business strategy. She currently serves as the Chairman of the Board for the Land and Agricultural Development Bank of South Africa, where she spearheads the entity's strategic restructuring efforts.

Non-Executive Trustee and AC Chairperson

Ms Thinavhuyo Mpye (CA)SA (41)
Appointed in August 2021

Qualifications and directorships

- (CA)SA
- Non-Executive Director at PRASA
- Mpye Consulting
- Phato Financial Services
- Phato Consulting
- Intersite Asset Investments
- Autopax Passenger Services
- WameNtleTile Capital

After qualifying as Chartered Accountant, Ms Mpye became a financial manager at Barloworld Motor Retail under Toyota and Lexus Centurion for two years, then Club Motors Randburg (BMW Dealership) and Club Motors Fountains Approved BMW Repair Centre for a further two years. She also spent seven years at Kwikspace Modular Buildings (six years as Group Financial Manager and one year as Finance Executive).

She also runs Mpye Consulting, a financial management firm assisting clients with finance related work like financial policies and internal controls, preparing AFS, turnaround strategies, company registrations, company secretarial services, HR services, tax services and other related functions. She also serves as a finance executive of 19th Episcopal District of the African Methodist Episcopal Church.

Board of Trustees (continued)

Non-Executive Trustee and HCRC Chairperson

Ms Philile Mbokazi (45)
Appointed in August 2021

Qualifications and directorships

- Bachelor of Laws (LLB)
- Bachelor of Science degree in Environmental Management

Ms Mbokazi is an admitted attorney of the High Court of South Africa. She has 13 years of post-admission legal experience and practises under Mbokazi Attorneys Incorporated, a legal firm that has branches in KZN, Mpumalanga and Western Cape. Ms Mbokazi is currently studying her MBA at Regenesys.

Non-Executive Trustee and RPMC Chairperson

Ms Lucretia Khumalo (44)
Appointed in August 2021

Qualifications and directorships

- MBA
- BSC Engineering
- Divisional Executive for Client Support and Growth at the IDC

Ms Khumalo is an accomplished executive with a passion for business growth and a track record of success in turning around struggling companies. She is particularly dedicated to supporting the empowerment of youth and women-owned businesses in South Africa and across the continent. With extensive experience in both engineering and finance, including positions with major corporations like Richards Bay Minerals, RBM, BHP Billiton Energy Coal and HSBC. Lucretia has the expertise and vision to drive sustainable growth and job creation. In her current role as the Executive of the Post Investment Division at IDC, she provides strategic leadership and drives the financial sustainability of the IDC book while implementing turnaround strategies to ensure IDC clients can operate profitably and positively impact their communities. Ms Khumalo's commitment to transformation and her ability to identify growth opportunities make her an asset to the African business community.

Executive Management

Chief Executive Officer

Mr Mziwabantu Dayimani (47)
Appointed December 2024

Qualifications and directorships

- Masters in Tax Law
- Masters in Corporate Law
- Admitted Attorney, Notary and Conveyancer
- LLB
- Member of the Council of Nelson Mandela University

Acting General Counsel

Ms Zandile Mhlongo (43)
Appointed in February 2024

Qualifications and directorships

- LLB
- Practical Legal Training
- Degree in Corporate Governance and Company Secretaryship (CIS)
- Women Executive Development Programme

Chief Financial Officer

Mr Phumudzo Siphuma (41)
Appointed in May 2023

Qualifications and directorships

- CA(SA)
- Hons. BCompt
- Bankseta
- Bapotrans

Divisional Executive: SME and Rural Development

Mr Nhlanhla Nyembe (54)
Appointed in May 2021

Qualifications and directorships

- BCom Finance
- Busamed Holdings
- BRICS Financial Services

Acting Divisional Executive: Venture Capital and Corporate Finance

Mr Joel Mphela (43)
Appointed in March 2024

Qualifications and directorships

- Masters in Development Finance
- PGDip in Development Finance
- Management Advancement Programme
- BCom Bus Finance & Accounting

Divisional Executive: Strategy, Planning and Significant Investments

Mr Andile Stemela (42)
Appointed in February 2024

Qualifications and directorships

- BCom Economics and Finance

16 NEF INVESTEE PROFILES

MINT AND HONEY (PTY) LTD

FOCUS	AGRO-PROCESSING
NEF FUNDED	R39.8 MILLION
NEW JOBS CREATED	154

Mint and Honey (Pty) Ltd, an agro-processing business based in Atlantis, Cape Town, in the Western Cape, has secured R39.8 million in co-funding from the NEF towards a total project cost of R62.3 million to establish the province's first extrusion production plant. Previously outsourcing its cereal production, the company will now be able to produce maize and soya flours in-house, expanding its product range and enhancing value chain integration. This investment is set to support a total of 166 jobs, including 80 operational positions (12 existing and 68 new permanent roles, plus 1 mentorship role), 18 jobs in factory equipment manufacturing, 4 in accreditation consultancy, 40 in construction, and 23 in farming.

YOUR ADVANTAGE (PTY) LTD

FOCUS	FURNITURE
NEF FUNDED	R10 MILLION
NEW JOBS CREATED	50

Your advantage (Pty) Ltd is a 100% South African black-owned and managed enterprise and has been active in the South African furniture manufacturing industry since 2018. Operating from a 15,000m² factory in Isithebe Industrial Park in Mandeni, KwaZulu-Natal, the company specialises in lounge suite sets (3-seater, 2-seater, and 1-seater) and produces 203 sets daily. Its primary clients include major retailers like Shoprite Holdings and the JD Group, which collectively have over 900 stores. The NEF has approved R10 million in funding to support the purchase of production equipment, improve manufacturing efficiency and product quality, boost production capacity, secure raw materials, and support operational costs. This funding will help maintain 440 permanent jobs and create an additional 50 permanent positions.

ENGINEERED GEARS (PTY) LTD

FOCUS	MANUFACTURING
NEF FUNDED	R41.3 MILLION
NEW JOBS CREATED	57

Engineered Gears (Pty) Ltd is a 100% black-owned and operated business based in Benoni, Gauteng. Established in 2015, the company specialises in high-quality gear systems, gearboxes, conveyor chains, and other power transmission products. Demonstrating strong growth, the business increased its turnover from R1 million in 2019 to R21 million in 2023. The business approached the NEF for an investment of R41.3 million, which is to be supplemented by a R3 million owner's contribution and a BIC grant application of R19.17 million, with both funding processes currently underway.

THWALOKUHLE (PTY) LTD

FOCUS	WATER TREATMENT
NEF FUNDED	R12 MILLION
NEW JOBS CREATED	295

Thwalokuhle (Pty) Ltd is a 100% black-owned, ISO 14001 and ISO 9001-certified company specialising in turnkey water treatment solutions, including the manufacturing of treatment skids. The company serves sectors such as agriculture, mining, manufacturing, healthcare, pharmaceuticals, and food and beverages. It is recognised for its innovative, sustainable solutions and commitment to job creation in underdeveloped regions. The funding received by the business was approved for R12 million to expand its capacity, internalise key functions, and strengthen technical capabilities. The company will address water scarcity in alignment with the National Water and Sanitation Master Plan and is projected to grow revenue to R14 million in 2025, with a project pipeline valued at R30 million over the next three years. The funding received for the expansion is expected to support 16 permanent jobs and create 295 contract jobs.

URIAH RESOURCES (PTY) LTD

FOCUS	MINING
NEF FUNDED	R45.7 MILLION
NEW JOBS CREATED	120

Uriah Resources (Pty) Ltd is a 100% black and 30% women-owned company that offers a variety of mining services in the coal belt of Mpumalanga. The business was founded in 2020 by Mr Thabiso Dlamini. Uriah Resources has recently been awarded a contract by Mafube Colliery (a joint venture between JSE Listed Thungela Resources and Exxaro Resources) to perform contract mining, including extraction and hauling. The funds invested in Uriah will create 120 new jobs and retain a further 3 jobs.

TAUTONA TOURS AND SAFARIS CC

FOCUS	TOURISM
NEF FUNDED	R10 MILLION
NEW JOBS CREATED	167

Tautona Tours and Safaris CC is a 100% black-owned and managed business in Mogwase outside Rustenburg, North-West Province. The NEF approved funding of R10 million to purchase three additional buses and 20 additional quad bikes to respond to the demand. The company is a well-established tourism travel and entertainment, and general transport business servicing guests of major tourism establishments operating in Pilanesberg National Park, private scholars and general ad hoc travel requests from local corporates. The funding will strengthen the capacity of the business to be able to respond to the strong demand. The investment is expected to support 177 jobs, of which 10 are existing permanent, 7 are new permanent jobs and 160 part-time jobs.

TECHNOLIBRA SOLUTIONS (PTY) LTD

FOCUS	DIGITALISATION
NEF FUNDED	R14 MILLION
NEW JOBS CREATED	95

Established in 2013, Technolibra Solutions (Pty) Ltd is a provider of process-focused IT services and solutions. Technolibra Solutions assists its clients to unlock the value of their enterprise application investments by designing, building, and configuring bespoke IT solutions that address unique client challenges. The company is a Level 1 Broad-Based Black Economic Empowerment (B-BBEE) Contributor. The business is 80% male owned, and 20% black female owned. Technolibra Solutions has demonstrated impressive growth since its inception. By the end of the 2024 financial year, the company's annual revenue reached just over R109 million. The business was supported with funding by NEF to the tune of R14 million to support its working capital needs. The NEF funding will empower 28 locals through employment opportunities while preserving 103 existing jobs. The business employs 10 trainees per year.

EMALANGENI TOURISM CC

FOCUS	LODGE
NEF FUNDED	R13.9 MILLION
NEW JOBS CREATED	258

Emalangeni Lodge CC is a 100% black owned and 40% black woman-owned and managed tourism establishment which is based in Nkomazi, Mpumalanga. The business offers hospitability services through a lodge facility for local and international guests. The business is a 3-star facility that boasts 50 units, a restaurant and events hosting facilities, all nestled in 22 hectares of land ideally located just 30km from the Kruger National Park, Malelane Gate and 20km away from the N4 road to Mozambique and Eswatini. Over the past 15 years, the business has experienced significant growth, increasing from an average annual turnover of over R1 million to a remarkable R7.5 million in the 2023/24 financial year. The funding received by the business is set to create 258 jobs, including both permanent and temporary positions.

UNIPRO PROTECTIVE WEAR (PTY) LTD

FOCUS	MANUFACTURING
NEF FUNDED	R37.3 MILLION
NEW JOBS CREATED	28

Unipro Protective Wear (Pty) Ltd is a specialty manufacturer of armoured vests, uniforms, protective wear, and related accessories that specialises in the supply of protective wear to different departments mainly in the security cluster (Defence, Police, Border Management Authority, Provincial Departments). The business is 100% owned by a young black female who has been in operating the Roodepoort-based business for the past 10 years. The company has approached the NEF for R37.3 million in funding to ensure the business empowers 28 locals through employment opportunities while preserving 45 existing jobs.

PHAMBILI SERVICES (PTY) LTD

FOCUS	SEWAGE, REFUSE DISPOSAL AND SANITATION
NEF FUNDED	R15 MILLION
NEW JOBS CREATED	32

Phambili Services (Pty) Ltd is a 100% black-owned and 60% black Female-owned and managed family business.

The business is a waste management company that was established to provide sustainable integrated waste management solutions in the waste management sector of South Africa. The applicant has approached the NEF for expansion funding of R15 million to purchase a property for the manufacturing recycling facility and the purchase of a vehicle, machinery, and equipment.

The transaction will result in the creation of 32 new jobs and maintaining 146 existing permanent jobs.

17 ANNUAL FINANCIAL STATEMENTS

Consolidated Audited Annual Financial Statements

FY2025

Trustees' Statement of Responsibility	98
Independent auditor's report to Parliament on National Empowerment Fund Group	99
Report of the Audit Committee	106
Consolidated Statement of Financial Position	108
Consolidated Statement of Financial Performance	110
Consolidated Statement of Changes in Net Assets	111
Consolidated Cash Flow Statement	112
Statement of Comparison of Budget and Actual	113
Notes to the Consolidated Financial Statements	114
Administration	185

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Consolidated Annual Financial Statements

for the year ended 31 March 2025

TRUSTEES' STATEMENT OF RESPONSIBILITY

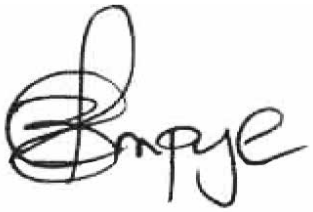
The Trustees are responsible for the preparation, integrity and fair presentations of the consolidated financial statements of the National Empowerment Fund Trust (NEF). The consolidated financial statements presented were prepared in accordance with the Statements of Generally Recognised Accounting Practice (GRAP), and requirements of the Public Finance Management Act (PFMA) and the National Empowerment Fund Act (NEF Act) and include amounts based on judgements and estimates made by management. The Trustees prepared the other information presented in the Annual Integrated Report and are responsible for both its accuracy and its consistency with the financial statements.

The going concern basis has been adopted in preparing the Trust and the Group audited annual financial statements. The Trustees have no reason to believe that the Trust and the Group will not be a going concern in the foreseeable future based on forecasts, available cash resources and approval of new investment facilities. These consolidated financial statements support the viability of the Trust and the Group.

The consolidated financial statements were audited by the independent auditors, SizweNtsalubaGobodo Grant Thornton Incorporated, whom were given unrestricted access to all financial records and related data, including minutes of all meetings of the Committees of the Board.

The audited consolidated financial statements, as set out on pages 108 to 185, have been approved by the Board of Trustees and are hereby signed on its behalf.

Mr Mziwabantu Dayimani
Chief Executive Officer
Date: 31 July 2025



Ms Thinavhuyo Mpye
Acting Chairperson of the Board of Trustees
Date: 31 July 2025

Independent auditor's report to Parliament on The National Empowerment Fund Trust

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Unmodified opinion

1. We have audited the consolidated and separate financial statements of the National Empowerment Fund Trust and its subsidiaries (the group) set out on pages 108 to 184, which comprise the consolidated and separate statement of financial position as at 31 March 2025, consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets, consolidated and separate cash flow statement for the year then ended, and the annual performance report as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the National Empowerment Fund Trust as at 31 March 2025 and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Generally Recognised Accounting Practices (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the National Empowerment Fund Act (Act 105 of 1998) (NEF Act).

Basis for unmodified opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

4. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* of the (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)*.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.

Responsibilities of the Accounting Authority for the consolidated and separate financial statements

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

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

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Independent auditor's report to Parliament on The National Empowerment Fund Trust

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

9. A further description of our responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located on pages 103 and 104, forms part of our auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. We selected the following objectives presented in the annual performance report for the year ended 31 March 2025 for auditing. We selected objectives that measures the group's performance on its primary mandated functions and that are of significant national, community or public interest.

Objective	Page numbers (Integrated report)	Purpose
Strategic Objective 1 Transformation: The NEF provides non-financial support through four of its business units.	58-59	In ensuring that the strategic outcomes and objectives of the Department of Trade Industry and Competition (**the dtic**) and the NEF are aligned, the NEF has selected the following strategic outcomes/ objectives of **the dtic**, which align with the NEF's mandate: • Implement transformation through EE and B-BBBEE • Increased number of Black People that participate in the mainstream economy • Grow the manufacturing sector to promote industrial development, job creation, investment and exports • Township and rural economies development initiatives facilitated
Strategic Objective 2 Investment Stimulus: The NEF is growing black economic participation in the South African economy through its structured and specialised Funds that address the needs of businesses.	60	
Strategic Objective 6 Development of a Capable State: Maintaining financial sustainability remains one of the key objectives of the NEF. In order to achieve this the NEF has to maintain a delicate balance of achieving its developmental mandate while ensuring that the key financial matrix remain within their targeted range.	62-63	

Independent auditor's report to Parliament on The National Empowerment Fund Trust

12. We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the group's planning and delivery on its mandate and objectives.

13. We performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the group's mandate and the achievement of its planned objectives.
    - all the indicators relevant for measuring the group's performance against its primary mandated and prioritised functions and planned objectives are included.
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements.
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.

14. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. We did not identify any material findings on the reported performance information for the selected objectives.

Other matter

16. We draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over-and-under achievements. The key performance indicators listed below were in scope for audit purposes; however, the planned targets for these indicators were not achieved.

Key indicators not achieved	Planned target	Reported achievement	Page number in integrated report
Percentage of disbursement to businesses owned by women, youth and people living with disability.	50%	38.6%	59
Value invested	R1.5 billion	R1 billion	60

REPORT ON COMPLIANCE WITH LEGISLATION

18. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the group's compliance with legislation.

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Independent auditor's report to Parliament on The National Empowerment Fund Trust

19. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

20. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the groups, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

OTHER INFORMATION IN THE INTEGRATED REPORT

22. The accounting authority is responsible for the other information. The other information comprises the information included in the integrated report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

23. Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

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

25. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

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

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

Omar Kadwa
Director
SizweNtsalubaGobodo Grant Thornton Inc
Registered Auditor
31 July 2025

152 14th Road
Noordwyk
Midrand
1687

Independent auditor's report to Parliament on The National Empowerment Fund Trust

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor's responsibilities for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected objectives and on the group's compliance with selected requirements in key legislation.

Consolidated and separate financial statements

In addition to our responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for 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
- 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 group's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the group 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and separate financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause the group to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

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

We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Independent auditor's report to Parliament on The National Empowerment Fund Trust

to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 38(1)(b), 44, 45(b), 51(1)(e)(iii), 52(b), 53(4), 54(2)(c), 55(1)(a), (b) and (c)(i), 57(b)
National Empowerment Fund Act (Act 105 of 1998) (NEF Act).	1-27
Preferential Procurement Regulations of 2022 (PPR)	Regulations 4(4), 5, 6(8),7(8),10,11(1)
Treasury Regulations	Treasury Reg 8.2.1 and 8.2.2, 16A3.2, 16A6.1, 16A6.2(a) and (b), 16A6.3(b) and (c), 16A6.4, 16A6.5, 16A6.6, 16A.7.1, 16A8.3 and 8.4, Reg 16A9.1(d) and (e), 16A9.2(a)(ii), 30.1.1, 30.1.3, 30.2.1, 31.1.2(c), 31.2.1, 33.1.3
SCM Instruction Notes	Note 02 of 2021-22 par 3.2.1 Note 02 of 2021-22 par 3.2.4 Note 02 of 2021-22 par 3.3.1
PFMA SCM Instruction Notes	Note 03 of 2021/22 definition Note 03 of 2021/22 par 4.1 Note 03 of 2021/22 par 4.2(b) Not 03 of 2021/22 par 4.3 and 4.4 Note 3 of 2021/22 par 7.2
National Treasury Instruction Note	Note 4A of 2016/17

Ms Thinavhuyo Mpye
Audit Committee Chairperson

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is pleased to present this report and confirms its compliance with responsibilities arising from section 51(1)(a)(ii) of the Public Finance Management Act (1999, as amended) and Treasury Regulations 3.1.13 and 27(1). The Committee's terms of reference are defined in the Audit Committee Charter, which is approved by the Board of Trustees and is continuously reviewed and updated for changes in legislation, business circumstances, and corporate governance practices.

