TSHWANE AUTOMOTIVE SPECIAL ECONOMIC ZONE

ANNUAL REPORT 2022/23

TSHWANE AUTOMOTIVE
SPECIAL ECONOMIC ZONE

AFRICA'S FIRST AUTOMOTIVE CITY

AFRICA'S FIRST AUTOMOTIVE CITY

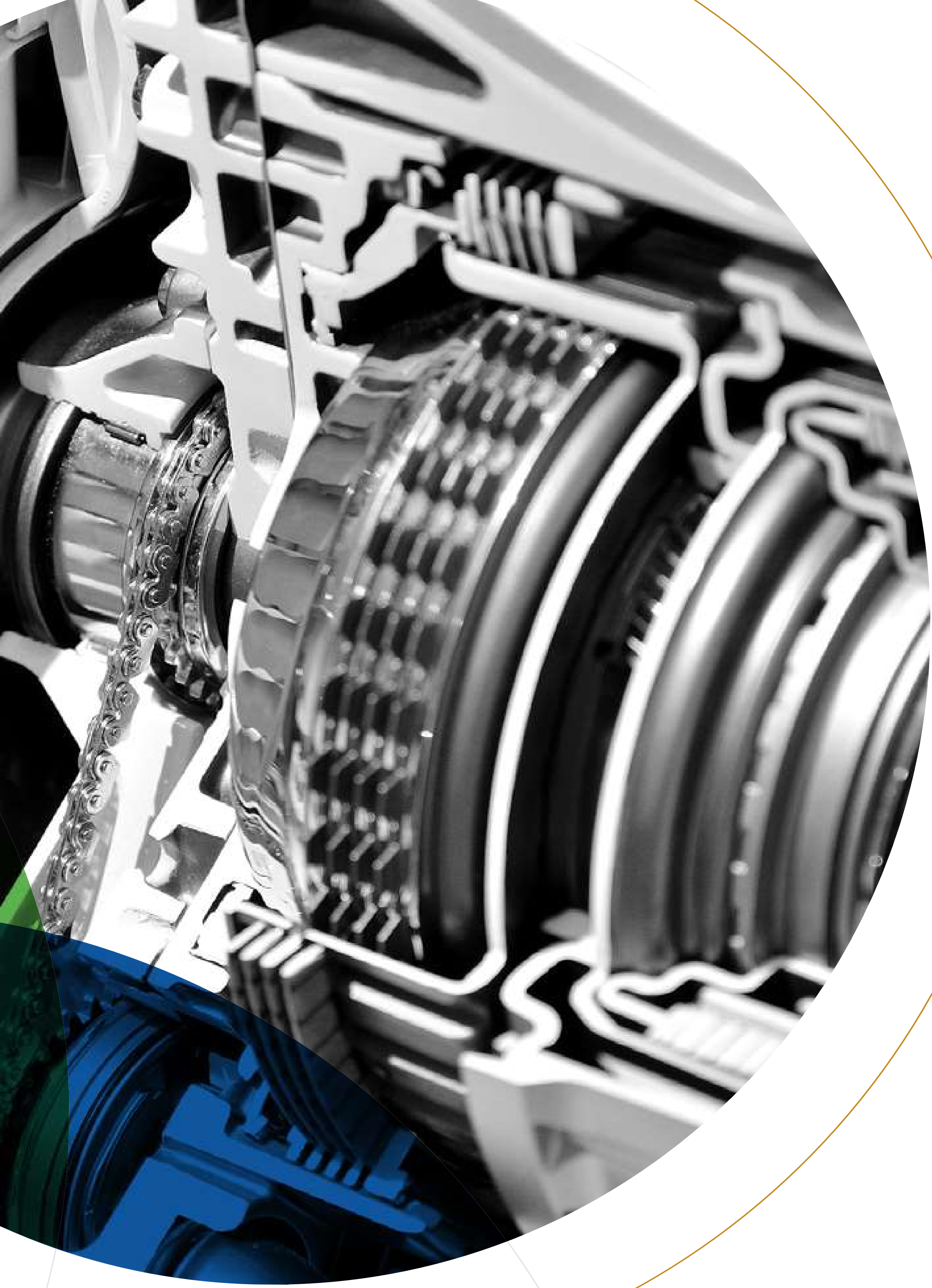
TABLE OF CONTENTS

TABLE OF CONTENTS CONTINUED

LIST OF FIGURES

LIST OF TABLES

PART A
GENERAL INFORMATION



1. PUBLIC ENTITY'S GENERAL INFORMATION

Registered name of the public entity	Tshwane Automotive Hub Special Economic Zone (Pty) Ltd
Registration Numbers	2020/214518/07
Registered Office Address	30 Helium Road The Automotive Supplier Park Central Hub TASEZ Offices Rosslyn Ext 2 0200
Postal Address	30 Helium Road The Automotive Supplier Park Central Hub TASEZ Offices Rosslyn Ext 2 0200
Contact Telephone Numbers	012 564 5825
Email Address	companysecretary@tasez.co.za
Website Address	www.tasez.co.za
External Auditors' Information	Auditor-General of South Africa PO Box 446 Pretoria 0001
Bankers' Information	Standard Bank of South Africa Head Office 184 Hyde Lane Hyde Park Sandton 2196
Company Secretary (Acting)	Londiwe Cetshwayo companysecretary@tasez.co.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	AUDITOR-GENERAL OF SOUTH AFRICA
AIDC	AUTOMOTIVE INDUSTRY DEVELOPMENT CENTRE
APP	ANNUAL PERFORMANCE PLAN
B-BBEE	BROAD-BASED BLACK ECONOMIC EMPOWERMENT
BoD	BOARD OF DIRECTORS
TASEZ COMPANY	TSHWANE AUTOMOTIVE HUB SPECIAL ECONOMIC ZONE (PTY) LTD
CEO	CHIEF EXECUTIVE OFFICER
CFO	CHIEF FINANCIAL OFFICER
CLO	COMMUNITY LIAISON OFFICER
CoT	THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY
CPC	COMMUNITY PROJECT COMMITTEE
DBSA	DEVELOPMENT BANK OF SOUTHERN AFRICA
DDI	DOMESTIC DIRECT INVESTOR
EAC	EAST AFRICAN COMMUNITY
FDI	FOREIGN DIRECT INVESTOR
FMCSA	FORD MOTOR COMPANY OF SOUTHERN AFRICA
GDARD	GAUTENG DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
GDED	GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT
GDP	GROSS DOMESTIC PRODUCT
GEP	GAUTENG ENTERPRISE PROPELLER
GGDA	GAUTENG GROWTH & DEVELOPMENT AGENCY
GIFA	GAUTENG INFRASTRUCTURE FINANCING AGENCY
GIDZ	GAUTENG INDUSTRIAL DEVELOPMENT ZONE
GPG	GAUTENG PROVINCIAL GOVERNMENT
GGT 2023	GROWING GAUTENG TOGETHER 2023
HRM	HUMAN RESOURCE MANAGEMENT
ICT	INFORMATION COMMUNICATION TECHNOLOGY
IDC	INDUSTRIAL DEVELOPMENT CORPORATION
IOT	INTERNET OF THINGS
IPAP	INDUSTRIAL POLICY ACTION PLAN
MEC	MEMBER OF THE EXECUTIVE COUNCIL
MERSETA	MANUFACTURING, ENGINEERING AND RELATED SERVICES SECTOR EDUCATION AND TRAINING AUTHORITY
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
MOI	MEMORANDUM OF INCORPORATION
MTEF	MEDIUM-TERM EXPENDITURE FRAMEWORK
NAACAM	NATIONAL ASSOCIATION OF AUTOMOTIVE COMPONENT & ALLIED MANUFACTURERS