The Audit Committee has conducted its affairs in compliance with applicable laws, regulations and the charter, and has discharged all responsibilities contained therein. Quarterly reports were submitted to the Board of Trustees in this regard.

Effectiveness of internal Control

A high-level review of the design, implementation and effectiveness of the NEF's internal financial controls was performed as per the Internal Audit Plan. The review aimed to provide assurance regarding the financial reporting controls used in preparing the Annual Financial Statements. Based on the information and explanations provided by management, the internal auditors, and discussions with the independent external auditors on the result of their audit, the Committee believes the system of internal control for the period under review was adequate, efficient, and effective.

In our opinion and informed by consultations with management and both the internal and external auditors, the audit findings reported in the current year are a fair representation of the internal control environment at the NEF. In most cases, management has responded adequately to the issues raised. Where undertakings have been made to address control weaknesses, progress is tracked and reported to the Audit Committee quarterly via a monitoring register.

A separate Risk and Portfolio Management Committee monitors and oversees the assessment and mitigation of risk on a prioritised basis throughout the organisation. The internal audit function used the organisation's Risk Control Framework to prepare its annual audit plan and prioritised work accordingly. We are satisfied that the NEF's internal audit function provided sufficient and effective coverage for the year under review.

The NEF's finance function is adequately resourced, staffed with suitably qualified and experienced personnel, and overseen by the Chief Financial Officer (CFO). Throughout the financial year, quarterly management reports were submitted to **the dtic** as required under the PFMA (1999, as amended) and Treasury Regulations, including performance information related to core business activities extracted out of the organisation's Annual Performance Plan. The Audit Committee is satisfied with the content and quality of the quarterly management reports that are prepared by management and approved by the Board of Trustees.

Evaluation of Annual Financial Statements

The Audit Committee

The Audit Committee has:

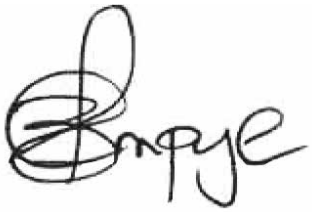
- Reviewed and discussed the audited Annual Financial Statements included in the integrated report with both the external auditors and management.
- Reviewed the external auditors' management letter and management's responses thereto.
- Reviewed the appropriateness of accounting policies and practices applied.
- Reviewed the independence of the external auditors.
- Reviewed the compliance with relevant legal and regulatory provisions.
- Reviewed the information on predetermined objectives included in the integrated report.
- Reviewed adjustments resulting from the audit process.

External Auditor's Report

The Committee reviewed the entity's implementation plan for audit findings raised in the previous financial year. We are satisfied that significant matters have been adequately resolved, with exception of the following:

- Non-compliance with laws and regulations – Public Finance Management Act (PFMA): Exemptions related to NEF subsidiaries in respect of PFMA compliance remain unresolved.
- The Audit Committee has discussed the conclusions of the External Auditors on the Annual Financial Statements, considered the audit report, and recommended the financial statements to the Board of Trustees for approval.

The NEF received third-party partnership funding amounting to R810 million for deployment in the 2024/25 financial year and beyond. With a closing cash balance of R1.8 billion as at 31 March 2025 and a review of the cash flow projections, the Committee is satisfied that the going concern principle can be adopted in the preparation of the Annual Financial Statements for FY2025.



Ms Thinavhuyo Mpye
Chairperson of the Audit Committee

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Consolidated Statement of Financial Position

for the year ended 31 March 2025

		Group		Trust	
		2025	2024	2025	2024
	Notes	R	R	R	R
ASSETS					
Non-current assets		**3,455,863,591**	**2,810,123,320**	**3,495,531,406**	**2,838,669,232**
Property, plant and equipment	4	44,935,432	37,596,356	4,809,402	2,668,906
Investment property	5	-	5,373,157	-	-
Intangible assets	6	1,663,902	2,437,724	50,402	-
Investments in associates	9	112,304,692	77,874,853	112,304,692	77,874,853
Investment in subsidiaries	10.2	-	-	19,876,554	19,876,554
Investments at fair value	11	1,486,534,183	1,243,400,766	1,486,534,183	1,243,400,766
Originated loans	12	1,433,517,102	1,204,391,446	1,495,047,893	1,255,799,135
Finance lease receivables	13	339,057,537	239,049,018	339,057,537	239,049,018
Loans receivable carried at fair value	15	37,850,744	-	37,850,744	-
Current assets		**2,316,145,253**	**2,844,822,471**	**2,273,511,175**	**2,824,512,468**
Current portion of originated loans	12	287,351,418	397,366,786	289,712,237	412,631,738
Current portion of finance lease receivables	13	121,289,275	102,232,646	121,289,275	102,232,646
Investments held-for-trade	14	42,363,217	25,775,210	42,363,217	25,775,210
Inventories	16	16,174,370	16,284,942	-	-
Trade and other receivables	17	18,906,222	25,048,698	4,451,522	16,328,388
Dividends receivables		34,896,287	33,379,058	34,896,287	33,379,058
Deferred tax asset	8	85,114	-	-	-
Cash and cash equivalents	19	1,795,079,350	2,244,735,131	1,780,798,637	2,234,165,428
TOTAL ASSETS		**5,772,008,844**	**5,654,945,791**	**5,769,042,581**	**5,663,181,700**

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Consolidated Statement of Financial Position

for the year ended 31 March 2025

		Group		Trust	
		2025	2024	2025	2024
	Notes	R	R	R	R
NET ASSETS AND LIABILITIES					
Net Assets		**4,617,905,980**	**4,218,932,180**	**4,656,859,357**	**4,250,945,082**
Trust capital	20	2,468,431,472	2,468,431,472	2,468,431,472	2,468,431,472
Accumulated surplus		2,146,052,835	1,747,079,035	2,188,427,885	1,782,513,610
Revaluation reserve		3,421,673	3,421,673	-	-
Non-current liabilities		**-**	**69,129**	**9,249,151**	**9,249,151**
Deferred tax liability	8	-	69,129	-	-
Other Liabilities	10.1	-	-	9,249,151	9,249,151
Current liabilities		**1,154,102,864**	**1,435,944,482**	**1,102,934,072**	**1,402,987,467**
Trade and other payables	22	115,365,242	107,562,615	72,860,112	74,688,494
Enterprise development fund	23	1,037,573,960	1,328,298,972	1,030,073,960	1,328,298,973
Instalment sale agreements	21	1,163,662	82,895	-	-
Total Liabilities		**1,154,102,864**	**1,436,013,611**	**1,112,183,223**	**1,412,236,618**
TOTAL NET ASSETS AND LIABILITIES		**5,772,008,844**	**5,654,945,791**	**5,769,042,581**	**5,663,181,700**

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Consolidated Statement of Financial Performance

for the year ended 31 March 2025

		Group		Trust	
		2025	2024	2025	2024
	Notes	R	R	R	R
Interest and dividend revenue	25	**482,682,130**	**509,616,793**	**486,783,470**	**514,584,851**
Net sundry revenue	26	**376,464,568**	**234,081,343**	**300,877,616**	**143,714,630**
Net revenue		**859,146,698**	**743,698,136**	**787,661,086**	**658,299,481**
Finance charges		(1,055,143)	(121,005)	-	-
Social benefit	12 & 13	(48,655,605)	(41,771,937)	(48,655,605)	(41,771,937)
Administration expenses	27	(387,576,472)	(416,232,181)	(301,195,789)	(329,276,365)
Net operating income		**421,859,477**	**285,573,013**	**437,809,692**	**287,251,179**
Net impairment and write-offs	30	(322,161,710)	(289,893,916)	(332,098,536)	(286,977,144)
Profit on disposal of investments	28	311,240	-	311,240	-
Net gain before fair value adjustments		**100,009,007**	**(4,320,903)**	**106,022,396**	**274,035**
Fair value gain/(loss)		**299,891,879**	**(291,670,350)**	**299,891,879**	**(291,670,350)**
- Investments in associates	9	31,868,395	(10,130,720)	31,868,395	(10,130,720)
- Investments at fair value - non associate equity investments	11.1	251,822,178	(284,401,023)	251,822,178	(284,401,023)
- Investments at fair value - unincorporated equity investments	11.2	(386,700)	(966,608)	(386,700)	(966,608)
- Investments held-for-trade	14	16,588,007	3,828,001	16,588,007	3,828,001
Surplus/(Deficit) before taxation		**399,900,886**	**(295,991,253)**	**405,914,275**	**(291,396,315)**
Taxation	29	(927,086)	(2,510,480)	-	-
Surplus/(Deficit) for the year		**398,973,800**	**(298,501,733)**	**405,914,275**	**(291,396,315)**
Surplus/(Deficit) attributable to					
Owners of the parent of the entity		398,973,800	(298,501,733)	-	-
		398,973,800	**(298,501,733)**	**405,914,275**	**(291,396,315)**

Consolidated Statement of Changes in Net Assets

for the year ended 31 March 2025

Group

	Note	Trust capital	Accumulated surplus	Revaluation reserve	Total
		R	R	R	R
Balance as at 31 March 2023		**2,468,431,472**	**2,045,580,768**	**3,421,673**	**4,517,433,913**
Deficit for the year			(298,501,733)		(298,501,733)
Balance as at 31 March 2024		**2,468,431,472**	**1,747,079,035**	**3,421,673**	**4,218,932,180**
Surplus for the year		-	398,973,800	-	398,973,800
Balance as at 31 March 2025		**2,468,431,472**	**2,146,052,835**	**3,421,673**	**4,617,905,980**

Trust

	Trust capital	Accumulated surplus	Total
	R	R	R
Balance as at 31 March 2023	**2,468,431,472**	**2,073,909,925**	**4,542,341,397**
Deficit for the year	-	(291,396,315)	**(291,396,315)**
Balance as at 31 March 2024	**2,468,431,472**	**1,782,513,610**	**4,250,945,082**
Surplus for the year	-	405,914,275	405,914,275
Balance as at 31 March 2025	**2,468,431,472**	**2,188,427,885**	**4,656,859,357**
	Note 20		

NATIONAL EMPOWERMENT FUND TRUST
REGISTRATION NUMBER: IT 10145/00

Consolidated Cash Flow Statement

for the year ended 31 March 2025

		Group		Trust	
		2025	2024	2025	2024
	Notes	R	R	R	R
Net cash generated from operating activities	33	**(451,827,756)**	**(343,905,525)**	**(458,120,900)**	**(350,766,648)**
Cash received from customers		460,271,906	490,681,422	6,881,506	8,436,072
Cash paid to suppliers and employees		(757,556,373)	(778,401,353)	(301,136,003)	(312,684,143)
Cash paid out of enterprise development		(806,963,322)	(114,672,434)	(814,463,322)	(114,672,434)
Cash received from enterprise development funders		815,283,945	134,788,040	815,283,945	134,788,040
Investment disbursements	34	(930,886,523)	(799,482,186)	(942,150,687)	(799,482,186)
Repayments on originated loans and leases	35.1	461,514,022	266,261,995	466,870,539	270,960,954
Dividends received		79,617,055	65,307,058	79,617,055	65,307,058
Interest received	35.2	226,891,533	391,611,933	230,976,067	396,579,991
Net cash utilised by investing activities		**1,901,467**	**(2,520,261)**	**4,754,108**	**(1,740,172)**
Additions to property, plant and equipment	4	(9,107,308)	(3,315,503)	(4,192,492)	(1,740,172)
Additions to intangible assets	6	(53,400)	-	(53,400)	-
Proceeds from disposal of property, plant and equipment		52,174	795,242	-	-
Proceeds from disposal of investment property	5	2,010,000	-	-	-
Proceeds from sale of investments	28	9,000,000	-	9,000,000	-
Net cash utilised by financing activities		**270,508**	**1,303,749**	**-**	**-**
Repayment of instalment sale		(810,259)	(187,324)	-	-
Addition in instalment sales		1,080,767	-	-	-
Addition in other financial liabilities		-	1,491,073	-	-
Decrease in cash and cash equivalents		**(449,655,783)**	**(345,122,037)**	**(453,366,792)**	**(352,506,820)**
Cash and cash equivalents at beginning of the year		**2,244,735,131**	**2,589,857,169**	**2,234,165,428**	**2,586,672,248**
Cash and cash equivalents at end of the year	19	**1,795,079,348**	**2,244,735,131**	**1,780,798,636**	**2,234,165,428**

Statement of Comparison of Budget and Actual

		Trust		
		Approved final budget	Actual	Variance
	Notes	R	R	R
Revenue	**36.1**	**399,962,458**	**486,783,470**	**86,821,012**
Sundry revenue	**36.2**	35,000,000	300,877,616	265,877,616
Total revenue		**434,962,458**	**787,661,086**	**352,698,628**
Expenses				
Compensation of employees		(267,715,787)	(219,613,138)	48,102,649
Profit on disposal of investments		-	311,240	311,240
Social benefit		-	(48,655,605)	(48,655,605)
Use of goods and services		(104,982,908)	(81,582,651)	23,400,257
Total expenses	**36.3**	**(372,698,695)**	**(349,540,154)**	**23,158,541**
Net operating income		**62,263,763**	**438,120,932**	**375,857,169**
Impairment charge and write-offs	**36.4**	(70,000,000)	(332,098,536)	(262,098,536)
Surplus before fair value adjustments		**(7,736,237)**	**106,022,396**	**113,758,633**
Net fair value gain	**36.5**	**-**	299,891,879	299,891,879
Surplus for the year		**(7,736,237)**	**405,914,275**	**413,650,512**

1 ACCOUNTING POLICIES AND BASIS OF PREPARATION

The accounting policies below are employed by National Empowerment Fund Trust (NEF), National Empowerment Fund Corporation SOC Limited and its subsidiaries.

1.1 Main business and operations

The National Empowerment Fund Trust is a South African public entity (Schedule 3A) under the direction of **the Department of Trade Industry and Competition (dtic)**. The Trust was established through the National Empowerment Fund Act (Act 105 of 1998), to provide access to funding for black owned and managed businesses through the Fund Management Division and Strategic Projects Fund, which provides funding for venture capital activities in the priority sectors. In addition, the promotion of investments and savings activities is undertaken by designing and offering retail investment products through the Asset Management Division which are offered for subscription by black investors.

1.2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

1.3 Basis of preparation

The financial statements have been prepared on the historical cost basis, apart from certain financial instruments that are carried at fair value, in accordance with South African Statements of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements of the Trust and the Group have been prepared except for cash flow statement information, using the accrual basis of accounting.

The going concern basis has been adopted in preparing financial statements for the Trust and the Group. The Accounting Authority has no reason to believe that the Trust and the Group will not be a going concern in the foreseeable future based on forecasts, available cash resources and approval of new investment facilities. The Group and Trust financial statements are presented in South African Rand, which is the functional currency, rounded-off to the nearest rand.

1.4 Consolidation

Investments in associates

Associates are all entities over which the Trust has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

GRAP 7 exempts venture capital organisations from equity accounting investments in associates if they, upon initial recognition, decide to designate the investment at fair value through profit and loss. As a venture capital organisation, the Trust has elected to apply this exemption and accordingly all such investments are not equity accounted but designated as investments at fair value through profit and loss.

Once an investment in associate is initially designated at fair value through profit and loss it is recognised at fair value. Subsequent measurement will thereafter be in terms of GRAP 104 which allows for an associate to either be held at fair value or at cost. Specifically where the fair value of unquoted associate investments cannot be reliably measured the investment will be measured at cost. The Trust has opted to hold all associate investments at fair value, except for project related investments initiated by the Strategic Projects Fund Division (SPF), where the measurement thereof is dependent on the stage of the project.

Investments in associates that are in pre-finalisation or bankable feasibility stage are written down to nominal value. On finalisation of bankable feasibility stage and incorporation, the investment is held at cost with annual impairment testing. Once the company has reached the intended operating capacity or if the value can be reliably calculated the investment will thereafter be measured at fair value.

Interests in joint ventures

GRAP 8 exempts venture capital organisations from equity accounting investments in joint ventures if they, upon initial recognition, decide to designate the investment at fair value through surplus and deficit. As a venture capital organisation, the Trust has elected to apply this exemption and accordingly all such investments are not equity accounted but designated as investments at fair value through profit and loss in terms of GRAP 104.

Investments in subsidiaries

Subsidiaries are entities controlled by the NEF. Control exists when the NEF has the power, directly or indirectly, to govern the financial and operating affairs and policies of an entity so as to obtain benefits from its activities. In assessing control voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at its acquisition date fair value.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Investments in subsidiaries in the Trust's separate financial statements are carried at cost.

National Empowerment Fund Corporation SOC Ltd is a subsidiary that was created by the NEF to fulfil specific functions of the NEF. The subsidiary is treated as a normal investee in the separate financial statements and consolidated under GRAP 6 in the Group financial statements. National Empowerment Fund Trust acquired Delswa (Pty) Ltd, Surgetek (Pty) Ltd, and Zastrovect (Pty) Ltd through exercising its rights when defaulted on the terms on their loans.

These subsidiaries are temporary in nature while National Empowerment Fund Trust seeks suitable buyers. These subsidiaries are accounted for in terms of GRAP 6.