NAAMSA	NATIONAL ASSOCIATION OF AUTOMOBILE MANUFACTURERS OF SOUTH AFRICA
NCPC	NATIONAL CLEANER PRODUCTION CENTRE
NEF	NATIONAL EMPOWERMENT FUND
NIPF	NATIONAL INDUSTRIAL POLICY FRAMEWORK
NDP	NATIONAL DEVELOPMENT PLAN
NGP	NATIONAL GROWTH PATH
OEM	ORIGINAL EQUIPMENT MANUFACTURER
PESTEL	POLITICAL, ECONOMIC, SOCIAL TECHNOLOGY, ENVIRONMENT AND LEGAL
PFMA	PUBLIC FINANCE MANAGEMENT ACT
PMP	PERFOMANCE MANAGEMENT POLICY
PPPFMA	PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT
PSDC	PROJECT SOCIO-ECONOMIC DEVELOPMENT CENTRE
PSC	PROJECT STEERING COMMITTEE
R&D	RESEARCH AND DEVELOPMENT
ROI	RETURN ON INVESTMENT
SADC	SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
SASSA	SOUTH AFRICAN SOCIAL SECURITY AGENCY
SCA	SOCIAL COMPACT AGREEMENT
SCM	SUPPLY CHAIN MANAGEMENT
SEDA	SMALL ENTERPRISE DEVELOPMENT AGENCY
SEZ	SPECIAL ECONOMIC ZONE
SMME	SMALL, MEDIUM AND MICRO ENTERPRISES
SSA	SUB-SAHARAN AFRICA
SWOT	STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS
TAC	TSHWANE AUTOMOTIVE CITY
TASEZ	TSHWANE AUTOMOTIVE SPECIAL ECONOMIC ZONE
TEDA	TSHWANE ECONOMIC DEVELOPMENT AGENCY
dtic	DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION
TIA	TECHNOLOGY INNOVATION AGENCY
TIH	THE INNOVATION HUB
TMR	TRANSFORMATION, MODERNISATION AND RE-INDUSTRIALISATION
TUT	TSHWANE UNIVERSITY OF TECHNOLOGY
TR	TREASURY REGULATIONS
TVET	TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING
UP	UNIVERSITY OF PRETORIA

3. FOREWORD BY CHAIRPERSON

Lionel October
Chairperson of the Board

The Tshwane Automotive Special Economic Zone (TASEZ) company was established through a first of its kind Inter-Governmental Agreement (IGA) between the Department of Trade, Industry and Competition (the dtic), the Gauteng Provincial Government's Department of Economic Development (GDED) and the City of Tshwane (CoT) Metropolitan Municipality.

TASEZ is anchored by the automotive manufacturing sector and is positioned as a key development catalyst in the province. TASEZ mobilises both the public and private sector to invest in the northern development corridor of our capital, the CoT.

TASEZ remains focused on the priorities of job creation through aggressive infrastructure development, growing small and medium enterprises, ensuring inclusion and accelerating economic reforms to unlock investment and growth.

As we looked to advance our economic recovery in 2022/23, we could no longer accept the pre-COVID-19 'normal' of unacceptably high levels of joblessness and exclusion. At the same time, few would have anticipated the instability that would soon unfold, this time driven by the war in Ukraine. Food and energy have been weaponised by the war, sending inflation soaring to levels not seen in decades, globalising a cost-of-living crisis, and fuelling social unrest. The resulting shift in monetary policy marks the end of an economic era defined by easy access to affordable financing and will have vast ramifications for governments, companies and individuals, widening inequality within and between countries. Furthermore, the health and economic after-effects of the pandemic and the intensifying electricity challenges, including accelerated load shedding, have also compounded the crisis.

Despite the challenging economic climate, TASEZ continued to meet its commitments during the year under review. These commitments are aligned to the three main indicators – investment attraction, SMME development and job creation, with TASEZ exceeding targets for these priorities.

At the end of 2022/23, investments made by private partners since inception sat at R4,6 billion against a forecast of R3,4 billion. During 2022/23, employment by investors reached 2 425 against a target of 1 688, bringing the total number of people currently employed within the zone to 3 028. More than 65% of these jobs are sourced from the surrounding townships and consist of 39% woman and 52% youth. Whilst tenant activities increased during 2022/23, the number of construction activities fell from the previous year. Nevertheless, TASEZ recorded 332 construction jobs (43% youth and 19% woman) against a target of 160, translating into 4 789 construction jobs created since inception in May 2020.

The year under review also brought new challenges for the organisation. First, although tenant activities increased during 2022/23, revenue collection from tenants was slower than planned. TASEZ also reports a procurement with SMMEs in neighbouring townships achieving of 23% (R109 million) against a target of 30%. Furthermore, the aim was to commence with construction of a new 20 MVA gas plant, but the appointment of an Independent Power Producer took longer than anticipated. In the year ahead, TASEZ will continue to implement key interventions outlined in the Medium-Term Strategic Framework (MTSF) 2019-2024, in particular a focusing on empowering youth, women and people living with disabilities while also furthering the development of SMME and individuals from the surrounding townships.

I would like to give a special thank-you to dtic, GDED and CoT for their unwavering support. I would also like to express my warmest gratitude to the Board, its committees, and the Executive Management Team for their organisational achievements as we proceed with the implementation of our five-year strategic cycle to 2025. These achievements would not have been possible without the commitment and dedication of the employees of TASEZ and the Coega Development Corporation (CDC) who continue to give their best towards our goal of establishing a world class organisation.

Finally, I would like to offer special appreciation to all our stakeholders who continue to support and – rightfully so – critique and challenge our work. Through working together, we can ensure that South Africa, and the continent, thrive.

Lionel October

Lionel October
Chairperson of the Board
Date: 23/08/2023

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Dr Bheka Zulu
Chief Executive Officer

A series of shocks hit the world economy in 2022, placing even greater pressure on a world still trying to recover from the COVID-19 pandemic. The war in Ukraine disrupted the food and energy markets, intensifying food insecurity and malnutrition in many developing countries. High inflation further exacerbated a global cost-of-living crisis pushing millions into poverty and economic destitution.

Inflation, which averaged over 9% in 2022, has also prompted aggressive monetary tightening and climbing interest rates. This has weakened consumer confidence and investor sentiment across the globe. The short-term economic outlook has deteriorated sharply, and countries are projected to experience a mild recession with elevated energy costs, high inflation, and tighter financial conditions lowering household consumption and investment.