Loss of control

If the NEF as controlling entity loses control of a controlled entity, the NEF:

- derecognises the assets and liabilities of the former controlled entity from the consolidated statement of financial position;
- recognises any investment retained in the former controlled entity and subsequently accounts for it and for any amounts owed by or to the former controlled entity in accordance with the relevant Standards of GRAP. That fair value is regarded as the fair value on initial recognition of a financial asset in accordance with Standard of GRAP on Financial Instruments or the cost on initial recognition of an investment in an associate or joint venture; and
- recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

1.5 Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably and when specific criteria have been met for each of the Group activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies related to the transaction have been resolved.

Revenue from sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at fair value of the consideration received or receivable.

The entity recognises revenue when it has transferred the significant risks and rewards of ownership to the buyer and does not retain continuing managerial involvement nor control over the goods.

Interest is recognised on a time apportioned basis using the effective interest rate method. When a receivable is impaired, the Trust reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established.

Sundry income mainly comprises of bad debt recovered from investments written-off, conditional and unconditional grants including enterprise suppliers development funds (ESD).

Revenue for bad debt recovered is recognised to the extent of cash received in the year of assessment. Conditional grant is recognised when disbursements are made to the beneficiaries of the relevant fund. Unconditional grants are recognised when transfer is received from partner(s).

The Trust only recognises revenue and expense that it receives or incurs in return for executing the transactions on behalf of the principal. The NEF as an agent recognises the funds received as a liability on receipt of the funds.

1.6 Property, plant and equipment

Property, plant and equipment are identifiable non-monetary assets which the Group holds for its own use and which are expected to be used for more than one year.

Property, plant and equipment is recognised when:

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

All items of property, plant and equipment, are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs

are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and if the cost of the item can be reliably measured. All repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.
Where parts of an item of property, plant and equipment have significantly different useful lives, they are accounted for as separate items of property, plant and equipment. Depreciation is calculated using the straight line method to reduce the cost of assets to their residual values over their estimated useful lives as follows.

Item	Rate p.a.
Furniture and fittings	10% - 16,67%
Motor vehicles	20% - 25%
Office equipment	20% - 40%
Leasehold improvements	10% - 20%
Audio Visual equipment	33.33%
Paintings	2%
Property	5%
Plant and machinery	16,67% - 20%
Trolleys and bins (Other assets)	50%
IT equipment	33%
Signage (Other assets)	20%

Investment property is held by National Empowerment Fund Corporation SOC Ltd (Subsidiary) at fair value and is accounted for at cost in the group annual financial statements. Where there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairments are reversed, when the entity determines that the impairment loss recognised in prior periods for an asset may no longer exist or may have decreased by assessing both internal and external factors that might have led to the initial assessment of the impairment.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Should residual values or useful lives be adjusted, the adjustment is accounted for and disclosed as a change in accounting estimate.

An asset's carrying amount is written down to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the surplus or deficit, under the 'administrative expenses' line.

1.7 Goodwill

Goodwill is initially measured at cost, being the excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequent goodwill is tested for impairment annually and it is carried at cost less any accumulated impairment.

Goodwill is amortised at 10% rate per annum.

1.8 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance which the Group holds for its own use, and which are expected to be used for more than one year.

An intangible asset is recognised when:

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

Intangible assets are initially measured at cost including transaction costs and directly attributable expenditure in preparing the asset for its intended use.

Acquired computer software is capitalised on the basis of cost incurred to acquire and bring to use the specific software purchased and is amortised on a straight-line basis over the expected useful lives of the assets. Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

Intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the date that the asset is derecognised. The amortisation method used shall reflect the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight line method shall be used. The residual values, amortisation period and the amortisation method for intangible assets are reviewed at each reporting date and adjusted if appropriate. The amortisation charge for each period shall be recognised in surplus or deficit.

An intangible asset shall be derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset shall be included in surplus or deficit.

Item	Rate p.a.
Computer software	33.33%
Surge Technology IP	10.00%

1.9 Investment Property

Investment property is property (land or building - or part of a building- or both) held by the owner to earn rentals or for capital appreciation or both. Investment property is initially recognised at cost and subsequently at fair value with changes in fair value recognised in surplus or deficit.

1.10 Cash and cash equivalents

Cash and cash equivalents are carried at amortised cost at reporting date. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks with original maturities.

1.11 Inventory

Inventories are measured at the lower of cost and net realisable value, on the first-in-first-out (FIFO) basis. Where inventories are acquired through non-exchange transaction(s), their cost shall be measured at their fair value as at the date of acquisition. When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets and financial liabilities at fair value are recognised on trade date, which is the date on which the Group commits to purchase or sell the asset. The Group recognises a financial asset and financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument, that is, when cash is advanced to the borrowers.

Financial assets or financial liabilities are initially recognised at fair value including transaction costs, except financial assets or financial liabilities at fair value through profit and loss that are initially recognised at fair value with transaction costs being expensed on date of recognition. Differences, on recognition, between the fair value of a financial asset or financial liability and the purchase price is recognised as a Day 1 profit and loss only where the fair value determined is based on observable market data.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when, and only when, the obligations are discharged, cancelled, expire or are substantially modified. The difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable shall be recognised in surplus or deficit.

Classification

- The Group classifies financial assets in the following categories: investments at fair value or held for trade, loans and receivable and investments held at cost.
- Management determines the classification of investments at initial recognition.

Originated loans

Originated loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after reporting date. These are classified as non-current. They arise when the Trust provides money, goods or services directly to a borrower with no intention of trading the originated loan.

Concessionary loans

Where the Trust grants concessionary loans, it considers whether part of the consideration granted is a social benefit. The Trust accounts for the components of a concessionary loan granted separately.

The loan component of concessionary loans issued by the Trust is accounted for as a financial asset. The non-exchange (social benefit) component of arrangement is accounted for using the Framework for the Preparation and Presentation of Financial Statements.

The loan is recognised when the Trust becomes party to the contractual provisions of the instrument. Concessionary loans are initially measured at fair value plus transaction costs. The difference between transaction price (loan proceeds) and fair value is recognised as a social benefit in accordance with the Framework.

Investments carried at fair value

This category has two subcategories: financial assets held for trading and those designated at fair value on inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated. Assets in this category are classified as non-current assets when designated at fair value, whilst investments held for trading are classified as current.

Financial assets are designated as fair value in instances where: (i) they meet the definition of held for trading in that they are principally held with the intention to dispose of in the near term or (ii) they represent assets that are intended to be held for an indefinite period of time, which may be sold in response to the needs of liquidity or changes in interest rates, exchange rates or equity prices or non-derivatives that are not classified in any other category and (iii) the agreement between NEF and investee has no fixed end date or determinable payment periods.

Embedded derivative financial instruments

The Group has invested in instruments which in some instances contain embedded derivatives. These derivatives are part of the equity exit and conversion mechanisms used by the NEF. In such instances where an embedded derivative is identified, these are treated and disclosed as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract; the terms of the embedded derivative are the same as those of a stand alone derivative; and the combined contract is not recognised at fair value with any gains or losses from the change in fair value being recognised in the surplus or deficit. Upon identification and separate disclosure, the host contracts are accounted for and measured applying the rules of the relevant category of that financial instrument with the embedded derivate portion being recognised at fair value.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Subsequent measurement

Investments at fair value are subsequently carried at fair value. Loans, receivables and preference share investments are carried at amortised cost, less accumulated impairments, using the effective interest rate method. Gains and losses arising from changes in the fair value of the financial assets at fair value category are included in the surplus or deficit in the period in which they arise.

Concessionary loans are subsequently measured at amortised cost, which includes any modification gains and losses, write-offs, and impairment losses.

Fair value

The fair values of listed investments in active markets are based on current prices. For unlisted securities and financial assets which are not traded, the Trust establishes fair value by using enterprise valuation techniques. These include the use of: equity based valuations derived out of enterprise valuations on discounted price earnings multiples less non-current liabilities; or the net asset value of the enterprise. The latest company earnings and asset values as reported in their financial statements, comparable to other similar sector companies or independent asset valuation are used to perform the valuations. These valuation techniques are commonly used by market participants and based on South African Private Equity and Venture Capital Association guidelines.

Fair value estimation – day 1 gain/(loss)

Day one gains and losses occur when the Group uses a model to measure the fair value of the instrument and the model price at initial recognition is different from the transaction price. Day one gains and losses are recognized only when the fair value is evidenced by a quoted price in

an active market for the same instrument or is based on a valuation technique that only uses data from observable markets.

Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about, amongst others, the following loss events:

(i) significant financial difficulty of the issuer or obligated party;
(ii) a breach of contract, such as a default or delinquency in interest or principal payments;
(iii) the granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
(iv) it becomes probable that the borrower will encounter financial difficulties or become bankrupt; (v) the disappearance of an active market for that financial asset because of financial difficulties; or
(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
    - adverse changes in the payment status of borrowers in the group; or
    - national or local economic conditions that correlate with defaults by borrowers.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Trust determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the surplus or deficit. If a loan or preference share investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Trust may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a financial asset reflects the cash flows that may result from foreclosure less the cost of obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar risk characteristics (i.e. on the basis of the Trust's grading process that considers asset type, industry, geographical location, collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets and are indicative of the borrowers' ability to

pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for a group of assets reflect and are consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Trust to reduce any differences between loss estimates and actual loss experience.

When a loan becomes uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are recognised as bad debts recovered in the surplus or deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The amount of the reversal is recognised in the surplus or deficit.

(b) Investments held at cost

Equity investments that are measured at cost as a result of fair value not being reliably measurable, are assessed for impairment on an annual basis. Where there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is measured as the difference between the carrying amount of the investment and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

(c) Renegotiated originated loans

Originated loans that have been subject to impairment losses and whose settlement terms have been formally and legally renegotiated are reset in terms of the assessment of the objective evidence for impairment losses. Renegotiated loans are subject to ongoing review to determine whether they should thereafter be considered as impaired or past due following their reset. Reversals of impairment losses are recognised in surplus or deficit.

Impairment of non-financial assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Property and equipment and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives are reviewed for impairment at each reporting date regardless of indication of impairment or not. An impairment loss is recognised in the surplus or deficit for the amount by which the carrying amount of the asset exceeds its recoverable amount, that is, the higher of the asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash generating unit and
- then, to the other assets of the unit, pro-rata on the basis of the carrying amount of each asset in the unit.

1.13 Trade and other payables

Trade and other payables relate to goods and services for operating expenses incurred before year end but not settled as at reporting date. The Group recognises a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

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

1.14 Enterprise development fund

Conditional enterprise development funds are initially recognised at its fair value and classified as a liability until such time when conditions are met. Unconditional enterprise development funds are initially recognised at its fair value and classified as an income upon receipt.

1.15 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases and instalment sale agreements

Suspensive sale agreements are primarily stand alone financing transactions, with rentals and instalments receivable, less unearned finance charges, being included in the gross lease receivable in the Statement of Financial Position.

Finance leases and instalment sale agreements are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, the present value of the minimum lease payments. The corresponding liability to the lessee is included in the statement of financial position as a finance lease obligation. The lease payments are apportioned between the finance charge and reduction of the outstanding liability.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Operating leases

Leases, where the significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to the surplus or deficit on the straight line basis over the period of the lease.

1.16 Employee benefits

a) Pension obligations

The Group contributes to a provident fund, which is a defined contribution plan, on a monthly basis. A defined contribution plan is one under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions when the fund does not hold sufficient assets to pay all benefits relating to employee service

in the current and prior periods. The regular contributions constitute the net periodic costs for the year in which they are due, and are included in staff costs. Short-term employee benefits are recognised as an expense in the accounting period when the services are rendered.

b) Performance awards

The Group recognises a liability and an expense in circumstances when bonuses are approved. The Group recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation.

1.17 Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and is measured at management's best estimate of the amount that would be required to settle or transfer the liability at balance sheet date. Long term provisions are discounted to net present value, with the relevant increase in the provision due to the passage of time being recognised as an interest expense. The provisions are mainly made up of performance bonuses as well as provision for leave pay. The contingencies are arise mainly emanates from litigations which are originated by clients.

1.18 Critical accounting estimates and judgements in applying accounting policies

Management has applied judgement on the basis of valuation methodologies in the estimation of the carrying value of loans (for impairments), and investments held at fair value through profit and loss. It is reasonably possible, on the basis of existing knowledge that outcomes within the next year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected. The valuation methodologies are disclosed below.

Judgements and assumptions in the valuations and impairments include determining the:

- Free cash flow of investees;
- Replacement values;
- Realisable value of assets;
- Net Asset Value model and other relevant valuation techniques

(a) Impairment losses on originated loans, finance leases and goodwill

The Group reviews its loan portfolios to assess impairment at quarterly intervals. In determining whether an impairment loss should be recognised in the surplus or deficit, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease is identified for an individual loan in that portfolio. The portfolio is made up of new black empowerment investments most of which are start ups in the market. As a result, there is no financial performance history which guides the impairment process. The Trust's management has thus developed an impairment matrix and is continually refining it.

The impairment matrix was benchmarked against those utilised by peers in the market. Amongst others, the impairment matrix encompasses the review of the following observable data:

- Falling markets;
- History of payment default;
- Legal action taken against the investee;
- Breach of contract;
- Non-submission of financial information;
- General attitude of the investee as demonstrated by their repayment history;
- Value of security; and
- Arrear payments

Originated Loans are individually assessed and impaired utilising management's impairment matrix. For the carrying amount of these investments refer to note 12.

(b) Fair value of equity investments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques (above-mentioned). The Group uses its judgement to make assumptions that are mainly based on market conditions.

(c) Fair value of investment property

Fair value on investment property is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

1.19 Taxation

a) Income tax

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

1.20 Events after reporting date

An entity should adjust its financial statements for events after the reporting date; and the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the reporting date.

This Standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting date indicate that the going concern assumption is not appropriate.

1.21 Segment Reporting

If a financial report contains both the consolidated financial statements and the separate financial statements of a controlling entity, segment information is required only in the consolidated financial statements. An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates.

2 NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, there were no new standards adopted by the Trust.

2.2 Standards and interpretations not yet effective or relevant

GRAP 1 – Presentation of Financial Statements (Amendments to the Standard of GRAP)

The objective of this Standard is to amend the existing GRAP 1 accounting standard on going concern and disclosure on going concern.

The effective date of the standard is still to be determined by the Minister of Finance. It is likely that the standard will have an material impact on the Trust's annual financial statements.

GRAP 103 – Heritage Assets

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

The effective date of the standard is still to be determined by the Minister of Finance. It is likely that the standard will not have an impact on the Trust's annual financial statements.

GRAP 104 – Financial Instruments

GRAP 104 – Financial Instruments **(Effective 1 April 2025)**
Revised GRAP 104 – Financial Instruments will replace certain key elements of the predecessor GRAP 104. The two key elements that would impact the Group's accounting policies include:

- Classification and measurement of financial assets and financial liabilities: the standard requires that all financial assets be classified as either held at fair value or amortised cost.
    - The amortised cost classification is only permitted where it is held within a business model where the underlying cash flows are held in order to collect contractual cash flows and that the cash flows arise solely from payment of principal and interest.
    - The standard further provides that gains and losses on assets held at fair value are measured through the income statement unless the entity has elected to present gains and losses on non-trading equity investments (individually elected) directly through comprehensive income. With reference to financial liabilities held at fair value, the standard proposes that changes to fair value attributable to credit risk are taken directly to other comprehensive income without recycling.
- Impairment methodology: Impairments in terms of the revised GRAP 104 will be determined based on an expected credit loss model rather than the current incurred loss model require by the predecessor GRAP 104. Entities are required to recognise an allowance for either 12-month or lifetime expected credit losses (ECLs), depending on whether there has been a significant increase in credit risk since initial recognition. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the entity's best available forward-looking information. The probability-weighted outcome must consider the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is low.

The ECL model applies to debt instruments recorded at amortised cost or at fair value through surplus or deficit (FVTSD), such as loans, trade receivables, lease receivables and most loan commitments.

The implementation of the revised GRAP 104 is anticipated to have a significant impact on the preparation of the Group's financial statements. The Group has initiated a process to determine the quantitative impact of the standard on the Group's statement of financial position and ongoing performance metrics. The impact of GRAP 104 is still being assessed.

GRAP 105 – Transfer of Functions Between Entities under Common Control

The objective of this Standard is to establish principles and requirements for the acquirer and transferor in a transfer of functions between entities under common control and its effects. The effective date of the standard is still to be determined by the Minister of Finance. It is likely that the standard will not have an impact on the Trust's annual financial statements.

GRAP 106 – Transfer of Functions Between Entities Not under Common Control

The objective of this Standard is to establish principles and requirements for the acquirer in a transfer of functions between entities not under common control and its effects.

The effective date of the standard is still to be determined by the Minister of Finance. It is likely that the standard will not have an impact on the Trust's annual financial statements.

GRAP 107 – Mergers

The objective of this Standard is to establish principles and requirements for the combined entity and combining entities in a merger and its effects.

The effective date of the standard is still to be determined by the Minister of Finance. It is likely that the standard will not have an impact on the Trust's annual financial statements.

3 RISK MANAGEMENT

3.1 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and also comprises the potential loss on financing due to counterparty default on the advancing of Originated Loans as well as any trade and other receivables arising out of investment activities of the Group.

The risk of default on Originated Loans is actively managed especially through the fully established Post Investment Department, responsible for the ongoing performance monitoring of the Loans Investment portfolio.

Only the National Treasury approved banks are used by the Group for cash and call deposits, and these are split between the banks as follows:

	Group		
	Credit Ratings*	2025	2024
		R	R
Standard Bank	Baa3	316,206,300	250,733,149
First National Bank	Baa3	365,217,771	50,710,030
South African Reserve Bank	Ba2	1,110,986,742	1,940,750,068
Rand Merchant Bank	Baa3	2,590,996	2,398,671
		1,795,001,809	**2,244,591,918**

	Trust		
	Credit Ratings*	2025	2024
		R	R
Standard Bank	Baa3	315,726,426	249,866,317
First National Bank	Baa3	351,494,224	41,150,124
South African Reserve Bank	Ba2	1,110,986,742	1,940,750,068
Rand Merchant Bank	Baa3	2,590,996	2,398,671
		1,780,798,388	**2,234,165,180**

The Group's maximum exposure to credit risk is represented by the carrying amount of all the financial assets determined to be exposed to credit risk (net of impairment losses where relevant). Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. *Ratings quoted are Moody's announced in March 2025.