The European Union has a forecast economic growth of only 0.1% in 2023, down from 3.2% in 2022 as it works to reduce dependence on Russian fossil fuels. Despite these efforts, the region remains vulnerable to energy supply disruptions and gas shortages. The prospects for the economy of the United Kingdom remains particularly bleak given the sharp decline in household spending, fiscal pressures, and supply-side challenges, partly due to Brexit.

In the United States the economy is forecast to grow by only 1% in 2023, down from 2.1% in 2022, with the finance, real estate, insurance, rental and leasing industry contributing the most value.

In China, the world's largest economy, economic growth is projected to increase from 3% in 2022 to 5.2% in 2023 driven by a rebound in private consumption amid the earlier-than-anticipated reopening following the latest wave of COVID-19. Risks to economic growth include the possibility that the virus will continue to evolve, the consequent disruptions to the economy, a sharper than expected downturn in the property sector, and inflationary pressure. Conversely, economic growth may be positively impacted by a stronger than anticipated recovery in private consumption and investment.

Economic growth in Africa was 4.1% in 2022 due to reduced investment and falling exports. In 2023, growth is expected to edge up in West Africa, stabilise in Central and East Africa, and decelerate in North and Southern Africa. The continent has been hit by a series of shocks, comprising weaker external demand, a sharp uptick in global inflation, higher borrowing costs and adverse weather events. These are undermining its full recovery from the pandemic.

In terms of the global automotive sector performance, the market lost confidence and buyers remained cautious. The automotive industry will need to find ways to navigate the supply chain disruptions caused by the pandemic and the shortage of semiconductors. There are, however, signs of recovery, as global vehicle sales for 2022 grew to around 67.2 million units up from the 66.7 million in 2021. China is the greatest contributor to sales growth with around 23.24 million units sold in 2022.

South Africa's automotive sector experienced an increase in the number of vehicles sold (528 963) in 2022, up 13,8% from 2021, but still 1,4% below 2019's pre-pandemic level. When looking at the various segments, new passenger-vehicle sales improved by 19.3% in 2022, to 363 092 units. Trends show that consumers are shifting towards buying less expensive and smaller cars. The sale of bakkies, vans and minibuses improved by only 2,0% compared to an increase of 11,3% in the medium-commercial vehicles segment, with the heavy truck and bus sector experiencing 11.7% growth. These are positive indicators for the sector, especially taking in the context of high inflation, interest rate hikes, depreciation of the rand, sectoral supply chain disruptions and the more the 3 700 hours lost in South Africa due to loadshedding in 2022.

Amidst the above-mentioned economic performance, the TASEZ 22/23 Annual Report highlights the major achievements and challenges for the financial year. These results are aligned to TASEZ's 4-programme structure, summarised below:

- **Programme 1:** Administration
- **Programme 2:** Business Development
- **Programme 3:** Infrastructure Development
- **Programme 4:** Zone Operations

The TASEZ project consists of three land parcels, each in a different stage of development. On Land Parcel One (also known as Phase 1) construction commenced in August 2020 with occupancy achieved by all investors during the 2021/22 financial year.

During 2022/23 investors geared themselves to commence with manufacturing in anticipation of the official start of production for the Next-Gen Ford Ranger, which launched in November 2022. The design of Phase 2 bulk infrastructure also commenced in the 2022/23 financial year and TASEZ is in discussions with the City of Tshwane (CoT) to secure additional land parcels. Construction of a Central Hub consisting of additional parking, maintenance offices and storage space has also commenced with completion expected in the third quarter of 2023/24.

TASEZ spent R481 million on infrastructure in 2022/23 which brings the total capitalised investment in the SEZ to R3,1 billion. During the period under review invoices received from the implementing agent were paid in an average of six days against a target of 14 days. The planned target for investment attraction, jobs and SMME training was achieved, and from an operational expenditure perspective TASEZ spend amounted to R174 million at the end of the 2022/23 financial year against an annual budget of R270 million. The 36% unspent budget was mainly due to delays experienced in the recruitment of personnel.

As my first year as Chief Executive Officer of TASEZ ends, I would like to acknowledge the efforts and dedication of the TASEZ team in achieving a positive audit outcome for a third consecutive year. I also want to express my sincere appreciation to the TASEZ board for their unwavering guidance and commitment, ensuring that TASEZ grows from strength to strength whilst supporting our mandate and demanding strong performance, governance and accountability.

To TASEZ's investors, the Coega Development Corporation team, the Community Project Committee and our stakeholders, I extend a special word of thanks and appreciation for your dedication and commitment, as we know our journey and achievements would not be possible without you.

Dr Bheka Zulu
Chief Executive Officer
Date: 23/08/2023

5. TASEZ BOARD MEMBERS


Lionel October – Board Chair


Maoto Molefane


Susan Mangole


Blake Mosley-Lefatola


Lardo Stander


Ockert Berry


Dhirhen Vanmali


Musa Khumalo


James Murphy


Jak Koseff


Njabulo Sithebe

6. TASEZ EXCO MEMBERS

Bheka Zulu
CEO

Rebecca Hlabatau
CFO

Andile Sangweni
Executive: Infrastructure

Vangile Nene
Executive: Corporate Services

Msokoli Ntombana
Executive: Business Development

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and free of any omissions.

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

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

The board of directors is responsible for the preparation of the annual financial statements and for the judgments made in this information.

The board of directors is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and annual financial statements.

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

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

Yours faithfully

	Lionel October
Chief Executive Officer	Chairperson of the Board
Dr Bheka Zulu	**Lionel October**
Date: 23/08/2023	Date: 23/08/2023

8. STRATEGIC OVERVIEW

8.1. Vision

To be the benchmark for SEZs in South Africa while contributing to the growth of the automotive sector, with the objective of being a major creator of new businesses and contributor to employment, transformation, and socio-economic development.

8.2. Mission

To be a catalyst for employment, transformation, socio-economic development and industry growth by attracting automotive suppliers and automotive manufacturers, assemblers and supporting services.

8.3. Values

Currently, the TASEZ values are driven by its strategic goals and objectives:

- To create economic growth and transformation within the South African automotive industry.
- To create awareness and support for the development and growth of the automotive SEZ.
- To support the process of attracting automotive and related industries, and tenants, into the SEZ.
- To ensure greater inclusion (deepen value addition) of SMMEs within the automotive value chain.
- To achieving socio-economic empowerment in surrounding communities by creating opportunities for employment and SMME development.

TASEZ's Ethics and Code of Conduct Policy places emphasis on the conduct of all stakeholders, which includes Directors, Company Secretary, Executive Managers, Senior Managers, Permanent Employees, Part-Time Employees and Contractors. These stakeholders are expected to conduct themselves in an appropriate manner in line with good governance and focusing on the following values:

- Ethics
- Competence
- Accountability
- Responsibility
- Fairness
- Transparency.

9. LEGISLATIVE AND OTHER MANDATES

TASEZ is registered as a private company in terms of the Companies Act No 71 of 2008 and is in the process of being listed as a Public Entity in terms of the Public Finance Management Act 1 of 1999 (PFMA). TASEZ has three funders: the Department of Trade, Industry and Competition (the dtic), the Gauteng Provincial Government (GPG) and the City of Tshwane Metropolitan Municipality (CoT).

TASEZ is governed by a board of directors comprising of nominees from the dtic, GPG, CoT and the Ford Motor Company of Southern Africa (FMCSA), which served as an initial catalyst for infrastructure and business development.

TASEZ is the operator of the Tshwane Automotive Special Economic Zone in terms of the Special Economic Zone Act 16 of 2014, (SEZ Act). TASEZ is a key driver of economic growth in the CoT as well as Gauteng province, with a mandate to create employment and promote economic participation for SMMEs in the region. TASEZ is also positioned to take the lead in growing Africa's new industrial revolution.

TASEZ's mandate is further aligned and effectively born out of the national strategies of the South African government, particularly the Reimagined Industrial Strategy, presented by the Minister of Trade, Industry and Competition Ebrahim Patel, and approved by Cabinet in June 2019.

The Reimagined Industrial Strategy is the centrepiece of government's economic vision; it is co-ordinated by the Presidency and puts emphasis on concrete actions. It presents a multipronged approach to industrial development with an emphasis on building partnerships with the private sector to unleash job-creating investment.

The operationalisation of the Reimagined Industrial Strategy occurs through the application of a master planning process that seeks to create a shared vision together with industry, government and labour. The strategy sets out to create industry master plans, designed to harness all role players, stakeholders and beneficiaries towards implementation. As part of this vision, TASEZ was designated as a key actor out of this strategy.

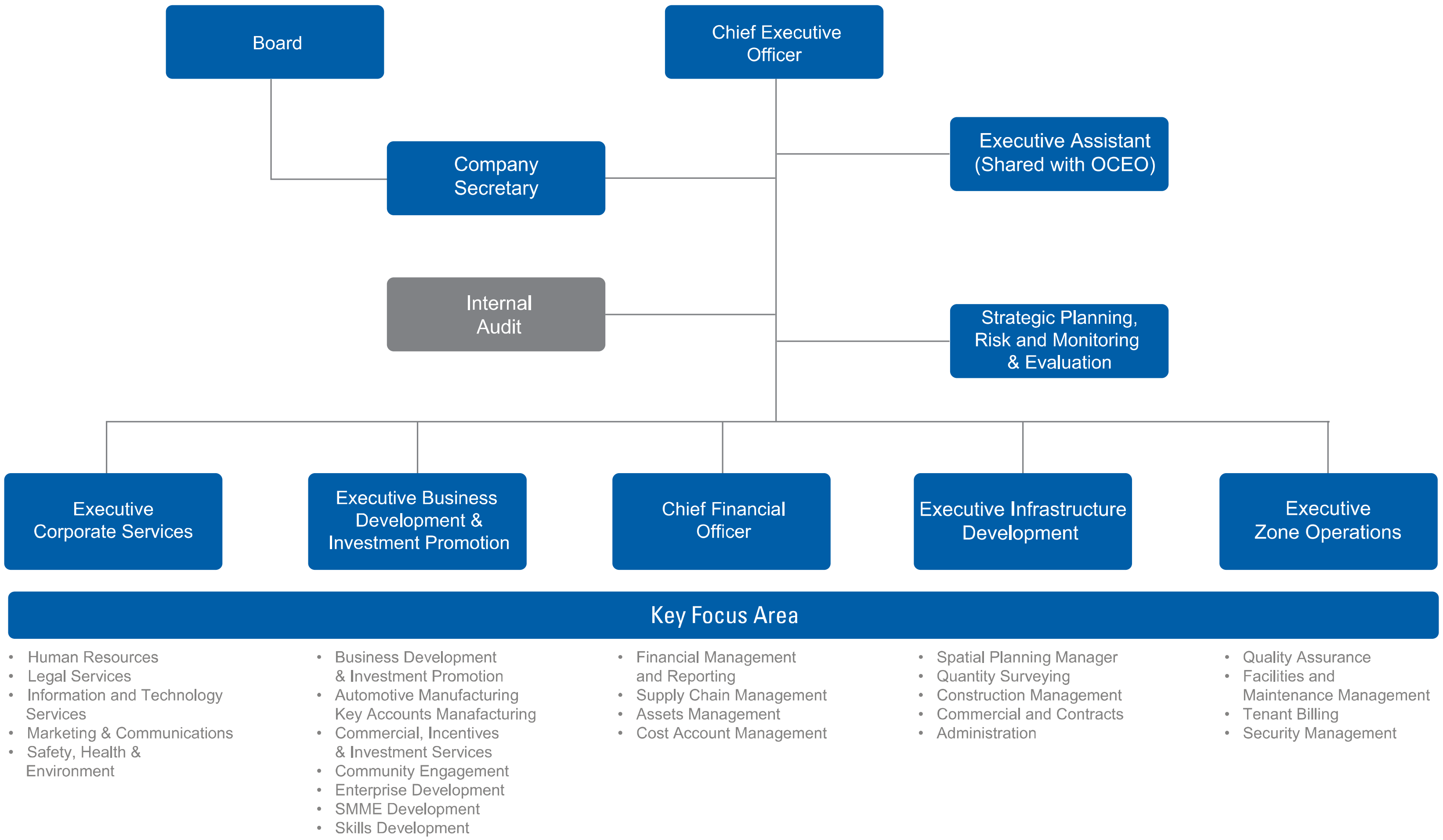
The mandate and purpose of TASEZ is to:

- Facilitate the creation of an industrial complex, with strategic regional, national, provincial, and local economic development benefits.
- Build a competitive advantage for targeted investments in the automotive manufacturing sector, from Original Equipment Manufacturer (OEM) level to Tier 3 suppliers.
- Provide a location for investment in the infrastructure needed to develop targeted industrial activities.
- Attract and increase foreign and domestic direct investment with emphasis on investment in the automotive manufacturing industry.
- Take advantage of existing industrial and technological capacity to foster integration with local industry and increase value-added production.
- Create decent (sustainable) work as well as other economic and social benefits in the communities in which TASEZ is located, including greater economic participation by SMMEs and co-operatives.
- Promote technology skills transfer.

10. ORGANISATIONAL STRUCTURE

The following diagram shows the Organisational Structure of TASEZ during the year under review.

Figure 1: Organisational Structure



Outsourced Function

PART B
PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) performed an audit of TASEZ performance information to provide reasonable assurance on an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the Report to Management, with findings reported under the Predetermined Objectives heading in the Report on Other Legal and Regulatory Requirements section of the Auditor's Report. Refer to page 62 of the Auditors' Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

TASEZ was established in May 2020, amidst an extremely difficult social and economic climate. The COVID-19 pandemic, which resulted in severe restrictions on social and economic activity, influenced the SEZ's business operations in ways that could not have been conceived during planning. The pandemic resulted in a 30% overall market reduction in the global automotive sector, placing pressure on TASEZ investors. Nevertheless, in 2022/23, despite the difficult economic environment, no investors retracted their commitment.

TASEZ is guided by a Five-Year Strategic Plan (2021-26), which forms the basis of the Annual Performance Plan for 2022/23. The Strategic Plan sets out the following goals, which remain unchanged for the year under review:

- To create economic growth and transformation within the South African automotive industry.
- To create awareness and support for the development and growth of the automotive SEZ.
- To support the process of attracting automotive and related industries and tenants into the SEZ, while achieving socio-economic empowerment for the surrounding communities.
- To ensure greater inclusion (deepen value addition) of SMMEs within the automotive value chain.