Originated Loans and Finance leases are individually impaired, and may be analysed as follows:

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Originated Loans				
Normal monitoring and performing loans	2,042,908,198	1,823,066,228	2,178,769,039	1,961,711,046
Close monitoring*	200,703,603	132,921,779	233,260,897	155,883,693
Partly/fully impaired**	277,179,497	455,646,220	277,179,497	455,646,221
Gross originated loans	**2,520,791,298**	**2,411,634,227**	**2,689,209,433**	**2,573,240,960**
Impairment provision	(799,922,777)	(809,875,995)	(904,449,303)	(904,810,087)
Net originated loans balance	**1,720,868,521**	**1,601,758,232**	**1,784,760,130**	**1,668,430,874**
Finance Leases				
Normal monitoring and performing leases	467,061,165	337,365,523	467,061,165	335,386,960
Close monitoring*	18,441,597	24,445,116	18,441,597	26,423,679
Partly/fully impaired**	71,872,940	71,025,496	71,872,940	71,025,496
Gross finance leases	**557,375,702**	**432,836,135**	**557,375,702**	**432,836,135**
Impairment provision	(97,028,890)	(91,554,471)	(97,028,890)	(91,554,471)
Net finance lease balance	**460,346,812**	**341,281,664**	**460,346,812**	**341,281,664**

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired is assessed using historical data, primarily through ageing analysis.

	Trust			
	Total Balance	Current to 30 days	60 days to 120 days	150 days to 180+
Aging analysis that are due and impaired (2025)	**2,245,106,942**	1,551,393,560	194,415,832	499,297,551
Aging analysis that are due and impaired (2024)	**2,009,712,538**	1,346,869,420	213,966,742	448,876,375

	Group			
	Total Balance	Current to 30 days	60 days to 120 days	150 days to 180+
Aging analysis that are due and impaired (2025)	**2,181,215,332**	1,474,311,553	210,534,712	496,369,068
Aging analysis that are due and impaired (2024)	**1,943,039,896**	1,320,558,762	188,484,705	433,996,429

The carrying amounts of advances that would otherwise be past due whose terms have been renegotiated in the last 12 months amounts to R668 777 503 (2024: R62 538 007).

*** Close monitoring relates to clients that are transferred to the turnaround primarily as a result of the macro and micro factors, to which the organisation embarks on turnaround strategies to improve the performance of the investments.**

**** Partially or fully impaired relates to clients that have been handed over to the legal department for recoveries as a last resort after all avenues of collection have been exhausted.**

Concentration risk of loans and leases by sector

	Group		Trust	
	2025	2024	2025	2024
Agriculture, Hunting, Forestry and Fishing	2%	4%	2%	4%
Community, Social and Personal Services	14%	12%	14%	12%
Construction	2%	3%	2%	3%
Electricity, Gas and Water	1%	1%	1%	1%
Financial Intermediation Insurance, Real Estate and Business Services	22%	18%	22%	18%
Manufacturing	24%	24%	24%	24%
Mining and Quarrying	2%	2%	2%	2%
Transport Storage and Communication	5%	6%	5%	6%
Wholesale and Retail Trade, Hotels and Restaurants, Repairs of Vehicles and Personal Household Goods	28%	28%	28%	30%
Grand Total	**100%**	**100%**	**100%**	**100%**

Concentration risk of loans and leases by region

	Group		Trust	
	2025	2024	2025	2024
Eastern Cape	7%	10%	7%	9%
Free State	3%	3%	3%	3%
Gauteng	41%	43%	41%	43%
KwaZulu-Natal	21%	18%	21%	17%
Limpopo	7%	7%	7%	9%
Mpumalanga	7%	7%	7%	7%
North West	5%	4%	5%	4%
Northern Cape	4%	3%	4%	3%
Western Cape	6%	5%	6%	4%
Grand Total	**100%**	**100%**	**100%**	**100%**

Managing credit concentration risk

The concentration risk in the investment portfolio is decreased through industry diversification. Investment projects in the NEF's portfolio with a cumulative exposure of R3.2 billion are representative of most sectors of the economy, with no specific industry or geographical area representing undue risk. No single investment represents more than 5% of the total investment portfolio by value, limiting the concentration of single investments. As the economic hub of the country, the portfolio is highly concentrated to Gauteng which represents 41% of the total portfolio by value. There are continuous efforts to decrease the concentration risk through the following:

- Active operation and presence of NEF regional offices in all provinces;
- Increasing the NEF's exposure to potential transactions in other economic areas of the country through referrals from other provincial DFIs such as Sefa, Seda, NYDA, etc;
- Co-funding strategic partnerships with both private and public sectors such as the Limpopo Economic Development, Environment and Tourism Agency, and Northern Cape Economic Development Agency, Steve Tshwete Local Municipality, Sun City Resort, etc., by providing blended funding (grants and concessionary loans) to SMMEs that are domiciled in their respective and under-served provinces.

Management of credit risk

The NEF as a DFI faces a unique challenge in maintaining a sustainable balance between maximising development returns and minimising financial loss in its lending and investment activities. As such, the credit granting activities are informed by the strategic acceptance by the Board, that a higher risk appetite than entities driven by a purely commercial objective is essential to fulfil the mandate given by government in relation to its small business development and job creation objectives.

The Trust obtains collateral against funds disbursed to investees. The collateral includes the following forms:

- Special notarial bonds on any plant and equipment funded.
- General notarial bonds on movable assets.
- Cession of trade debtors and specific cash balances.
- Mortgage bonds on land and buildings.
- Cession of insurance proceeds.

Any fair value of such collateral is considered against collectible debt at outstanding amounts including accrued interest. The book value of collateral represents the original collateral value discounted for loss of asset value over time. The fair value of collateral represents the book values further discounted for costs estimated to be incurred by the Trust in liquidating/ collecting on the collateral. When the Trust collects on the mortgage bonds on land and buidlings, the entity obtains a court order from the sheriff of court then after put these properties on auction for disposal.

3.2 Market risk

Market risk represents the risk that the value of investments will fluctuate because of general changes in market factors which are not unique to individual instruments or its issuers. Market risk embodies not only the potential for loss but also the potential for gain.

3.2.1 Interest rate risk

The Group is exposed to interest rate risk through the financing of investment proposals, at fixed as well as variable interest rates, as well as cash management activities. Changes in market interest rates affect the fair value of cash and investment assets. Investment interest rate risk is managed through the investment policy while cash returns are managed through the cash management policy.

This risk materialises in the Group's significant cash portfolio invested in various interest earning bank treasury and call accounts. The Group is partially dependent on interest income from cash on call to fund its annual operations, and will become more dependent on interest income from cash balances as well as from the originated loans portfolio to fund its annual operational requirements going forward.

A significant part (2025 - 88%: 2024 – 86%) of the Group's investment portfolio is advanced in the form of originated loans. These loans are advanced at interest rates which linked to the prime lending rates as well as others that are fixed rates. The terms usually range from 5 to 15 years.

The Group individually assesses the effect of interest rate risk in a series of scenario and sensitivity analysis of each individual transaction that the Trust funds. In these scenarios the impact of an interest rate change is assessed against the businesses' ability to meet the increased charge in lending rates out of own cash flows. The decision to grant funding to applying businesses is fundamentally based on these sensitivity analyses. The underlying risk therefore within the range of interest rate changes run in sensitivity analysis is the business risk associated with the approval of loans to applying businesses. This business risk is assessed regularly by the Post Investment Department of the Trust and is assessed on a risk rating scale as follows performing (low risk deals), impairments (medium risk deals) and workouts (high risk deals). As at 31 March 2025, the portfolio was assessed from this risk rating approach as follows:

	Trust			
	2025		2024	
Category	% by number	% by value	% by number	% by value
Performing	81%	82%	77%	77%
Impaired	14%	10%	18%	17%
Close Monitoring	5%	8%	5%	6%

	Group			
	2025		2024	
Category	% by number	% by value	% by number	% by value
Performing	82%	82%	77%	77%
Impaired	14%	11%	18%	18%
Close Monitoring	4%	7%	5%	5%

The impact of this risk assessment has been catered for in the impairment provisions against the individual loans.

In response to the effects that the global economic crisis was having on the originated loans portfolio, the Trust approved a restructuring programme for potentially eligible investments. This programme allows for transactions that would be performing if it were not for the impact of the economic downturn conditions to undergo restructuring resulting in the deferment of up to half of outstanding loan for up to three years with the coupled conversion of interest charges from variable to fixed rates.

The potential effects of eligible loan restructurings in terms of this programme would not have a significant bearing on interest rate risk since these loans are associated with the smaller end of the portfolio and would only be applied in isolated and deserving cases. This programme is however to be closely monitored as well as any potential effects on interest rate risks.

Interest rate risk sensitivity analysis

In assessing the impact of changes in interest rates on the most impacting areas of the investment activities of the Trust, the effect of a 1% change in the interest environment around originated loans and cash and cash equivalents was considered as follows:

	Trust					
	2025			2024		
	Carrying Amount	Interest earned	Sensitivity of 1% effective adjustment	Carrying Amount	Interest earned	Sensitivity of 1% effective adjustment
	R	R	R	R	R	R
Originated loans	1,784,760,130	225,001,706	17,847,601	1,668,430,874	217,503,021	16,684,309
Finance leases	460,346,812	45,710,224	4,603,468	341,281,664	45,710,224	3,412,817
Cash and cash equivalents	1,780,798,637	134,937,251	17,807,986	2,234,165,428	202,231,192	22,341,654
Total	**4,025,905,579**	**405,649,181**	**40,259,055**	**4,243,877,966**	**465,444,437**	**42,438,780**

	Group					
	2025			2024		
	Carrying Amount	Interest earned	Sensitivity of 1% effective adjustment	Carrying Amount	Interest earned	Sensitivity of 1% effective adjustment
	R	R	R	R	R	R
Originated loans	1,720,868,520	220,395,021	17,208,685	1,601,758,232	212,284,858	16,017,582
Finance leases	460,346,812	45,710,224	4,603,468	341,281,664	29,543,580	3,412,817
Cash and cash equivalents	1,795,079,350	135,442,596	17,950,793	2,244,735,131	202,481,297	22,447,351
Total	**3,976,294,682**	**401,547,841**	**39,762,946**	**4,187,775,027**	**444,309,735**	**41,877,750**

3.2.2 Foreign exchange risk

The Trust does not have exposure to foreign exchange risk beyond that associated with occasional foreign currency based goods and supply purchases primarily denominated in US dollar and EU euro currencies. These occur in the operational management of the Trust and in some instances in the funding of plant and equipment purchased by the Trust's investee companies from overseas suppliers in foreign currency denominated transactions. These transactions are undertaken at spot rates and no forward cover contracts are entered into by the Trust. No financial assets or liabilities at year end are denominated in foreign currencies.

Due to the fact that the impact of foreign exchange exposure is immaterial for the Trust, no additional disclosure has been provided.

3.2.3 Price risk

The Trust is exposed to listed equity market price risk due to its portfolio of equities classified as either held for trading, at fair value through profit and loss or available for sale. These investments are as a result of the government allocated investment in MTN as well as an investment in Southern Sun undertaken as a result of the Trust's funding products for listed investments.

The investment in MTN was transferred to the Trust at subscription date value and hence significant fair value has accrued to the Trust through the fair value reserve. This fair value is applied in the development of appropriate retail products in terms of the mandate of the Trust and part of this fair value has been transferred to the Trust's beneficiaries in the form of discounts on subscription values.

The Trust manages other price risk in terms of its listed investment portfolio by means of structured exits as well as minimum return fair values being catered for in the investment funding agreements. In this way the Trust's maximum exposure to other price risk is limited with the bulk of the risk being associated with underlying business and credit risk.

	2025				
Listed Investments	Number of shares at year end	Share price at year end	Market Value of Listed Portfolio at year end	10% increase in share price	10% decrease in share price
		R	R	R	R
Southern Sun	5,104,002	8.30	42,363,217	46,599,538	38,126,895
MTN Ltd	10,114,866	123.23	1,246,454,937	1,371,100,431	1,121,809,443
Total			**1,288,818,154**	**1,417,699,969**	**1,159,936,338**

	2024				
Listed Investments	Number of shares at year end	Share price at year end	Market Value of Listed Portfolio at year end	10% increase in share price	10% decrease in share price
		R	R	R	R
Southern Sun	5,104,002	5.05	25,775,210	28,352,731	23,197,689
MTN Ltd	10,114,866	93.74	948,167,539	1,042,984,293	853,350,785
Total			**973,942,749**	**1,071,337,024**	**876,548,474**

3.3 Liquidity risk

The Trust was historically capitalized out of voted transfers made to it for the purposes of funding operations and also for the advancing of capital to eligible black empowered businesses through its fund management products.

The cash balances of the Trust are invested in treasury and call accounts of its four banks. The treasury management function in the finance department under the CFO manages the investment of cash in various market quoted treasury accounts on terms commensurate with the liquidity requirements of the Trust. These liquidity requirements of the Trust are measured against forecasted liquidity requirements.

Liquidity risk would arise to the extent the Trust has committed investment disbursements that cannot be met out of fixed treasury commitments or available cash balances, or to the extent that cash held by the Trust is reclaimed by the National Treasury through the provisions of the PFMA.

The following table summarises the maturity profile of the Group's financial liabilities at 31 March based on contractual undiscounted payments.

	Group			
	Less than 3 Months	3 to 12 Months	> 1 Year	Total
Trade and other payables	115,365,242	-	-	115,365,242
Enterprise Development Fund	300,306,047	737,267,913	-	1,037,573,960
Other financial liabilities*		232,732	930,930	1,163,662
	415,671,289	737,500,645	930,930	1,154,102,864

** Other liabilities relate to the instalment sale agreement(s).*

	Trust			
	Less than 3 Months	3 to 12 Months	> 1 Year	Total
Trade and other payables	72,860,112	-	-	72,860,112
Enterprise Development Fund	300,306,047	737,267,913	-	1,037,573,960
	373,166,159	737,267,913	-	1,110,434,072

3.4 Capital Risk Management

Trust Capital primarily comprises funds transferred from **the dtic** for the purposes of granting funding to eligible black empowered businesses through its fund management products. To date cash funds received from **the dtic** for these purposes totals R2 297 431 472 (2024:R2 297 431 472 - **note 20**). Historically funding for operations was also advanced by **the dtic** in the form of transfer funds. These were matched against operational expenditure for the year and to the extent there was some level of operational surplus or deficit, then this was transferred or offset to Accumulated Surplus once approval is granted in this respect from National Treasury.

Capital advanced for fund management is applied only against budgeted and actual investment disbursements in terms of the fund management products and mandate of the Trust. Operational capital is strictly applied against operational expenditure only, in terms of PFMA requirements.

Proceeds raised on asset management retail product subscriptions are transferred to capital through profit and loss. This capital is managed separately and utilised for the purposes of reapplication into asset management activities and other related investments in consultation with **the dtic** and National Treasury.

The Trust has complied with the requirements of the application of transfers for capital purposes and transfers for expenditure purposes as imposed through the PFMA. The Trust has since 2010 funded its activities through internally generated cash flows, and has not received any capital transfers from **the dtic** and/or National Treasury.

4 PROPERTY, PLANT AND EQUIPMENT (TRUST)

	Motor Vehicles	Computer Equipment	Audio Visual Equipment	Office Equipment	Furniture & Fittings	Leasehold Improvements	Paintings	Total
	R	R	R	R	R	R	R	R
2025								
Opening Balance								
Cost	1,620,867	14,108,927	315,811	359,613	632,987	821,002	149,790	18,008,997
Accumulated depreciation	(1,620,867)	(11,548,808)	(315,811)	(359,613)	(609,131)	(821,002)	(64,859)	(15,340,091)
Net Book Value	**-**	**2,560,119**	**-**	**-**	**23,856**	**-**	**84,931**	**2,668,906**
Movement for the year								
Additions	-	3,251,652	752,005	-	188,835	-	-	4,192,492
Depreciation	-	(1,987,998)	(17,202)	-	(43,880)	-	(2,916)	(2,051,996)
	-	**1,263,654**	**734,803**	**-**	**144,955**	**-**	**(2,916)**	**2,140,496**
Closing Balance								
Cost	1,620,867	17,360,579	1,067,816	359,613	821,822	821,002	149,790	22,201,489
Accumulated depreciation	(1,620,867)	(13,536,806)	(333,013)	(359,613)	(653,011)	(821,002)	(67,775)	(17,392,087)
Net Book Value	**-**	**3,823,773**	**734,803**	**-**	**168,811**	**-**	**82,015**	**4,809,402**

	Motor Vehicles	Computer Equipment	Audio Visual Equipment	Office Equipment	Furniture & Fittings	Leasehold Improvements	Paintings	Total
	R	R	R	R	R	R	R	R
2024								
Opening Balance								
Cost	1,620,867	12,368,755	315,811	359,613	632,987	821,002	149,790	16 268 825
Accumulated depreciation	(1,559,216)	(9,504,150)	(315,811)	(355,969)	(582,333)	(821,002)	(61,935)	(13 200 416)
Net Book Value	**61,651**	**2,864,605**	**-**	**3,645**	**50 654**	**-**	**87,855**	**3 068 410**
Movement for the year								
Additions	-	1,740,172	-	-	-	-	-	1,740,172
Depreciation on disposed/ derecognised assets	-	-	-	-	-	-	-	-
Depreciation	(61,651)	(2,044,657)	-	(3,645)	(26,798)	-	(2,924)	(2 139 675)
	(61,651)	**(304,485)**	**-**	**(3,645)**	**(26,798)**	**-**	**(2,924)**	**(399 503)**
Closing Balance								
Cost	1,620,867	14,108,927	315,811	359,613	632,987	821,002	149,790	18,008,997
Accumulated depreciation	(1,620,867)	(11,548,808)	(315,811)	(359,613)	(609,131)	(821,002)	(64,859)	(15,340,091)
Net Book Value	**-**	**2,560,119**	**-**	**-**	**23,856**	**-**	**84,931**	**2,668,906**
Gross carrying amount of fully depreciated assets still in use	**1,623,336**	**11,490,663**	**315,810**	**359,614**	**569,161**	**821,002**	**5,000**	**15,184,586**