TASEZ's strategic goals are aligned with the national strategies of the South African government, which make provision for SEZs as instruments to support long-term industrial and economic development. The overarching aim is for SEZs to directly impact employment and economic growth, as well as attract foreign direct investment.

TASEZ is well aligned to Government's Reimagined Industrial Strategy, which states that "South Africa will act as a spur to regional growth, rather than merely relying on it. This will involve greater commitment to regional industrialisation and supply chain linkages". To advance this goal, TASEZ focuses aggressively on expanding trade and investment by promoting exports and building competitiveness. It also provides a platform for South African companies to participate in regional infrastructure projects and further integrate regional supply chains to promote industrialisation.

2.2. Organisational Environment

Delays during the establishment of TASEZ placed greater emphasis on the need for quality human resources, which remains a strategic imperative, especially given the limited time to construct, implement and operate the SEZ, effect policies and best practice, and accurately plan and execute strategies.

The first formal appointment made by the TASEZ was executed in November 2020. Since this time, and during the year under review, TASEZ remained focused on ensuring that it recruits suitable candidates, responsive to the TASEZ organisational targets and mandate.

In July 2021, the TASEZ board formally approved its first organisational structure. The purpose of the entity's organisational structure was to assist in the achievement of TASEZ's aims and objectives through the management and coordination of employees' designated roles, responsibilities, and delegated authorities.

At this time, the total approved structure consisted of 88 positions, 33 of which were filled and 16 approved for recruitment. The remainder of the positions were placed on hold due to a moratorium on employee appointments during the fourth quarter of the 2021/22 financial year.

During the 2022/23 financial year, a need was identified to execute an organisational design and job grading exercise. TASEZ's human resources department concluded this task through an appointed service provider. The report was tabled for recommendation to the TASEZ board and entailed a summary of the amended, maintained, and revised positions. The board deliberated the resolution on 29 July 2022 and approved the newly designed organisational structure with 62 positions.

TASEZ management welcomed the approved organisational structure and sought to implement accordingly. Additional resources will be appointed in 2023/24 with specific focus on supporting the organisations operations/ zone management capacity and supplier and enterprise development activities.

At a functional level the organisation comprises the following divisions:

- Office of the CEO
- Finance and Supply Chain Management
- Corporate Services which include Marketing, Human Capital, Legal Services, ICT and Health and Safety
- Infrastructure Development
- Business Development which includes Investors Facilitation and Enterprise and Skills Development
- Zone Operations which includes Maintenance and Security

2.3. Key Policy Developments and Legislative Changes

TASEZ's management has developed policies and frameworks to align the organisation with its legislative mandate. TASEZ policies are reviewed on an annual basis or as and when the relevant legislative amendments arise.

Changes to the Supply Chain Management (SCM) policy were affected during the 2022/23 financial year to closer align the policy to the Treasury Regulations and the Preferential Procurement Policy Framework Act (PPPFMA). Some of the new policies that were developed during this financial year included:

- ICT Policy
- ICT Business Continuity Policy
- Health and Safety Contract Management Policy
- Irregular and Fruitless Expenditure Policy
- Accounts Payable Policy
- Investment Policy

2.4. Progress Towards Achievement of Institutional Impacts and Outcomes

TASEZ works with purpose to ensure that governance, operational and functional processes are established while delivering on its overarching mandate. TASEZ pursues a mandate expressed in its enabling legislation, the Special Economic Zones Act (Act 16 of 2014). Together with its complementary SEZ Policy Statement, the SEZ Act sets out a public development programme that seeks to facilitate and promote industrial development outcomes at the immediate zone-level and within the wider region. The SEZ Act clearly defines the purpose of an SEZ, in Chapter 2, Section 4. To date TASEZ has achieved the following against the objectives set out in the Act:

Purpose 1:
Promote regional economic development and create decent (sustainable) work and economic and social benefits in the region in which it is located, through the development of mixed-use facilities within the SEZ.

In 2022/23 focus was placed on creating construction and operational jobs with an emphasis on ensuring that 70% of employees reside in the surrounding communities. Progress towards this target is elaborated on in Section 3 below.

Purpose 2:
Facilitate the creation of an industrial complex, having strategic national and regional economic advantage for targeted investments in the automotive manufacturing sector, ranging from Original Equipment Manufacturer-level (OEM) to Tier 3 suppliers.

During the past three financial years, focus was placed on the establishment of the first phase of TASEZ. This phase created an industrial complex around Tier 1 automotive suppliers.

Purpose 3
Develop the infrastructure required to support the development of targeted industrial activities.

As reported in the previous financial year, TASEZ found itself in a peculiar position where external bulk infrastructure (roads, road upgrades stormwater, water and sanitation) and top infrastructure (building and internal bulk infrastructure) needed to be developed concurrently to ensure investor timelines were met. Over and above the initial plan to commence with Phase 1, an additional 10h hectares of privately owned land was secured. This parcel of land was initially earmarked within Phase 3 (now known as Phase 1A) of the TASEZ Master Plan and required the development of both bulk and top infrastructure be extended, to include this land parcel into the first phase of the development.

Purpose 4

Attracting foreign and domestic direct investment.

TASEZ spent limited time and resources in proactively attracting foreign and domestic investment during the 2022/23 financial year due to oversubscription of Phase 1, resulting in:

- An existing pipeline of investors already earmarked for Phase 2, and
- No existing bulk infrastructure available for Phase 2.

TASEZ is working to address the bulk infrastructure challenge and resources have been allocated to commence with Phase 2 bulk infrastructure construction during the 2022/23 financial year.

Total foreign and domestic investment attracted during the 2022/23 financial year is further elaborated in Section 3, as it is a strategic target of TASEZ.

Purpose 5

Provide the location for the establishment of targeted investments.

A TASEZ-Specific Spatial Development Plan was developed in Silverton, which is geographically east of Pretoria and within the CoT. TASEZ will provide a diversity of appropriate land uses and other economic activities. This development spans over 204 hectares and consists of:

- Phase 1: 81,6 hectares, of which 45,9 hectares can be developed for industrial use
- Phase 2: 81,0 hectares
- Phase 3: 42,2 hectares

Out of the above 3 phases, Phase 1 and Phase 2 land has been secured, with 10 hectares out of the 42.2 hectares for Phase 3 secured in the 2020/21 financial year.

Purpose 6

Increase investment and growth in the manufacturing industry, primarily in the automotive manufacturing industry.

This is a TASEZ strategic target and is captured in Section 3 of this report.

Purpose 7

Take advantage of existing industrial and technological capacity, promote integration with local industry and increase value-added production.

The TASEZ Investor Forum was established with several key objectives, including identifying and providing support to sub-tier suppliers.

TASEZ and the Gauteng Growth and Development Agency (GGDA), and its subsidiary, the Automotive Industry Development Centre (AIDC), entered into an agreement for the secondment of resources until such time TASEZ capacitates its organisational structures. The AIDC has also been identified as a key partner that will work with TASEZ on local supplier-development initiatives. TASEZ believes that these partnerships will further assist in the efficient use of state-owned resources by reducing the duplication of state programmes.

TASEZ has approached the National Association of Automotive Component and Allied Manufactures (NAACAM) and the National Association of Automobile Manufacturers of South Africa (NAAMSA), and both these associations provided input into the development of the TASEZ Outer-Year Business and Corporate Plans. To assist in mobilising industrial and technology capacity, TASEZ seeks to strengthen existing partnerships and identify new partners.

In the 2022/23 financial year, TASEZ has:

- Assisted tenants in identifying services that are available within the local communities.
- Identified service providers from surrounding township communities known as Target Area 1.
- Engaged with community leaders, special group representatives and ward councillors to verify the database to be utilised by tenants.

- Assisted tenants using the database to solicit service providers from Target Area 1.
- Assisted SMMEs from Target Area 1 in preparation of bids for private companies.
- Engaged with tenants on the procurement process and assisted to resolve all issues related to the procurement of service providers.
- Assisted SMMEs with access of working capital funding.
- Made provision for the mentoring of appointed SMMEs.

Purpose 8

Generate new and innovative economic activities.

As reported in the previous financial years, these elements centre on the activation of new potential market drivers to attract additional investment into the SEZ. Because the infrastructure needs of potential investors far exceeds the currently available infrastructure, TASEZ has not focused on creating new economic activities. This said, TASEZ is focused on finding solutions to place less reliance on government for the funding of infrastructure projects.

Purpose 9

Take advantage of existing SEZs and promote collaboration with these SEZs.

The GDED established an SEZ Committee in Gauteng to ensure that key programme barriers and acceleration programmes are discussed and addressed, ensuring collaboration between the various entities. TASEZ believes there could be greater collaboration between the various SEZs, which will ultimately enhance the service delivery and value propositions of SEZs within South Africa.

As the “new kid on the block”, TASEZ has reached out to several well-established SEZs to establish collaboration. It is critical that TASEZ obtain institutional knowledge from other SEZs in terms of lessons learned, while also establishing other collaborative initiatives. To this end, during May 2020, a decision was made by all funders that the CDC will be appointed as the initial implementation agency for the establishment of Phase 1. A formal tri-party agreement was signed between the dtic, CDC and TASEZ to affect the arrangement.

TASEZ Phase 1

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The TASEZ Annual Performance Plan strived to position TASEZ as a key driver in support of the decisive steps taken by the GPG and CoT to advance Gauteng as an integrated city region characterised by social cohesion and economic inclusion.

In terms of the Growing Gauteng Together 2030 (GGT 2030) Action Plan, TASEZ through the development of a TASEZ-specific Master Plan, is aligned to the following priorities as set out in GGT 2030.

Table 1: SEZ Alignment to GGT 2023

Pillar	TMR Pillars	TASEZ Alignment
1	Economy, Job creation and Infrastructure provision.	TASEZ has involved local communities in the economic opportunities made available through the SEZ. TASEZ established a Project Socio-Economic Development Centre (PSDC) and a Community Project Committee (CPC). The progress towards job creation and skills development is also clearly captured below in section 3.
2	Education, Skills Revolution and Health	
3	Integrated Human Settlements, Basic Services and Land Release	SEZ is bordered by the Silverton industrial node to the west, and the Mamelodi and Nellmapius townships to the north and south and is therefore strategically positioned to achieve spatial transformation. The TASEZ Spatial Development Plan was developed in light of this strategic opportunity and is aligned to the CoT Spatial Development Framework. As per the TASEZ Spatial Development Plan, TASEZ will include an integrated mixed-use area linked to urban and environmental aspects such as housing, education and alternative-energy solutions, which will come on stream in Phases 2 and 3 of the development.
4	Safety, Social Cohesion and Food Security	
5	Sustainable Development for Future Generations	
6	Building a Capable, Ethical and Developmental State	In 2018, the SEZ policies were adjusted to place greater emphasis on the eradication of potential inefficiencies in operation. Thus, governance of the SEZ is being designed to comply with these revised guidelines. The TASEZ is ultimately responsible for the monitoring and evaluation of compliance in line with SEZ Governance Policies and the Provincial Framework.
7	A Better Africa and a Better World	South Africa remains the continent's leader in the automotive sector. However, several countries including Nigeria, Morocco, Ethiopia and Kenya have made significant gains in automotive manufacturing. Establishment of the SEZ will support the provincial and national drive to remain a leader of Africa's industrial revolution. New competencies through opportunities in localisation will be created and may lead to both the integration and support of potential African markets.

To efficiently carry out its mandate, TASEZ operates a 4-programme structure which is summarised below:

- Programme 1: Administration.
- Programme 2: Business Development.
- Programme 3: Infrastructure Development.
- Programme 4: Zone Operations.

TASEZ did not adjust its Annual Performance Targets in the 2022/23 financial year.

3.1. Programme 1: Administration

Purpose: To provide strategic leadership, management and support services to the TASEZ.

For the 2022/23 financial year, three (3) annual performance targets were captured under the programmes, namely:

- On time payment of the implementation agency.
- On time collection of revenue due to TASEZ.
- B-BBEE compliance of TASEZ.

Table 2: Annual Performance Plan: Programme 1 – Administration

Outcome	Output	Overall Output Indicator	Actual Performance	Planned Annual Target	Deviation from Planned Target	Reason for Non-Achievement/ Over Achievement
SMME development	Less reliance in bridging finance by SMME's and Contractors	Average number of days taken to pay the implementing agent	6 Days	14 Days	+8 Days	The target was exceeded. Payments are made based on a strict payment schedule with no deviation resulting in an overachievement of the target.
Capacity of the state enhanced	Less reliance on State Operational Funding	% of revenue collected within 45 days from tenants	8%	90%	82%	The billing of tenants for levies and rent commenced in September 2022. Some tenants questioned the terms of the lease agreement with respect to the FMCA's start date for production of levies and billing, causing a delay in payments. The above matters have been resolved by TASEZ and tenants have committed to make on-time payments moving forward.
	B-BBEE Compliance of TASEZ	Obtain B-BBEE Certification	100% achievement = Certificate Obtained	100% achievement = Obtain B-BBEE Certification	Not applicable	Not applicable

3.2. Programme 2: Business Development

Purpose: Responsible for TASEZ overall Business Development, Investment Facilitations and Enterprise Development.

Sub-Programmes:

- **Investment Attraction:**
  To provide strategic leadership in investment attraction to advance the acquisition and retention of new investors into TASEZ.
- **Job Creation:**
  To provide strategic leadership in developing sound skills programmes to improve the quality and supply of labour into the SEZ both during the construction and operation phase.
- **Enterprise and Supplier Development:**
  To provide strategic leadership in developing sound enterprise and supplier development initiatives to assist with the deepening and transformation of the automotive value chain.

3.2.1. Key Highlights During 2022/2023

Social Compact

TASEZ identified a need to develop a Social Compact Agreement (SCA) with the surrounding communities represented by the Community Project Committee. The core prerogative of the SCA is to emphasise an implicit arrangement between the community and TASEZ to create a healthier working relationship and a healthier society together. Following the successful agreement reached during Phase 1 of construction, the SCA will now focus on the operational phase of TASEZ as well as subsequent construction phases.