4 PROPERTY, PLANT AND EQUIPMENT (GROUP)

	Land and Buildings	Motor Vehicles	Computer Equipment	Audio Visual Equipment	Plant and Machinery	Office Equipment	Furniture & Fittings	Leasehold Improvements	Paintings	Other assets	Total
	R	R	R	R	R	R	R	R	R	R	R
2025											
Opening Balance											
Cost	30,178,500	10,608,740	15,976,649	315,811	3,703,809	1,288,448	1,390,723	2,988,900	149,790	1,005,486	67,606,856
Accumulated depreciation	(2,079,833)	(6,917,376)	(12,719,668)	(315,811)	(2,739,869)	(1,090,227)	(1,239,169)	(2,349,911)	(64,868)	(493,768)	(30,010,500)
Net Book Value	**28,098,667**	**3,691,364**	**3,256,981**	**-**	**963,940**	**198,221**	**151,554**	**638,989**	**84,922**	**511,718**	**37,596,356**
Movement for the year											
Additions	-	2,374,927	3,341,056	752,005	79,637	71,940	195,835	50,854	-	4,178,714	11,044,968
Net Disposal	-	(895)	(32,743)	-	(8,290)	(128)	(4,971)	-	-	-	(47,027)
Disposals/ Derecognition at cost	-	(27,793)	(32,743)	-	(135,836)	(21,661)	(12,000)	-	-	-	(230,033)
Depreciation on disposed/derecognised assets	-	26,898	-	-	127,546	21,533	7,029	-	-	-	183,006
Depreciation	-	(668,408)	(1,993,009)	(17,202)	(466,532)	(54,752)	(86,861)	(108,130)	(2,916)	(261,055)	(3,658,865)
	-	**1,705,624**	**1,315,304**	**734,803**	**(395,185)**	**17,060**	**104,003**	**(57,276)**	**(2,916)**	**3,917,659**	**7,339,076**
Closing Balance											
Cost	30,178,500	12,955,874	19,284,962	1,067,816	3,647,610	1,338,727	1,574,558	3,039,754	149,790	5,184,200	78,421,791
Accumulated depreciation	(2,079,833)	(7,558,886)	(14,712,677)	(333,014)	(3,078,855)	(1,123,446)	(1,319,001)	(2,458,041)	(67,784)	(754,823)	(33,486,359)
Net Book Value	**28,098,667**	**5,396,988**	**4,572,285**	**734,802**	**568,755**	**215,281**	**255,557**	**581,713**	**82,006**	**4,429,377**	**44,935,432**

	Land and Buildings	Motor Vehicles	Computer Equipment	Audio Visual Equipment	Plant and Machinery	Office Equipment	Furniture & Fittings	Leasehold Improvements	Paintings	Other assets	Total
	R	R	R	R	R	R	R	R	R	R	R
2024											
Opening Balance											
Cost	30,178,500	11,755,132	14,384,801	315,811	3,389,697	1,232,498	1,356,848	2,879,892	149,790	972,710	66,615,679
Accumulated depreciation	(2,079,833)	(6,921,276)	(10,860,756)	(315,811)	(2,294,482)	(1,026,144)	(1,183,548)	(2,251,943)	(61,944)	(451,611)	(27,447,348)
Net Book Value	**28,098,667**	**4,833,856**	**3,524,045**	**-**	**1,095,215**	**206,354**	**173,300**	**627,949**	**87,846**	**521,099**	**39,168,331**
Movement for the year											
Additions	-	807,044	1,962,737	-	314,112	55,950	33,875	109,008	-	32,776	3,315,502
Net Disposal	-	(1,240,651)	(59)	-	-	-	-	-	-	-	(1,240,710)
Disposals/ Derecognition at cost	-	(1,953,436)	(370,889)	-	-	-	-	-	-	-	(2,324,325)
Depreciation on disposed/derecognised assets	-	712,785	370,830	-	-	-	-	-	-	-	1,083,615
Depreciation	-	(708,885)	(2,229,742)	-	(445,387)	(64,083)	(55,621)	(97,968)	(2,924)	(42,157)	(3,646,767)
	-	**(1,142,492)**	**(267,064)**	**-**	**(131,275)**	**(8,133)**	**(21,746)**	**11,040**	**(2,924)**	**(9,381)**	**(1,571,975)**
Closing Balance											
Cost	30,178,500	10,608,740	15,976,649	315,811	3,703,809	1,288,448	1,390,723	2,988,900	149,790	1,005,486	67,606,856
Accumulated depreciation	(2,079,833)	(6,917,376)	(12,719,668)	(315,811)	(2,739,869)	(1,090,227)	(1,239,169)	(2,349,911)	(64,868)	(493,768)	(30,010,500)
Net Book Value	**28,098,667**	**3,691,364**	**3,256,981**	**-**	**963,940**	**198,221**	**151,554**	**638,989**	**84,922**	**511,718**	**37,596,356**
Gross carrying amount of fully depreciated assets still in use	**-**	**1,623,336**	**11,490,663**	**315,810**	**562,375**	**359,614**	**569,161**	**821,002**	**5,000**	**-**	**15,746,961**

5 INVESTMENT PROPERTY

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Opening balance	5,373,157	5,373,157	-	-
Disposal	(5,373,157)	-	-	-
Closing balance	**-**	**5,373,157**	**-**	**-**

During the current financial year, Delswa (Pty) Ltd disposed of their investment property.

6 INTANGIBLE ASSETS

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Computer software				
Opening Balance				
Cost	8,990,904	8,990,904	1,379,242	1,379,242
Accumulated amortisation	(6,553,180)	(5,696,370)	(1,379,242)	(1,379,242)
Net Book Value	**2,437,724**	**3,294,534**	**-**	**-**
Movement for the year:				
Additions	53,400	-	53,400	-
Disposal cost	(21,933)	-	-	-
Accumulated amortisation on disposed asset	21,930	-	-	-
Amortisation	(827,219)	(856,810)	(2,998)	-
	(773,822)	(856,810)	50,402	-
Closing balance				
Cost	9,022,371	8,990,904	1,432,642	1,379,242
Accumulated amortisation	(7,358,469)	(6,553,180)	(1,382,240)	(1,379,242)
Net book value	**1,663,902**	**2,437,724**	**50,402**	**-**

The intangible assets for the Trust comprise of computer software and software development customised for use in the operations. The Intangible assets for the Group comprises of computer software, software development and Intellectual Property.

7 GOODWILL

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Opening balance				
Cost	58,771,359	58,771,359	-	-
Accumulated amortisation	(58,771,359)	(55,971,359)	-	-
Carrying value	**-**	**2,800,000**	**-**	**-**
Movement for the year:				
Amortisation for the year	-	(2,800,000)	-	-
Closing balance				
Cost	58,771,359	58,771,359	-	-
Accumulated amortisation	(58,771,359)	(58,771,359)	-	-
Net book value	**-**	**-**	**-**	-

8 DEFERRED TAX

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Deferred tax liability	(783,088)	(722,520)	-	-
Deferred tax asset	868,203	653,391	-	-
Closing balance	**85,115**	**(69,129)**	-	-
Deferred tax liability				
Accelerated capital allowances for tax purposes	(783,088)	(722,520)	-	-
	(783,088)	**(722,520)**	-	-
Deferred tax asset				
Allowance for credit losses	540,259	349,156	-	-
Leave provision	327,944	304,235	-	-
Tax losses available for set off against future taxable income	-	-	-	-
Closing balance	**868,203**	**653,391**	-	-
Reconciliation of deferred tax asset/(liability)				
At beginning of the year	(69,129)	(91,536)	-	-
Originating/(reversing) temporary difference on tangible fixed assets	(60,568)	988	-	-
Tax loss available for set off against future taxable income	-	(87,198)	-	-
Originating temporary difference on employee benefits	23,709	(9,098)	-	-
Originating temporary difference on allowance for credit losses	191,102	117,715	-	-
	85,114	**(69,129)**	-	-

9 INVESTMENTS IN ASSOCIATES

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Investments at cost	**262,479,095**	**259,917,651**	**262,479,095**	**259,917,651**
- Opening balance	259,917,651	259,910,949	259,917,651	259,910,949
- Additions	2,561,894	6,702	2,561,894	6,702
- Write off	(450)	-	(450)	-
Fair value adjustments	**(150,174,403)**	**(182,042,798)**	**(150,174,403)**	**(182,042,798)**
- Opening balance	(182,042,798)	(171,912,077)	(182,042,798)	(171,912,077)
- Fair value gain/(loss)	31,868,395	(10,130,721)	31,868,395	(10,130,721)
Net investment in associates	**112,304,692**	**77,874,853**	**112,304,692**	**77,874,853**

The Trust's associates are all incorporated in the Republic of South Africa and have been listed below:

		Voting power			
		2025	2024	2025	2024
Name	Principal activity	Interest held (%)	Interest held (%)	R	R
Unlisted:					
125 Village Hub (Pty) Ltd/ Muma Investments	Property	20.0%	20.0%	9,463,771	261,356
Allimor Footwear (Pty) Ltd	Manufacturing	30.0%	30.0%	725,618	725,618
Amazin Hotels (Pty) Ltd	Tourism & Entertainment	20.0%	20.0%	1	1
Business Venture Investments (Pty) Ltd	Healthcare	30.0%	30.0%	1	1
Colliery Dust Control (Pty) Ltd	Agro Processing	44.6%	44.6%	5,734,061	19,610,856
Cox Manufacturing (Pty) Ltd	Steel Manufacturing	45.1%	45.1%	-	1
Crowie Holdings (Pty) Ltd	Mining	26.2%	26.2%	18,663,697	12,504,677
Dika Plastic Pipes (Pty) Ltd	Manufacturing	35.0%	35.0%	35	35
False Bay Bricks (Pty) Ltd	Manufacturing	30.0%	30.0%	350	350
Ga Matlala Roof Tiles and Bricks (Pty) Ltd	Construction	30.0%	30.0%	1	1

		Voting power			
		2025	2024	2025	2024
Name	Principal activity	Interest held (%)	Interest held (%)	R	R
Gemilatex	Manufacturing	34.0%	0.0%	2,557,419	-
Golden Dice Foods (Pty) Ltd	Agro Processing	0.0%	49.0%	-	49
Go 2 Market (Pty) Ltd	Construction	38.0%	38.0%	1	1
Gradoscope (Pty) Ltd	Tourism & Entertainment	26.0%	26.0%	1	1
Graskop Gorge Lift Company (Pty) Ltd	Tourism & Entertainment	26.1%	26.1%	9,236,756	7,023,385
Imbaza Mussel (Pty) Ltd	Agro Processing	25.0%	25.0%	350,623	350,623
Joy House Academy (Pty) Ltd	Education	45.0%	45.0%	120,022	120,022
Long Mark Securities (formely Argon security (Pty) Ltd)	Financial services	49.0%	49.0%	15,720,165	149,432
Magoveni Pharmaceuticals (Pty) Ltd	Pharmaceuticals	25.0%	25.0%	1	1
M-Care Management Company (Pty) Ltd	Healthcare	30.0%	30.0%	1	1
M-Care Operating Company (Pty) Ltd	Healthcare	25.1%	25.1%	1	1
M-Care Property Company (Pty) Ltd	Healthcare	22.5%	22.5%	1	1
Mandini Reclaim (Pty) Ltd	Manufacturing	25.1%	25.1%	3,351	3,351
Mandini Refine (Pty) Ltd	Manufacturing	25.1%	25.1%	3,351	3,351
Mandini Resize	Manufacturing	25.1%	0.0%	4,021	4,021
Middelsdrift Dairy (Pty) Ltd	Agro Processing	40.0%	40.0%	1	1
Mohale Agricultural Co-operative	Agro Processing	45.0%	45.0%	1	1
Mohlalefi Engineering (Pty) Ltd	Manufacturing	49.0%	49.0%	9,180,372	49
Okubabayo (Pty) Ltd	Manufacturing	30.0%	30.0%	1	1
Pyratrade (Pty) Ltd	Agro Processing	30.0%	30.0%	1	1
Rapid Purple Waters Trading (Pty) Ltd	Agro Processing	25.0%	25.0%	1	1
Rhino Ridge Lodge (Pty) Ltd	Tourism & Entertainment	33.3%	33.3%	-	4,079,428
Royal Thonga Safari Lodge (Pty) Ltd	Tourism & Entertainment	36.0%	36.0%	1	1
Sehwai Exploration Drilling (Pty) Ltd	Mining	45.0%	45.0%	1	1
Stutt Brick Company (Pty) Ltd	Construction	49.0%	49.0%	1	1
Super Grand Agric (Pty) Ltd	Agro Processing	30.0%	30.0%	1	1
Tshellaine Holdings	Property	30.0%	30.0%	1	1
Umnotho Maize (Pty) Ltd	Services	40.0%	40.0%	1	1
Unique Engineering (Pty) Ltd	Engineering	39.0%	39.0%	27,135,636	22,509,439
Value Cement (Pty) Ltd	Construction	25.8%	25.8%	1	1
Willowvale (Pty) Ltd	Property	45.0%	45.0%	13,405,423	10,532,811
				112,304,692	**77,878,875**

10 INVESTMENT IN SUBSIDIARIES

10.1 Other Liabilities

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Liabilities directly associated with non-current assets of a Subsidiary (Delswa)	-	-	9,249,151	9,249,151
	-	-	9,249,151	9,249,151

10.2 Acquisition of Subsidiaries

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Zastrovect Investments (Pty) Ltd*	-	-	6,178,104	6,178,104
Delswa (Pty) Ltd*	-	-	1	1
Nefcorp SOC Limited*	-	-	100	100
Surgetek (Pty) Ltd*	-	-	13,698,349	13,698,349
Investment in subsidiaries*	-	-	19,876,554	19,876,554

*** For the interest holding, refer to note 24: Related parties.**

11 INVESTMENTS AT FAIR VALUE

11.1 Non-associate equity investments (Excluding Strategic Project Fund transactions)

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Opening Balance	**1,243,386,766**	**1,527,787,789**	**1,243,386,766**	**1,527,787,789**
Movements	**243,133,417**	**(284,401,023)**	**243,133,417**	**(284,401,023)**
Disposal at cost	(8,688,761)	-	(8,688,761)	-
Additions	-	-	-	-
Total fair value adjustments	**251,822,178**	**(284,401,023)**	**251,822,178**	**(284,401,023)**
MTN shares - fair value adjustments	298,287,398	(341,174,430)	298,287,398	(341,174,430)
Unlisted securities - fair value adjustments and write-offs	(46,465,221)	56,773,407	(46,465,221)	56,773,407
Fair value balance as at end of the year	**1,486,520,183**	**1,243,386,766**	**1,486,520,183**	**1,243,386,766**
Non- associate investments include:				
Listed securities:				
- Equity securities : RSA (MTN Shares)	1,246,454,937	948,167,539	1,246,454,937	948,167,539
Unlisted securities:				
Securities not traded on an active market	240,065,245	295,219,227	240,065,245	295,219,227
Beat FM	196	196	196	196
Busamed (Pty) Ltd	147,790,000	198,150,000	147,790,000	198,150,000
Global Wheel (Pty) Ltd	-	6,018,847	-	6,018,847
Ithuba Holdings (Pty) Ltd	30	-	30	-
Liciatron (Pty) Ltd	1	1	1	1
Matlosana (Pty) Ltd	75,139,727	75,593,299	75,139,727	75,593,299
Mayborn Investments (Pty) Ltd	1,710,792	3,099,334	1,710,792	3,099,334
Motseng Investment Holdings (Pty) Ltd	1	1	1	1
MSG Africa Broadcasting (Pty) Ltd	1	178	1	178
Nyonende Investments (Pty) Ltd	1	1	1	1
On Digital Media (Pty) Ltd	1	1	1	1
Ordicode (Pty) Ltd	600	808,426	600	808,426
Rhythm FM	196	196	196	196
Rikatec (Pty) Ltd	1,385,621	1	1,385,621	1
Western Breeze Trading 297 (Pty) Ltd	1	1	1	1
Zulimar Trading (Pty) Ltd	14,038,077	11,548,745	14,038,077	11,548,745
	1,486,520,183	**1,243,386,766**	**1,486,520,183**	**1,243,386,766**

11.2 Unincorporated joint ventures and investments (Strategic Project Fund Transactions)

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Unincorporated equity investment fair value through profit and loss	**96,329,550**	**95,942,850**	**96,329,550**	**95,942,850**
Opening Balance	95,942,850	110,887,068	95,942,850	110,887,068
Additions	386,700	961,608	386,700	961,608
Write-off	-	(15,905,826)	-	(15,905,826)
Fair value movements	**(96,315,550)**	**(95,928,850)**	**(96,315,550)**	**(95,928,850)**
- Balance brought forward from prior year	(95,928,850)	(110,868,068)	(95,928,850)	(110,868,068)
- Fair value (losses)	(386,700)	(966,608)	(386,700)	(966,608)
- Write-off	-	15,905,826	-	15,905,826
Net investment value through profit & loss financial assets	**14,000**	**14,000**	**14,000**	**14,000**
Total investments at fair value	**1,486,534,183**	**1,243,400,766**	**1,486,534,183**	**1,243,400,766**

These investments comprise the following unlisted investments representing the right to subscribe for equivalent equity in the Company at a pre-determined time in the future upon completion of feasibility studies, the cost of which is detailed on the following page.