The SCA has in turn become the basis for a new standard operating procedure for Gauteng Provincial Government projects within the construction space.

The Social Compact has seven pillars addressing the following elements:

1. Stakeholder & Community Engagement
2. Employment Creation and Facilitation
3. Skills Development Programmes
4. SMME Support Programmes & Participation
5. Enterprise Development Programmes
6. Community Development initiatives
7. Communication and Reporting

TASEZ and the CPC signing a Socio Compact Agreement

Partnership Agreements

TASEZ has identified stakeholders critical in ensuring that its mandate and goals are achieved. These have synergies with TASEZ in terms of their mandate for economic development and have identified the need for formal, co-operative relationships.

These entities include the following:

- Department of Public Works and Infrastructure (DPWI)
- Services SETA
- National Empowerment Fund (NEF)
- The Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSeta)
- The Innovation Hub (TIH)
- The Innovation Agency (TIA)
- Small Enterprise Development Agency (SEDA)

These entities have mandates ranging from:

- Financing and promoting Broad-Based Black Economic Empowerment.
- Conceptualising and implementing innovative initiatives in Smart Industries and the Green Economy.
- Fostering entrepreneurship and incubating new innovative companies.
- Facilitating the establishment of set aside funds for township-based enterprises to promote vibrant local economic benefits.
- Where applicable, jointly participate in various platforms and forums for stakeholder mobilisation, and advocate for integrated enterprise development programmes for greater participation in the automotive sector supply chain.

TASEZ Centre of Excellence Campus

TASEZ identified a need for the development of a Centre of Excellence Campus that will focus on:

- Current and future skills programmes
- Entrepreneurial incubation programmes
- High-Tech education programmes

Core focus areas of the Campus

The Centre of Excellence will be driven by the requirements of industry and the surrounding communities. Six nodes have been identified subject to business case outcomes:

1. Automotive and Entrepreneurial Incubation Centres
2. Hi-Tech Training Academy
3. STEM Programme/Hi-Tech School for Grades 10 to 12 Learners
4. Research and Electronic Library Centre
5. Science and Technology Museum
6. Campus Business Centre

3.2.2. Investment Attraction

The total anticipated investment within Phase 1 and Phase 1A of the development was R3,4 billion, of which R4,6 billion have been invested to date. During the reporting period, R1,2 billion was invested against a planned target of R1 billion.

Table 3: Annual Performance Plan: Programme 2 – Investment Attraction

Outcome	Output	Overall Output Indicator	Actual Performance	Planned Annual Target	Deviation from Planned Target	Reason for Non-Achievement/ Over Achievement
Economic Growth of the Automotive Sector Increase FDI and LDI Investment		Investment by foreign and local investors in the current financial year	R1,21 billion	R1 billion	+R211 million	TASEZ received more investment from Ford Motor Company SA in tooling equipment.

3.2.3. Job Creation

Table 4: Annual Performance Plan: Programme 2 – Employment Creation

Outcome	Output	Overall Output Indicator	Actual Performance	Planned Annual Target	Deviation from Planned Target	Reason for Non-Achievement/ Over Achievement
Employment creation	Job Creation	Number of Jobs created during construction	332	160	+172	Additional appointments were made for the completion of Infrastructure packages.
	Job Creation	Number of Jobs created within the zone (excluding Construction Jobs)	2 425	1 688	+737	Additional jobs were created by Ford Motor Company that were not anticipated.

3.2.4. Enterprise and Supplier Development

TASEZ, through the support of CDC, has made clear efforts to involve local communities in the construction phase, establishing a PSDC and a CPC to ensure the involvement of local communities.

Paving construction done by SMME

Gaurd House construction done by SMME

Construction training programmes were rolled out to assist SMMEs, job seekers and people appointed in the construction phase to enhance their skills. The overall target during the 2022/23 financial year was to assist 30 SMMEs and ensure 30% construction procurement with SMMEs.

Table 5: Annual Performance Plan: Programme 2 - Enterprise and Supplier Development

Outcome	Output	Overall Output Indicator	Actual Performance	Planned Annual Target	Deviation from Planned Target	Reason for Non-Achievement/ Over Achievement
Driving inclusive economic growth and meaningful economic opportunities	Procurement Spent	% Procurement spent in the construction phase	23%	30%	-7%	Construction Phases 1 and 1A occur over multiple years, with a 30% overall target for SMME spend. Much of the SMME procurement opportunities took place earlier in construction, resulting in a shortfall for 2022/23 despite the achievement of overall targets. Moving forward, TASEZ will review and adjust how it sets the target to consider these multiyear program expenditures.
SMME development	SMMEs Developed	Number of SMMEs trained in construction	33	30	+3	Achieved

3.3. Programme 3: Infrastructure

The infrastructure development services are responsible for both the planning and design; and development of all infrastructure relating to TASEZ. During November 2020, the professional teams concluded that the building's design fulfils the investors' standards for both Phase 1 and Phase 1A.

Construction of top structure platform earthworks commenced on 7 August 2020, with beneficial occupancy to top structures, by all tenants, achieved from April 2021 to March 2022 as per their requirements.

In the 2022/2023 financial year focus was placed on the swift implementation and completion of the Phase 1 & 1A top infrastructure facilities, Internal Bulk Works and External Bulk Works.

As of the end March 2023 the overall progress of the programme stands at 98,5%, excluding Central Hub and Auxiliary Packages. The programmes progress proceeded as follows:

- Currently top structures progress is 100% complete
- Internal Bulk Services at Phase 1 and 1A is 100% complete
- External Bulk Services for Phase 1 and 1A is 95% complete
- Central Hub – Contractors were appointed in quarter four 2022/2023 and the platform construction has commenced
- Auxiliary Packages:
    - Landscaping for Phases 1 and 1A commenced

- Fencing progress is 95% complete including additional works
- Parking & Guardhouses contractor appointments were concluded in March 2023

The occupation of facilities by tenants presented some challenges, particularly in coordinating tenant requirements with facility completion, which necessitated obtaining municipal approval for occupation certificates. The provision of electricity to tenants also presented issues which needed to be addressed.

Currently there is 16MVA available at the SEZ, providing all current tenants with permanent power. Demand for power is constantly monitored as all tenants have started producing parts, which increases demand. Some investors are earmarked to revert to diesel generated power once the 16MVA is depleted. TASEZ is pursuing various solutions to address this shortfall, including the development of an energy mix that will address current and anticipated electricity shortages.

The dtic, ESKOM, CoT and TASEZ are engaged in stakeholder engagements to expedite and implement ESKOM alternative solutions to avail an additional 16MVA. The purpose is to top-up Phase 1 and 1A requirements and support township establishment of Phase 2, depending on the timing of the other energy solutions. This alternative solution is referred to as the Eerste Fabriek Solution (EFS) and is earmarked to come on stream in early in the third quarter of the next financial year.

High Level Energy Road Map.

As part of the energy mix requirements TASEZ successfully appointed a Gas Independent Power Producer (IPP) in June 2022 for the provision of 20MVA, which will later be converted to hydrogen power when the technology becomes more affordable. The Interim Power Purchase Agreement (PPA) was achieved in December 2022, and processes are currently underway to action the conditions precedent. The implementation of this solution is earmarked to come onstream in June 2025.

TASEZ also started a procurement process for a Solar PV Solution with battery storage. This solution is earmarked to avail an additional 7 to 13 MVA towards the end of the fourth quarter of the next financial year.

Phase 2 Bulk Infrastructure

In preparation for Phase 2 implementation, the TASEZ launched infrastructure planning in 2020/21 by commencing with the town planning approvals required for construction to commence at Phase 2.

This scope of work relies on the availability of electricity to allow for the township establishment to proceed. This is a critical dependency for the commencement of construction of Phase 2.

Town planning has progressed to the point that the Township Establishment Application is ready for submission to the CoT and departments in other spheres of government. The provision of electricity to proceed to township establishment is currently being addressed through the EFS, which unlocks the township establishment required for construction start. In the interim, processes are underway for the appointment of Professional Service Providers (PSP's) and construction companies.

Phase 2 spans over 81 ha and will be developed as a mixed-use development in line with market demands. It will include:

- TASEZ Centre of Excellence Campus
- Retail and Office Node
- New Industrial Node
- Truck Staging

The following photos illustrate progress made within the past three financial years in terms of infrastructure development within the zone.

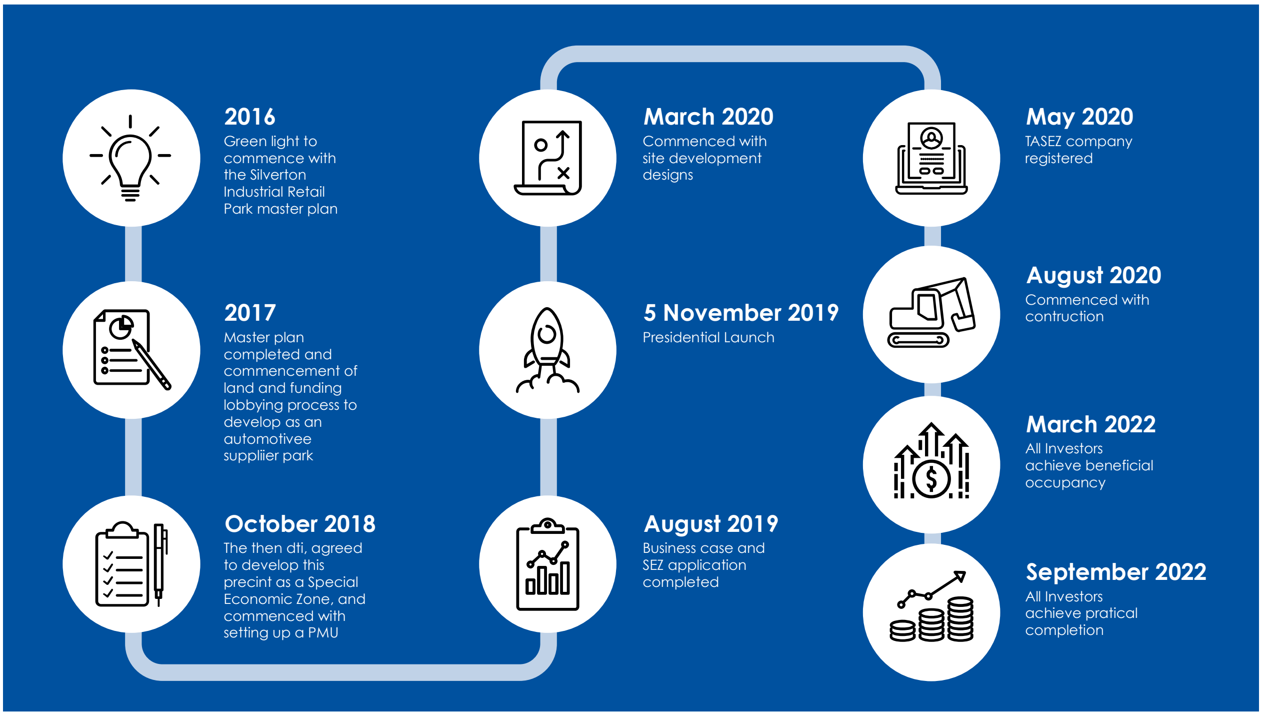


Table 6: Annual Performance Plan: Programme 3 - Infrastructure

Outcome	Output	Overall Output Indicator	Actual Performance	Planned Annual Target	Deviation from Planned Target	Reason for Non-Achievement/ Over Achievement
Reduction of the Carbon Footprint of the TASEZ	Increased number of renewable energy share (megawatts) in economic infrastructure facilities (Industrial parks and SEZs).	Amount of Mega Volt-Amps (MVA) renewable energy generated	72.5% = IPP concluded pre-liminary designs	100% Achievement = Commence with Construction of IPP solutions	-27,5%	The appointment of an IPP was delayed by 9 months due to the initial tender responses exceeding the price and time allowed for a reasonable Return on Investment for the Project. TASEZ reviewed the ROI period and a new Tender was released to the market, which led to the delay in the project. Furthermore, because the development of IPPs is a relatively new concept, there is little historical data for TASEZ to leverage. As a result, TASEZ underestimated the approval times and conditions for the PPA's. Such conditions include the Fund Transactional Advice and Approval, NERSA Approvals and Land Acquisitions and Approvals. Land and Township approvals will also be impacted by Municipal Bi-Laws, which do not make full provision for IPP solutions for township establishment.

3.4. Programme 4: Zone Operations

Zone Operation Services are responsible for all services relating to the efficient running of the TASEZ post-construction phase. These services include infrastructure maintenance, ICT, and security and conference centre management services.

With a moratorium on hiring enforced due to the required provisions for diesel and generators to provide power beyond the 16MVA cap, the Zone built up human capital slower than envisaged. Despite this, TASEZ achieved a higher than anticipated customer satisfaction feedback rating from tenants. There are still some areas which require improvement, however, with the envisaged increase in human capital in Zone Operations Services, TASEZ foresees that these matters can be resolved.

Table 7: Programme 4 – Zone Operations

Outcome	Output	Overall Output Indicator	Actual Performance	Planned Annual Target	Deviation from Planned Target	Reason for Non-Achievement/ Over Achievement
Economic Growth of the Automotive Sector	Increase Investor Confidence	Average customer satisfaction rating received by all investors within the SEZ. For year 1 an in-house Customer Stratification Feedback report will be used.	84%	80%	+4%	Achieved

4. REVENUE COLLECTION

TASEZ currently generates revenue from own sources and government grants, provided by the dtic, GDED and CoT. TASEZ collects rentals from tenants and aims to reduce the dependence on grant funding until it is self-sufficient. In the 2022/23 financial year, TASEZ has concluded most of the lease agreements with tenants.

During the 2022/23 financial year, TASEZ generated revenue from rentals as per the table below. A portion of the operational expenditure was funded by GDED. In terms of infrastructure funding, TASEZ was funded by three spheres of government as reflected below.

Table 8: Revenue Collection

	2021/22			2