2025

Investment	Investment at cost	Fair value	Interest in project/ joint venture	Effective voting on Joint Steering Committee
	R	R	%	%
Rare Metals Industries (Pty) Ltd*	13,500,000	1,000	30%	30%
African Silica Investments (Pty) Ltd	7,000,000	1,000	50%	50%
Tyre Energy Extraction (Pty) Ltd	11,268,946	1,000	47%	47%
Municipal Waste t/a Lanele Resources (Pty) Ltd	10,000,000	1,000	49%	49%
Modular Industries Building Technologies (Pty) Ltd	15,000,000	1,000	50%	50%
Cape Point Film Studios	2,878,195	1,000	22%	22%
Jalo Enterprise	8,770,360	1,000	50%	50%
Mendi Rail and Engineering (Pty) Ltd	9,762,500	1,000	49%	49%
Nyamane Agro-foods Holdings (Pty) Ltd	8,045,848	1,000	50%	50%
Cape Town Creative studios	891,303	1,000	49%	49%
Cape Town Creative Space	1,007,197	1,000	49%	49%
Van Der Tlale (Pty) Ltd	428,571	1,000	30%	30%
Lebombo Agricultural Secondary Co-Operative Ltd	6,524,938	1,000	49%	49%
Nkomazi Cotton Development Project	1,251,692	1,000	49%	49%
	96,329,550	**14,000**		

***The Trust holds a participation interest in a joint venture that has been formed for the development of the project. This interest shall convert to a shareholding stake, at a conversion rate that will be determined when the project reaches Financial Close.**

2024

Investment	Investment at cost	Fair value	Interest in project joint venture	Effective voting on joint steering committee
	R	R	%	%
Rare Metals Industries (Pty) Ltd*	13,500,000	1,000	30%	30%
African Silica Investments (Pty) Ltd	7,000,000	1,000	50%	50%
Tyre Energy Extraction (Pty) Ltd	11,268,946	1,000	47%	47%
Municipal Waste t/a Lanele Resources (Pty) Ltd	10,000,000	1,000	49%	49%
Modular Industries Building Technologies (Pty) Ltd	15,000,000	1,000	50%	50%
Cape Point Film Studios	2,878,195	1,000	22%	22%
Jalo Enterprise	8,770,360	1,000	50%	50%
Mendi Rail and Engineering (Pty) Ltd	9,762,500	1,000	49%	49%
Nyamane Agro-foods Holdings (Pty) Ltd	8,045,848	1,000	50%	50%
Cape Town Creative studios	891,303	1,000	49%	49%
Cape Town Creative Space	758,497	1,000	49%	49%
Van Der Tlale (Pty) Ltd	428,571	1,000	30%	30%
Lebombo Agricultural Secondary Co-Operative Ltd	6,524,938	1,000	49%	49%
Nkomazi Cotton Development Project	1,113,692	1,000	49%	49%
	95,942,850	**14,000**		

***The Trust holds a participation interest in a joint venture that has been formed for the development of the project. This interest shall convert to a shareholding stake, at a conversion rate that will be determined when the project reaches Financial Close.**

12 ORIGINATED LOANS

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Opening balance	**2,411,634,227**	**2,227,125,089**	**2,573,240,960**	**2,393,405,783**
Net movement for the year	**109,157,070**	**184,509,138**	**115,968,473**	**179,835,177**
Loans disbursed	703,165,245	617,643,397	714,429,410	617,643,397
Interest charged	220,395,021	212,284,858	225,001,706	217,503,021
Loan repayments	(468,770,019)	(397,685,070)	(477,829,466)	(407,602,192)
Write-offs	(283,978,748)	(217,318,751)	(283,978,748)	(217,293,753)
Transfer to loans carried at fair value - note 15	(37,850,744)	-	(37,850,744)	-
Reclassification (to)/from finance leases	1,282,681	-	1,282,681	-
Social benefit	(30,773,739)	(36,374,170)	(30,773,739)	(36,374,170)
Capital raising fees	5,687,373	5,958,874	5,687,373	5,958,874
Closing balance	**2,520,791,297**	**2,411,634,227**	**2,689,209,433**	**2,573,240,960**
Provision for impairment	**(799,922,777)**	**(809,875,995)**	**(904,449,303)**	**(904,810,087)**
- Opening balance	(809,875,995)	(761,102,373)	(904,810,087)	(858,953,237)
- Impairments for the year	(265,826,817)	(260,019,945)	(275,419,251)	(257,103,173)
- Write-offs	275,780,035	211,246,323	275,780,035	211,246,323
	1,720,868,520	**1,601,758,232**	**1,784,760,130**	**1,668,430,874**
Net originated loan balance	**1,720,868,520**	**1,601,758,232**	**1,784,760,130**	**1,668,430,874**
Current portion	287,351,418	397,366,786	289,712,237	412,631,738
Long term portion	1,433,517,102	1,204,391,446	1,495,047,893	1,255,799,135

13 FINANCE LEASE RECEIVABLES

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Opening balance	432,836,135	299,346,138	432,836,135	299,346,138
Net movement for the year	**124,539,567**	**133,489,997**	**124,539,567**	**133,489,997**
Additions	224,772,683	180,870,479	224,772,683	180,870,479
Social benefit	(17,881,866)	(5,397,767)	(17,881,866)	(5,397,767)
Reclassification (to)/from originated loans	(1,282,681)	-	(1,282,681)	-
Interest charged	45,710,224	29,543,580	45,710,224	29,543,580
Repayments	(85,079,889)	(57,707,561)	(85,079,889)	(57,707,561)
Capital raising fee	1,307,249	836,469	1,307,249	836,469
Write-offs	(43,006,153)	(14,655,204)	(43,006,153)	(14,655,204)
Closing balance	**557,375,702**	**432,836,135**	**557,375,702**	**432,836,135**
Provision for Impairment	**(97,028,890)**	**(91,554,471)**	**(97,028,890)**	**(91,554,471)**
- Opening balance	(91,554,471)	(82,383,133)	(91,554,471)	(82,383,133)
- Impairments for the year	(49,306,048)	(23,826,541)	(49,306,048)	(23,826,541)
- Write-offs	43,831,629	14,655,204	43,831,629	14,655,204
Net Finance Lease Receivable balance	**460,346,812**	**341,281,664**	**460,346,812**	**341,281,664**
Gross investment in leases due	**636,935,992**	**545,701,568**	**636,935,992**	**545,701,568**
- within one year	114,771,450	76,448,433	114,771,450	76,448,433
- in second to fifth year inclusive	504,902,204	447,628,223	504,902,204	447,628,223
- after 5 years	17,262,338	21,624,912	17,262,338	21,624,912
Less: unearned finance income	(79,560,290)	(112,865,433)	(79,560,290)	(112,865,433)
Present value of minimum lease payments	**557,375,702**	**432,836,135**	**557,375,702**	**432,836,135**

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Less: allowance for uncollectable minimum lease payments	(97,028,890)	(91,554,471)	(97,028,890)	(91,554,471)
Gross value	**460,346,812**	**341,281,664**	**460,346,812**	**341,281,664**
Present value of minimum lease payments due				
- within one year	46,178,283	52,678,367	46,187,283	52,678,367
- in second to fifth year inclusive	473,044,680	367,156,942	473,044,680	367,156,942
- after 5 years	38,152,739	13,000,826	38,152,739	13,000,826
	557,375,702	432,836,135	557,375,702	432,836,135
Less: Allowance for uncollectable minimum lease payments	(97,028,890)	(91,554,471)	(97,028,890)	(91,554,471)
Carrying amount of minimum lease payments	**460,346,812**	**341,281,664**	**460,346,812**	**341,281,664**
Net finance lease receivable balance	**460,346,812**	**341,281,664**	**460,346,812**	**341,281,664**
Current portion	121,289,275	102,232,646	121,289,275	102,232,646
Long term portion	339,057,537	239,049,018	339,057,537	239,049,018

The NEF recognises instalment sale agreements that transfer substantially all the risks and rewards incidental to ownership of an asset to the entity as finance leases, in accordance with the Standard of GRAP on Leases (GRAP 13). These agreements are typically entered into for the acquisition of movable or immovable property over a fixed term, with repayment structured in instalments. The average lease term is 5 years (2024: 5 years) and the average effective lending rate if 6,7% (2024: 8,17%).

14 INVESTMENTS HELD FOR TRADE

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Fair value balance at beginning of year	25,775,210	21,947,209	25,775,210	21,947,209
Fair value gains	16,588,007	3,828,001	16,588,007	3,828,001
Fair value balance at end of year	**42,363,217**	**25,775,210**	**42,363,217**	**25,775,210**
Investments held for trade				
Listed securities				
Southern Sun	42,363,217	25,775,210	42,363,217	25,775,210
	42,363,217	**25,775,210**	**42,363,217**	**25,775,210**

Investments held for trade include the investment of the NEF in the Southern Sun Hotels Ltd shares totalling 5 104 002 (2024: 5 104 002).

15 LOANS RECEIVABLE AT FAIR VALUE

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Opening balance	-	-	-	-
Transfer from Originated Loans	37,850,744	-	37,850,744	-
Closing balance	**37,850,744**	**-**	**37,850,744**	**-**

The loans carried at fair value comprise of agreement(s) between NEF and investee(s) where there are no fixed end date or determinable payment periods.

16 INVENTORIES

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Finished goods	13,988,920	13,996,646	-	-
Lightning and surge protection goods	2,185,450	2,288,296	-	-
	16,174,370	**16,284,942**	**-**	**-**

17 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Trade receivables	13,789,985	7,880,681	-	-
Deposits	1,905,555	1,905,554	1,879,071	1,879,070
VAT	920,724	397,074	-	-
Other receivables	2,289,958	14,865,389	2,572,451	14,449,318
Total	**18,906,222**	**25,048,698**	**4,451,522**	**16,328,388**

18 FINANCIAL ASSETS

	Group			
	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair Value
	R	R	R	R
Loans and receivables	**2,200,121,554**	**2,200,121,554**	**1,968,088,594**	**1,968,088,594**
* - Originated loans	1,720,868,520	1,720,868,520	1,601,758,232	1,601,758,232
* - Finance leases	460,346,812	460,346,812	341,281,664	341,281,664
- Trade and other receivables	18,906,222	18,906,222	25,048,698	25,048,698
Investments held at fair value	**1,486,534,182**	**1,486,534,182**	**1,243,400,766**	**1,243,400,766**
- Unlisted non-associate equity investments	240,065,245	240,065,245	295,219,227	295,219,227
- Listed non-associate equity investments	1,246,454,937	1,246,454,937	948,167,539	948,167,539
- Unincorporated equity investments	14,000	14,000	14,000	14,000
Investment in associates	**112,304,692**	**112,304,692**	**77,874,853**	**77,874,853**
Investments held for trade	**42,363,217**	**42,363,217**	**25,775,210**	**25,775,210**
- Listed equity	42,363,217	42,363,217	25,775,210	25,775,210
Total	**3,841,323,645**	**3,841,323,645**	**3,315,139,423**	**3,315,139,423**

*** Originated loans and finance leases investment balances are discounted using the market related interest rates which is prime linked. Hence the carrying amounts will be the same as fair values.**

	Trust			
	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair Value
	R	R	R	R
Loans and receivables	**2,249,558,464**	**2,249,558,464**	**2,026,040,925**	**2,026,040,925**
* - Originated loans (Refer to note 12)	1,784,760,130	1,784,760,130	1,668,430,873	1,668,430,873
* - Finance leases (Refer to note 13)	460,346,812	460,346,812	341,281,664	341,281,664
- Trade and other receivables (Refer to note 17)	4,451,522	4,451,522	16,328,388	16,328,388
Investments held at fair value	**1,486,534,182**	**1,486,534,182**	**1,243,400,766**	**1,243,400,766**
- Unlisted non-associate equity investments (Refer to note 11.1)	240,065,245	240,065,245	295,219,227	295,219,227
- Listed non-associate equity investments (Refer to note 11.1)	1,246,454,937	1,246,454,937	948,167,539	948,167,539
- Unincorporated equity investments (Refer to note 11.2)	14,000	14,000	14,000	14,000
Investment in associates (Refer to note 9)	**112,304,692**	**112,304,692**	**77,874,853**	**77,874,853**
Investments held for trade	**42,363,217**	**42,363,217**	**25,775,210**	**25,775,210**
- Listed equity (Refer to note 14)	42,363,217	42,363,217	25,775,210	25,775,210
Total	**3,890,760,555**	**3,890,760,555**	**3,373,091,754**	**3,373,091,754**

*** Originated loans and finance leases investment balances are discounted using the market related interest rates which is prime linked. Hence the carrying amounts will be the same as fair values.**

Fair value hierarchy

The following table details the fair value hierarchy as defined in GRAP 104 for the investments carried at fair value in the financial statements:

	2025			
	Level 1	Level 2	Level 3	Total
	R	R	R	R
Financial assets at fair value through profit and loss	**42,363,217**	**-**	**112,318,692**	**154,681,909**
Associates	-	-	112,304,692	112,304,692
Unincorporated equity investments	-	-	14,000	14,000
Investments held for trade	42,363,217	-	-	42,363,217
Non-associate equity investments	**1,246,454,937**	**-**	**240,065,245**	**1,486,520,182**
Listed equities	1,246,454,937	-	-	1,246,454,937
Unlisted equities	-	-	240,065,245	240,065,245
Total	**1,288,818,154**	**-**	**352,383,937**	**1,641,202,091**

	2024			
	Level 1	Level 2	Level 3	Total
	R	R	R	R
Financial assets at fair value through profit and loss	**25,775,210**	**-**	**77,888,853**	**103,664,063**
Associates	-	-	77,874,853	77,874,853
Unincorporated equity investments	-	-	14,000	14,000
Investments held for trade	25,775,210	-	-	25,775,210
Non-associate equity investments	**948,167,539**	**-**	**295,219,227**	**1,243,386,766**
Listed equities	948,167,539	-	-	948,167,539
Unlisted equities	-	-	295,219,227	295,219,227
Total	**973,942,749**	**-**	**373,108,080**	**1,347,050,829**

Reconciliation of financial assets held at fair value

	2025			
	Level 1	Level 2	Level 3	Total
	R	R	R	R
Opening balance for the year	973,942,749	-	373,108,080	**1,347,050,829**
Additions - Cost	-	-	2,948,594	**2,948,594**
Sales/Transfers	-	-	(8,689,210)	**(8,689,210)**
Fair value adjustments recognised in profit and loss	314,875,405	-	(14,983,527)	**299,891,878**
Closing balance	**1,288,818,154**	**-**	**352,383,937**	**1,641,202,091**

Reconciliation of financial assets held at fair value

	2024			
	Level 1	Level 2	Level 3	Total
	R	R	R	R
Opening balance for the year	1,311,289,178	-	326,463,692	**1,637,752,870**
Additions - Cost	-	-	968,310	**968,310**
Sales/Transfers	-	-	-	**-**
Fair value adjustments recognised in profit and loss	(337,346,429)	-	45,676,078	**(291,670,351)**
Closing balance	**973,942,749**	**-**	**373,108,080**	**1,347,050,829**

Valuations based on observable inputs

Valuations based on observable inputs include:

Level 1

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. This category comprises active listed equities.

Level 2

Financial instruments valued using inputs other than quoted prices as described above for Level 1 but which are observable for the asset or liability, either directly or indirectly, such as:
- quoted price for similar assets or liabilities in an active market;
- quoted price for identical or similar assets or liabilities in inactive markets; - valuation model using observable inputs; and
- valuation model using inputs derived from/corroborated by observable market data.

The portfolio of the fund does not comprise any financial assets that are valued on the basis mentioned above.

Level 3

Financial instruments valued using inputs that are not based on observable market data (unobservable data) such as an entity's own assumptions about assumptions of market participants in pricing the asset or liability.

This category includes certain private equity investments, equity derivatives and loans and advances in the form of shareholder loans that have been classified as equity. In determining the value of Level 3 financial instruments, the following are the principal inputs that can require judgement:

(i) Future earnings and marketability discounts
Future earnings and marketability discounts are key inputs in the valuation of certain private equity investments. Forecast earnings and marketability discounts are unobservable for some investments. The earnings were forecasted using an average of 13,60% - 16,50% (2024: 13,60% - 16,50%) growth rate.

(ii) Comparative multiples
Comparator multiples and point of difference applied to chosen multiples are key inputs in the valuation of certain private equity investments. Price earnings multiples and point of difference applied to chosen multiples are unobservable for some investments.

(iii) Discount rates
Discount rates are key inputs in the valuation of certain private equity investments. Discount rates are unobservable for some investments. The range of discount rate used was 10,70% - 26,00% (2024: 10,70% - 26,00%). These rates were obtained using the nominal weighted average cost of capital per each investment.

Unobservable inputs are determined on the basis of the best information available and may include reference to similar instruments, similar maturities, appropriate proxies or other analytical techniques.

Sensitivity Analysis

Level 3 Contributors	2025		
	Carrying Amount	Effect of 1% Sensitivity adjustment of Carrying Amount	Effect of 10% Sensitivity adjustment of Carrying Amount
	R	R	R
Associates	112,304,692	1,123,047	11,230,469
Unincorporated equity investments	14,000	140	1,400
Unlisted equities	240,065,245	2,400,652	24,006,525
	352,383,937	**3,523,839**	**35,238,394**

Level 3 Contributors	2024		
	Carrying Amount	Effect of 1% Sensitivity adjustment of Carrying Amount	Effect of 10% Sensitivity adjustment of Carrying Amount
	R	R	R
Associates	77,874,853	778,749	7,787,485
Unincorporated equity investments	14,000	140	1,400
Unlisted equities	295,219,227	2,952,192	29,521,923
	373,108,080	**3,731,081**	**37,310,808**

19 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
In relation to the cash flow statement, cash and cash equivalents comprises of the following bank balances				
- Current accounts	536,361,556	164,044,975	523,174,569	155,721,196
- Short-term bank deposits	1,258,640,254	2,080,546,944	1,257,623,820	2,078,443,984
- Cash on hand	77,540	143,212	248	248
Total	**1,795,079,350**	**2,244,735,131**	**1,780,798,637**	**2,234,165,428**

The effective interest rate on short term deposits was 7.39% (2024 - 7.71%). Cash reserves includes commitments and third party contributions as per below table. Unencumbered cash is the uncommitted cash available.

UNENCUMBERED CASH – TRUST

		Trust	
		2025	2024
	Notes	R	R
- Cash as per bank balance		1,780,798,637	2,234,165,428
- Less Commitments	30.4	(318,946,730)	(515,245,286)
- Less external contributions		(1,032,080,641)	(1,315,760,995)
Total		**429,771,266**	**403,159,147**

20 TRUST CAPITAL

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Investment in listed shares				
- At cost	171,000,000	171,000,000	171,000,000	171,000,000
Cash funds received from **the dtic**:	**2,297,431,472**	**2,297,431,472**	**2,297,431,472**	**2,297,431,472**
- Opening Balance	2,297,431,472	2,297,431,472	2,297,431,472	2,297,431,472
Closing balance	**2,468,431,472**	**2,468,431,472**	**2,468,431,472**	**2,468,431,472**

21 INSTALMENT SALE AGREEMENT

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Wesbank	1,163,662	82,895	-	-
Zastrovect Investments (Pty) Ltd purchased certain vehicles under instalment sale agreement. The average terms of these agreements are 5 years.				
Non-current liabilities				
At amortised cost	-	-	-	-
Current liabilities				
At amortised cost	1,163,662	82,895	-	-
Gross leases due				
	1,163,662	**82,895**	-	-
- within one year	232,732	82,895	-	-
- in second to fifth year inclusive	930,930	-	-	-
- after 5 years	-	-	-	-

22 TRADE AND OTHER PAYABLES

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Trade payables	51,995,836	37,105,017	12,934,448	8,440,134
Lease accrual	3,890	23,602	3,890	23,602
Income tax due	178,453	17,738	-	-
Supplier accruals	2,340,880	3,294,877	509,942	578,665
VAT Payable	1,218,517	50,360	-	-
Provisions	**59,627,666**	**67,071,017**	**59,411,832**	**65,646,093**
- Performance awards	49,727,597	52,720,915	49,727,597	52,720,915
- Leave pay	9,900,069	14,350,102	9,684,235	12,925,178
Total	**115,365,242**	**107,562,611**	**72,860,112**	**74,688,494**

The carrying amount of trade payables and other payables approximates their fair value and is payable within 30 days.

PROVISIONS (TRUST)

Reconciliation of provisions 2025	Opening balance	Raised during the year	Utilised during the year	Total
	R	R	R	R
Performance rewards	52,720,916	49,723,427	(52,716,746)	49,727,597
Leave pay	12,925,178	9,684,235	(12,925,178)	9,684,235
	65,646,094	59,407,662	(65,641,924)	59,411,832

PROVISIONS (TRUST)

Reconciliation of provisions 2024	Opening balance	Raised during the year	Utilised during the year	Total
	R	R	R	R
Performance rewards	56,590,055	42,156,392	(46,025,532)	52,720,916
Leave pay	10,969,257	6,081,440	(4,125,519)	12,925,178
	67,559,312	48,237,832	(50,151,051)	65,646,094

PROVISIONS (GROUP)

Reconciliation of provisions 2025	Opening balance	Raised during the year	Utilised during the year	Total
	R	R	R	R
Performance rewards	52,720,916	49,723,427	(52,716,746)	49,727,597
Leave pay	14,350,102	9,772,047	(14,222,082)	9,900,067
	67,071,018	59,495,474	(66,938,828)	59,627,664

PROVISIONS (GROUP)

Reconciliation of provisions 2024	Opening balance	Raised during the year	Utilised during the year	Total
	R	R	R	R
Performance rewards	56,590,055	42,156,392	(46,025,532)	52,720,916
Leave pay	12,287,936	6,187,685	(4,125,519)	14,350,102
	68,877,991	48,344,077	(50,151,051)	67,071,018

23 ENTERPRISE DEVELOPMENT FUNDS

		Group		Trust	
		2025	2024	2025	2024
	Notes	R	R	R	R
External contributions					
- Opening balance		1,294,688,900	1,389,580,896	1,294,688,900	1,389,580,896
- Interest capitalised		7,473,808	7,264,548	7,473,808	7,264,548
- Funds received		800,389,525	126,788,040	800,389,525	126,788,040
- Disbursement		(335,447,022)	(180,573,342)	(342,947,022)	(180,573,342)
- Administration fee		(4,506,679)	(1,150,000)	(4,506,679)	(1,150,000)
- Re-allocation from non-financial support		5,225,487	-	5,225,487	-
- Transfers of funds returned to ED partners		(743,408,150)	(50,153,288)	(743,408,150)	(50,153,288)
- Transferred to sundry debtors		-	2,932,047	-	2,932,047
- Closing balance		**1,024,415,869**	**1,294,688,900**	**1,016,915,869**	**1,294,688,900**
Deferred Income					
- Opening balance		33,610,072	29,647,037	33,610,072	29,647,037
- Transfers of funds returned to ED partners		(775,784)	(2,980,982)	(775,784)	(2,980,982)
- Additions		14,894,420	8,000,000	14,894,420	8,000,000
- Administration fee		(247,098)		(247,098)	
- Amount utilised for non-financial support		(3,069,852)	(1,055,983)	(3,069,852)	(1,055,983)
- Unconditional ESD recognised as sundry (other) income		(26,028,180)	-	(26,028,180)	-
- Re-allocation to non-financial support		(5,225,487)	-	(5,225,487)	-
		13,158,091	**33,610,072**	**13,158,091**	**33,610,072**
Total	**30.4**	**1,037,573,960**	**1,328,298,972**	**1,030,073,960**	**1,328,298,972**

Enterprise development funds emanates from ESD partnerships and related parties which are mainly Government entities.

24 RELATED PARTY TRANSACTIONS

The NEF has been established by the Department of Trade Industry and Competition in terms of the NEF Act. The NEF is related to all entities within the common control of the Department of Trade Industy and Competition in terms of GRAP.

Entities	Group and Trust	
	Undisbursed balances	
	2025	2024
	R	R
Department of Trade Industry and Competition	805,409,499	393,383,721
	805,409,499	**393,383,721**

	Trust	
	Dividends received	
	2025	2024
	R	R
Colliery Dust Control (Pty) Ltd	600,000	1,928,000
	600,000	**1,928,000**

	Management Fee	
	2025	2024
	R	R
Zastrovect Investments (Pty) Ltd (Subsidiary)	900,000	950,000
	900,000	**950,000**

	Travel related expenses	
	2025	2024
	R	R
Industrial Development Corporation of SA	6,142,227	5,265,587
	6,142,227	**5,265,587**

Other related parties

Board of Trustees (refer Note 32)
Investments in associates and subsidiaries as per below:

Related party balances in respect of Investments in Associates and Subsidiaries

	% Holding	Loans receivable before impairment		Investments at cost	
	2025	2025	2024	2025	2024
125 Village Hub (Pty) Ltd/ Muma Investments	20.0%	68,856,704	63,470,198	200	200
Allimor Footwear (Pty) Ltd	30.0%	(1,146)	(1,146)	30	30
Amazin Hotels (Pty) Ltd	20.0%	61,439,108	62,349,280	12,350,000	12,350,000
Business Venture Investments (Pty) Ltd	30.0%	-	19,631,760	30	30
Colliery Dust Control (Pty) Ltd	44.6%	-	-	401	401
Crowie Holdings (Pty) Ltd	26.2%	-	-	25,000,000	25,000,000
Delswa (Pty) Ltd (Subsidiary)	100.0%	-	-	1	1
Dika Plastic Pipes (Pty) Ltd	35.0%	23,358,979	11,486,597	35	35
False Bay Bricks (Pty) Ltd	30.0%	-	-	350	350
Ga Matlala Roof Tiles and Bricks (Pty) Ltd	30.0%	-	-	300	300
Gemilatex (Pty) Ltd	34.0%	51,406,362	-	2,557,419	-
Go 2 Market (Pty) Ltd	38.0%	11,752,563	10,379,515	8,000,000	8,000,000
Gradoscope (Pty) Ltd	26.0%	20,405,784	19,304,918	26	26
Graskop Gorge Lift Company (Pty) Ltd	26.1%	14,259,856	22,376,576	2,321,739	2,321,739
Imbaza Mussel (Pty) Ltd	25.0%	1,141,429	1,451,786	250	250
Joy House Academy (Pty) Ltd	45.0%	6,566,127	7,572,164	2,000,000	2,000,000
Long Mark Securities (formerly Argon Security)	49.0%	1,093	156,939	5,000,000	5,000,000
Magoveni Pharmaceuticals (Pty) Ltd	25.0%	-	-	1	1
M-Care Operating Company (Pty) Ltd	25.1%	-	30,681,212	2,250	2,250

	% Holding	Loans receivable before impairment		Investments at cost	
	2025	2025	2024	2025	2024
M-Care Property Company (Pty) Ltd	22.5%	-	-	2,250	2,250
M-Care Management Company (Pty) Ltd	30.0%	-	-	300	300
Mandini Reclaim (Pty) Ltd	25.1%	10,105,877	10,547,617	3,351	3,351
Mandini Refine (Pty) Ltd	25.1%	21,871,473	20,055,938	3,351	3,351
Mandini Resize (Pty) Ltd	25.0%	8,206,182	-	4,021	-
Middelsdrift Dairy (Pty) Ltd	40.0%	1,700,000	1,700,000	4,500,040	4,500,040
Mohale Agricultural Co-operative	45.0%	421,316	5,668,999	450	450
Mohlalefi Engineering (Pty) Ltd	49.0%	58,691,403	61,548,842	49	49
National Empowerment Fund Corporation SOC Ltd (Subsidiary)	100.0%	27,366,921	26,551,087	100	100
Okubabayo (Pty) Ltd	30.0%	13,521,780	11,900,959	2,817,878	2,817,878
Pyratrade (Pty) Ltd	30.0%	18,010,026	18,010,026	30	30
Rapid Purple Waters Trading (Pty) Ltd	0.0%	-	39,630,572	-	450
Rhino Ridge Lodge (Pty) Ltd	0.0%	-	7,131	-	333
Royal Thonga Safari Lodge (Pty) Ltd	36.0%	14,369,952	13,002,170	36	36
Sehwai Exploration Drilling (Pty) Ltd	45.0%	3,388,411	3,388,411	112	112
Stutt Brick Company (Pty) Ltd	49.0%	-	18,833,208	30,499,181	30,499,181
Super Grand Agric (Pty) Ltd	30.0%	7,985,889	7,985,889	45	45
Surgetek (Pty) Ltd (Subsidiary)	100.0%	25,153,538	22,961,914	13,698,349	13,698,349
Tshellaine Holdings	30.0%	61,207,963	55,210,366	30	30
Unique Engineering (Pty) Ltd	39.0%	-	-	490	490
Umnotho Maize (Pty) Ltd	40.0%	4,005,667	10,600,617	400	400
Value Cement (Pty) Ltd	25.8%	-	-	31	31
Willowvale (Pty) Ltd	45.0%	914,576	3,664,576	450	450
Zastrovect Investments (Pty) Ltd (Subsidiary)	100.0%	53,003,789	55,699,843	7,799,104	7,799,104
Total		**581,074,918**	**635,802,606**	**116,563,079**	**114,002,471**

25 INTEREST AND DIVIDEND INCOME

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Interest - cash	135,219,448	196,201,634	134,714,103	195,951,529
Interest - originated loans	220,395,021	212,284,858	225,001,706	217,503,021
Interest - finance leases	45,710,224	29,543,580	45,710,224	29,543,580
Interest - other	223,149	6,279,663	223,149	6,279,663
Dividends	81,134,288	65,307,058	81,134,288	65,307,058
	482,682,130	**509,616,793**	**486,783,470**	**514,584,851**

26 NET SUNDRY INCOME

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Sales	457,702,184	478,362,915	-	-
Cost of sales	(374,607,202)	(387,734,995)	-	-
Bad debts recovered	1,800,026	4,006,932	1,800,026	4,006,932
Capital raising fee	7,836,350	7,437,732	7,836,350	7,437,732
Enterprise development admin fees	30,781,957	1,150,000	30,781,957	1,150,000
Other income	5,073,450	4,167,932	5,081,480	4,429,139
Income from enterprise development funds	247,877,803	126,690,827	255,377,803	126,690,827
	376,464,568	**234,081,343**	**300,877,616**	**143,714,630**

27 ADMINISTRATION EXPENSES

		Group		Trust	
		2025	2024	2025	2024
	Note	R	R	R	R
Net operating income is arrived at after taking into account:					
Auditors' remuneration		**3,369,651**	**3,049,168**	**2,910,543**	**2,776,705**
- For external audit fees		3,369,651	3,049,168	2,910,543	2,776,705
Professional fees		**12,265,292**	**13,359,607**	**12,211,983**	**13,355,607**
- Human resources		787,923	137,655	787,923	137,655
- Information technology		939,024	1,133,454	939,024	1,133,454
- Legal fees		5,979,754	7,370,065	5,926,445	7,366,065
- Internal audit - outsourced fees		539,071	745,154	539,071	745,154
- Finance		1,093,739	1,126,920	1,093,739	1,126,920
- Risk management		794,218	837,078	794,218	837,078
- Strategy		76,199	-	76,199	-
- Investments		2,055,364	2,009,281	2,055,364	2,009,281
Depreciation	4	**3,658,865**	**3,646,767**	**2,051,996**	**2,139,678**
- Motor vehicles		668,408	708,885	-	61,652
- Computer equipment		1,993,009	2,229,742	1,987,998	2,044,657
- Audio visual equipment		17,202	-	17,202	-
- Plant and machinery		466,532	445,387	-	-
- Office equipment		54,752	64,083	-	3,647
- Furniture and fittings		86,861	55,621	43,880	26,798
- Leasehold improvements		108,130	97,968		
- Paintings		2,916	2,924	2,916	2,924
- Other assets		261,055	42,157	-	-
Amortisation of intangible assets	6	**827,219**	**856,810**	**2,998**	**-**
Repairs and maintenance		**2,642,854**	**2,326,331**	**790,206**	**1,062,701**
Operating lease rentals		**14,300,764**	**13,294,101**	**13,927,354**	**12,887,002**
- Property rental		13,709,609	12,871,071	13,586,407	12,747,253
- Equipment rental		591,155	423,030	340,947	139,749
Staff costs		**267,229,413**	**266,975,311**	**219,613,138**	**221,522,542**
Other operating expenses		**83,282,414**	**112,724,085**	**49,687,571**	**75,532,130**
		387,576,472	**416,232,181**	**301,195,789**	**329,276,365**
Trustees and senior management emoluments	32			**18,711,363**	**26,636,520**
Headcount at year end				**183**	**182**

28 SALE OF INVESTMENT

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Proceeds from disposal of Global Wheel	9,000,000	-	9,000,000	-
fair value of the investment at the date of disposal	(8,688,760)	-	(8,688,760)	-
Profit on sale of investment	**311,240**	-	**311,240**	-

29 TAXATION

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Current year	927,086	2,510,480	-	-
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense:				
Accounting profit/(loss)	3,206,307	5,099,203	-	-
Tax at the applicable tax rate of 27%	865,703	1,376,785	-	-
Tax effect of adjustment of taxable income				
Disallowed expenditure	107,941	1,482,378	-	-
Tax allowances	(51,339)	(398,699)	-	-
Donation tax	4,781	26,240	-	-
Prior period (over)/under provision in deferred tax	-	21,574	-	-
Prior period (over)/under provision in normal tax	-	2,202	-	-
	927,086	**2,510,480**		

Taxation income or expense that arose from Zastrovect Investments (Pty) Ltd operations.

The South African Revenue Service (SARS) had confirmed that the application for exemption from income tax for National Empowerment Fund Corporation SOC Limited was approved. Income Tax Exemption has been granted in terms of section 10(1)(cA)(ii) of the Act. The exemption approval is subject to review on an annual basis by the Tax Exemption Unit upon receipt of the annual tax returns.

30 IMPAIRMENTS AND WRITE-OFFS

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Net impairments				
Originated loans (reversal) / charge	11,225,572	48,773,621	(360,784)	45,856,849
Finance leases charge	5,474,419	9,171,338	5,474,419	9,171,338
Net impairment for the year	**16,699,991**	**57,944,959**	**5,113,635**	**55,028,187**
Write-offs				
Originated loans	261,630,090	217,293,753	283,978,748	217,293,753
Finance leases	43,831,629	14,655,204	43,006,153	14,655,204
Write-offs for the year	**305,461,719**	**231,948,957**	**326,984,901**	**231,948,957**
Net impairment and write-offs	**322,161,710**	**289,893,916**	**332,098,536**	**286,977,144**

Refer to notes 12 and 13 as a reference per investment instrument. The increase in impairment can be attributed to several factors, including the prevailing economic conditions in the country that have placed our clients in an arduous position.

31 COMMITMENTS – TRUST

31.1 Operating lease commitments – property rentals

	Trust	
	2025	2024
	R	R
The future minimum lease payments on office premises rentals under operating leases are as follows:		
Not later than 1 year	8,132,032	7,664,020
Later than 1 year but not later than 5 years	1,265,086	2,954,050
	9,397,118	**10,618,070**

Operating lease payments represent rentals payable by the Trust for office properties. Leases are negotiated for an average term of between 2 to 5 years, with an average escalation of 9% per

31.2 Undrawn loans and investments

	Trust	
	2025	2024
	R	R
Not later than 1 year	**318,946,730**	**515,245,286**

Payment will be made out of cash reserves.

31.3 Loans and investments approved and committed, but not yet contracted

	Trust	
	2025	2024
	R	R
Not later than 1 year	**153,269,500**	**248,944,449**

Payment will be made out of cash reserves.

31.4 Conditional Funding

	Trust	
	2025	2024
	R	R
Conditional contributions (recognised in current liabilities)		
Opening Balance	1,328,298,972	1,419,227,933
- Contributions received	815,283,945	134,788,040
- Interest capitalised	7,473,808	7,264,547
- Funds disbursed	(346,016,874)	(181,629,325)
- Administration fee	(4,753,777)	(1,150,000)
- Transfers of funds returned to ED partners	(744,183,934)	(53,134,270)
- Unconditional ESD to be recognised as sundry (other) income	(26,028,180)	-
- Transferred to sundry debtors	-	2,932,047
	1,030,073,960	1,328,298,972
Total Liability :(Note 23)	1,030,073,960	1,328,298,973
Total contributions available for future disbursements	**1,030,073,960**	**1,328,298,972**

The external contributions represent cash received from third parties for disbursement to qualifying beneficiaries, as determined in the terms and conditions of the Memorandum of Agreement with the respective third parties.

32 TRUSTEES AND SENIOR MANAGEMENT EMOLUMENTS

Year ended 31 March 2025

	Basic	Bonuses & performance payments	Acting allowance	Provident fund contributions	Other contributions	Fees to Non-Executive Trustees	Total
	R	R	R	R	R	R	R
Executive trustee:							
* Mr Mziwabantu Dayimani (CEO)	2,771,595	1,090,942	731,034	415,739	234,922	-	5,244,232
	2,771,595	**1,090,942**	**731,034**	**415,739**	**234,922**	**-**	**5,244,232**
Senior Management:							
Mr Phumudzo Siphuma (CFO)	2,038,548	777,710	-	407,710	306,730	-	3,530,698
** Mr Joel Mphela (Acting Divisional Executive)	-	-	412,452	-	-	-	412,452
Mr Matshezandile Stemela (Divisional Executive)	1,983,545	643,113	-	238,025	177,855	-	3,042,538
*** Ms Zandile Mhlongo (Acting General Counsel)	-	-	472,170	-	-	-	472,170
Mr Nhlanhla Nyembe (Divisional Executive)	2,143,820	932,432	-	321,573	436,968	-	3,834,793
	6,165,913	**2,353,255**	**884,622**	**967,308**	**921,553**	**-**	**11,292,651**

*** Mr Dayimani appointed effective 05 December 2024.**

**** Mr Mphela was appointed as Acting Divisional Executive for Venture Capital and Corporate Finance on 01 March 2024.**

***** Ms Mhlongo was appointed as Acting General Counsel effective 1 February 2024 till 31 March 2025.**

	Basic	Bonuses & performance payments	Acting allowance	Provident fund contributions	Other contributions	Fees to Non-Executive Trustees	Total
	R	R	R	R	R	R	R
Non-executive trustees:							
* Dr Nthabiseng Moleko (Chairperson)	-	-	-	-	-	527,416	**527,416**
** Dr Monde Tom	-	-	-	-	-	206,816	**206,816**
Ms Rethabile Nkosi	-	-	-	-	-	446,062	**446,062**
Ms Lucretia Khumalo	-	-	-	-	-	-	**-**
Ms Philile Mbokazi	-	-	-	-	-	485,900	**485,900**
Ms Thinavhuyo Mpye	-	-	-	-	-	508,286	**508,286**
	-	**-**	**-**	**-**	**-**	**2,174,480**	**2,174,480**
TOTAL	**8,937,508**	**3,444,197**	**1,615,656**	**1,383,047**	**1,156,475**	**2,174,480**	**18,711,363**

*** Dr Nthabiseng Moleko (Chairperson) term ended 4 January 2025**

**** Dr Monde Tom term ended 4 August 2024**

Year ended 31 March 2024

	Basic	Bonuses & performance payments	Acting allowance	Provident fund contributions	Other contributions	Fees to Non-Executive Trustees	Total
	R	R	R	R	R	R	R
Executive trustees:							
* Ms Philisiwe Mthethwa (CEO)	3,141,713	1,871,552	-	592,193	181,844	-	5,787,302
** Mr Mziwabantu Dayimani (ACEO)	2,604,956	1,212,068	234,945	390,743	217,518	-	4,660,230
	5,746,669	**3,083,620**	**234,945**	**982,936**	**399,362**	**-**	**10,447,532**
Senior Management:							
^ Mr Phumudzo Siphuma (CFO)	2,088,150	697,535	39,488	358,003	58,904	-	3,242,080
^^ Ms Zama Khanyile (Divisional Executive)	2,097,551	917,176	-	251,706	153,313	-	3,419,746
$ Mr Matshezandile Stemela (Divisional Executive)	1,501,280	618,799	202,724	180,154	154,134	-	2,657,091
Mr Nhlanhla Nyembe (Divisional Executive)	2,282,525	989,511	-	309,979	204,989	-	3,787,004
	7,969,506	**3,223,021**	**242,212**	**1,099,842**	**571,340**	**-**	**13,105,921**

*** Ms Mthethwa retired on 31 December 2023.**

**** Mr Dayimani appointed as Acting CEO effective 01 January 2024.**

^ Mr Siphuma appointed effective 16 May 2023.

^^ Ms Khanyile resigned effective 29 February 2024.

$ Mr Stemela appointed effective 06 February 2024.

	Basic	Bonuses & performance payments	Acting allowance	Provident fund contributions	Other contributions	Fees to Non-Executive Trustees	Total
	R	R	R	R	R	R	R
Non-executive trustees:							
Dr Nthabiseng Moleko (Chairperson)	-	-	-	-	-	877,956	**877,956**
Dr Monde Tom	-	-	-	-	-	336,564	**336,564**
Ms Rethabile Nkosi	-	-	-	-	-	583,367	**583,367**
Ms Lucretia Khumalo	-	-	-	-	-	-	**-**
* Mr Roy Harichunder	-	-	-	-	-	314,697	**314,697**
Ms Philile Mbokazi	-	-	-	-	-	486,510	**486,510**
Ms Thinavhuyo Mpye	-	-	-	-	-	483,973	**483,973**
	-	**-**	**-**	**-**	**-**	**3,083,067**	**3,083,067**
TOTAL	**13,716,175**	**6,306,641**	**477,157**	**2,082,778**	**970,702**	**3,083,067**	**26,636,520**

*** Mr Harichunder's term ended 05 January 2024.**

33 NOTES TO THE CASH FLOW STATEMENT

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Reconciliation of net (deficit)/surplus to cash flows from operating activities:				
Deficit for the year	**398,973,800**	**(298,501,732)**	**405,914,275**	**(291,396,315)**
Adjustment for:	**(441,784,271)**	**279,636,537**	**(451,995,163)**	**256,690,637**
Depreciation & amortisation	4,519,259	7,297,244	2,055,404	2,139,678
Interest accrued on investments	(266,105,245)	(241,828,439)	(270,711,931)	(247,046,603)
Loss/(Profit) on disposal of fixed assets	3,325,253	(72,224)	-	-
Other non-cash items*	784,196	781,086	(311,240)	-
Capital raising fee	(6,994,622)	(6,795,343)	(6,994,622)	(6,795,343)
Social benefit	48,655,605	41,771,937	48,655,605	41,771,937
Provision for bad debts	229,401	21,098,357	-	14,664,301
Dividends received	(1,517,233)	-	(1,517,233)	-
Net Impairment and write-offs	322,161,710	289,893,916	332,098,536	286,977,144
Fair value adjustments	(299,891,879)	291,670,350	(299,891,879)	291,670,350
Income from enterprise development funds	(247,877,803)	(126,690,827)	(255,377,803)	(126,690,827)
Taxation	927,086	2,510,480	-	-
Operating deficit before working capital changes	**(42,810,471)**	**(18,865,195)**	**(46,080,888)**	**(34,705,678)**
Working capital changes	**(31,076,914)**	**19,049,225**	**(32,798,679)**	**18,111,463**
(Increase)/Decrease in inventories	110,572	(557,480)	**-**	**-**
(Increase)/Decrease in trade and other receivables	1,567,963	295,601	11,876,866	(886,304)
Proceeds from enterprise development funders	815,283,945	134,788,040	815,283,945	134,788,040
Decrease in trade and other payables	(848,039,393)	(115,476,936)	(859,959,490)	(115,790,273)
Other operating activities	**(377,940,371)**	**(344,089,555)**	**(379,241,333)**	**(334,172,433)**
Investment disbursements	(930,886,523)	(799,482,186)	(942,150,687)	(799,482,186)
Interest received on originated loans and finance leases	91,432,130	189,130,636	96,038,816	194,348,799
Repayments on originated loans and leases	461,514,022	266,261,995	466,870,539	270,960,954
Net cash outflows from operating activities	**(451,827,755)**	**(343,905,525)**	**(458,120,900)**	**(350,766,648)**

*** Other non-cash items relate to profit on sale of investment.**

34 INVESTMENT DISBURSEMENTS

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Originated loans	703,165,245	617,643,397	714,429,410	617,643,397
Investments in associates	2,561,894	6,702	2,561,894	6,702
Unincorporated equity investments	386,700	961,608	386,700	961,608
Finance leases	224,772,683	180,870,479	224,772,683	180,870,479
Total disbursements	**930,886,522**	**799,482,186**	**942,150,687**	**799,482,186**

35 REPAYMENTS ON ORIGINATED LOANS AND LEASES

35.1 CAPITAL REPAYMENTS ON ORIGINATED LOANS AND LEASES

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Originated loans	398,657,398	231,036,247	404,013,915	235,735,206
Finance leases	62,856,624	35,225,748	62,856,624	35,225,748
	461,514,022	**266,261,995**	**466,870,539**	**270,960,954**

35.2 INTEREST RECEIVED

	Group		Trust	
	2025	2024	2025	2024
	R	R	R	R
Interest received on originated loans and finance leases	91,448,937	189,130,636	96,038,816	194,348,799
Interest received - cash	135,442,596	202,481,297	134,937,251	202,231,192
	226,891,533	**391,611,933**	**230,976,067**	**396,579,991**

36 RECONCILIATION OF STATEMENT OF FINANCIAL PERFORMANCE TO BUDGET

36.1 Revenue

Interest received from investments was higher than budget as a result of an increase in disbursements. Dividends received increased by more than 24% due to an increase in the dividends declared in the 2025 financial year than budgeted.

36.2 Sundry income (revenue from non-exchange transactions)

The revenue from non-exchange transactions as at 31 March 2025 was R255 million against the budget of R35 million. This resulted in a positive variance which was mainly contributed by income recognised against enterprise development fund disbursements in terms of GRAP 23 - revenue from non-exchange of R254 million.

36.3 Total expenses

Total expenses include social benefit expense incurred in terms of GRAP 104 as a result of concessionary loans disbursed at a rate less than the prime interest rate.

Excluding the above accounting expenses, total savings for the current year are due to funded positions that are not yet filled and admin related costs as a result of cost containment measures.

36.4 Impairments and write-offs

For the current year, the impairment ratio is at 30%. Throughout the year, the NEF dutifully fulfilled its obligation to manage impairments and ensure loan book quality is maintained. Unfortunately, certain unfavourable contingencies such as minimal economic expansion and energy deficiencies adversely affected clients' capacity for repayment during the year, resulting in significant increase in arrears.

36.5 Fair value gains

The fair value gains were influenced by the increase in the MTN share price, which increased from R93.74 to R123.22 as at 31 March 2025.

37 IRREGULAR EXPENDITURE & FRUITLESS AND WASTEFUL EXPENDITURE (GROUP)

As a Schedule 3A public entity, the NEF is required to comply with the provisions of the Public Finance Management Act (PFMA) and the Preferential Procurement Policy Framework Act (PPPFA), Act No. 5 of 2000. This compliance obligation extends to the NEF's subsidiaries. In fulfilling its mandate to provide development finance and support the establishment of Black-owned businesses, the NEF may acquire equity stakes in investee companies, which, from an accounting perspective, may result in such entities being classified as subsidiaries. In terms of section 3 of the PFMA, these subsidiaries are regarded as public entities and are therefore required to comply with the PFMA, unless exempted by the Minister of Finance. In prior years, the NEF obtained such exemptions to allow its subsidiaries to operate under the Companies Act, recognising the commercial realities of these investments. Although exemptions were not obtained in the previous three financial years, the NEF has secured the required exemption from the Minister of finance for a period of 5 years which includes the current year under review. This exemption regularises the compliance status of the affected subsidiaries and enables their operations to be assessed in line with private sector practices. Consequently, expenditure incurred by these subsidiaries during the current financial year is not considered irregular.

	Group	
	2025	2024
	R	R
Irregular Expenditure and Fruitless and wasteful expenditure		
Irregular expenditure	-	261,657,734
Fruitless and wasteful expenditure	-	-
Total	**-**	**261,657,734**

38 INCOME TAX EXEMPTION

The Trust is exempt from income tax in terms of Sections 10 (1)(cA) of the Income Tax Act.

39 NATIONAL EMPOWERMENT FUND CORPORATION (SOC) LTD

The Entity was established by the Trust, in which the Trust has a 100% interest. In 2002, as provided for in the NEF Act (Act 105 of 1998). The company holds a strategic investment property from which it earns rental income. The Trust obtained permission from the National Treasury under Section 54 of the PFMA that the Trust may utilise this entity in any of its future Investment activities. The company has a tax exemption effective as 01 March 2014 subject to review on an annual basis by the Tax Exemption Unit upon receipt of the annual income tax return.

40 CONTINGENT LIABILITIES

As at 31 March 2025, the National Empowerment Fund had contingent liabilities totalling R488.7 million, (2024: R475.7 million), primarily relating to litigation and contractual disputes. The entity is currently defending these matters, and no provisions have been raised. Due to the sensitive nature of these matters, further details have been withheld in accordance with paragraph 111 of GRAP 19.

41 SEGMENT REPORTING

The NEF has offices throughout the nine provinces in the country, so as to increase its accessibility and coverage. Each of the satellite offices operates independently in carrying out the mandate of the NEF. Funding activities and decisions takes place at Head Office (Gauteng). In accordance with GRAP 18 - Segment Reporting, the Trust is required to report on performance aspects of its segments. Below is a segmental report indicating the operating costs and fixed asset outlay per segment. There is no transfer pricing between the various regional operations presented below, meaning that there are significant costs borne by head office, but attributable to the regions.

Operating expenditure per segment

Category	Gauteng	Free State	Limpopo	Eastern Cape	Mpumalanga	KZN	North West	Western Cape	Northern Cape	Total
Employee costs	203,805,376	2,866,330	3,351,888	1,181,389	2,973,148	812,390	674,131	2,527,153	3,814,082	222,005,887
Other operating expenses	74,057,950	307,537	387,498	746,290	524,223	1,140,090	599,885	746,087	680,342	79,189,902
Total base costs	**277,863,326**	**3,173,867**	**3,739,386**	**1,927,679**	**3,497,371**	**1,952,480**	**1,274,016**	**3,273,240**	**4,494,424**	**301,195,789**

Non-current assets per region

Category	Gauteng	Free State	Limpopo	Eastern Cape	Mpumalanga	KZN	North West	Western Cape	Northern Cape	Total
Property and equipment at cost	21,226,917	60,683	60,930	89,120	53,277	94,311	31,159	36,858	548,235	22,201,490
Accumulated depreciation	(16,558,193)	(60,683)	(60,930)	(61,877)	(53,277)	(43,260)	(31,159)	(36,858)	(485,850)	(17,392,088)
Net carrying amount	**4,668,724**	**-**	**-**	**27,243**	**-**	**51,051**	**-**	**-**	**62,385**	**4,809,402**

42 EVENTS AFTER REPORTING DATE

Management is not aware of any adjusting or non-adjusting events which occurred after the reporting date.

43 GOING CONCERN

Management performed detailed scenarios to demonstrate that it is fully within the Board's discretion to preserve the capital of the NEF by giving a directive on the level of approvals to be made in any given year until a longer term funding solution is secured for the organization.

In conclusion Management is of the view that the NEF remains a going concern and the application of this principle in the preparation of its financial statements as at 31 March 2025 is appropriate.

ADMINISTRATION

TRUSTEES

* Dr Nthabiseng Moleko (Chairperson)
** Mr Mziwabantu Dayimani (CEO)
*** Dr Monde Tom
Ms Rethabile Nkosi
Ms Lucretia Khumalo
Ms Philile Mbokazi
Ms Thinavhuyo Mpye

*** Dr Nthabiseng Moleko's term ended 4 January 2025.**
**** Mr Dayimani appointed as CEO effective 5 December 2024.**
***** Dr Monde Tom's term ended 4 August 2024.**

BANKERS

Standard Bank Limited
First National Bank Limited
Rand Merchant Bank
South African Reserve Bank

AUDITORS

SizweNtsalubaGobodo Grant Thornton Incorporated

BUSINESS ADDRESS

70 Grayston Drive
Sandown
Sandton
2196

POSTAL ADDRESS

P.O. Box 31
Melrose Arch
Melrose North
2076

REGISTERED ADDRESS

70 Grayston Drive
Sandown
Sandton
2196

GAUTENG (HEAD OFFICE)

70 Grayston Drive, Sandown, Sandton, Johannesburg, 2196
+27 (11) 305 8000
+27 (11) 305 8001
0861 843 633 / 0861 (THE NEF)
applications@nefcorp.co.za (Funding)
info@nefcorp.co.za (General Enquiries)

EASTERN CAPE

6 – 8 Donald Road, Vincent, East London
(043) 783 4200
0861 ECP NEF (0861 327 633)
0861 NEF ECP (0861 633 327)
easterncape@nefcorp.co.za

FREE STATE

Office No 75, Cnr Charlotte Maxeke and East Burger Street , Bloem Plaza, Bloemfontein Central
0861 NEF FSP (0861 633 377)
0861 FSP NEF (0861 377 633)
freestate@nefcorp.co.za

KWAZULU-NATAL

4th Floor (South Side), Grindrod Bank Building, 5 Arundel Close, Kingsmead Office Park, Durban
(031) 301 1960
0861 KZN NEF (0861 596 633)
0861 NEF KZN (0861 633 596)
kzn@nefcorp.co.za

LIMPOPO

Suite 8, Biccard Park, 43 Biccard Street, Polokwane 0699
(015) 294 9200
0861 LIM NEF (0861 546 633)
0861 NEF LIM (0861 633 546)
limpopo@nefcorp.co.za

MPUMALANGA

13 Ferreira Street, Maxsa Building, 2nd floor, Nelspruit
(013) 754 9860 | (013) 754 9860
0861 MPU NEF (0861 678 633)
0861 NEF MPU (0861 633 678)
mpumalanga@nefcorp.co.za

NORTH WEST

32B Heystek Street, Sunetco Office Park, Ground Floor, Rustenburg, 0299
0861 NEF NWP (0861 633 697)
0861 NWP NEF (0861 697 633)
northwest@nefcorp.co.za

NORTHERN CAPE

Monridge Office Park, Kekewich Drive, Block 3, Ground floor, Kimberley, 8301
0861 NEF NCP (0861 633 627)
0861 NCP NEF (0861 627 633)
northerncape@nefcorp.co.za

WESTERN CAPE

National Empowerment Fund, South African Reserve Bank Building, 11th Floor, 60 Burg Street, Cape Town
(021) 431 4760
0861 WCP NEF (0861 927 633)
0861 NEF WCP (0861 633 927)
westerncape@nefcorp.co.za

www.nefcorp.co.za

FOLLOW US: @nefcorp | National Empowerment Fund | National Empowerment Fund | @theNEF | National Empowerment Fund

ISBN: 978-1-83491-143-4
RP278/2025

NATIONAL EMPOWERMENT FUND
Growing Black Economic Participation

the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA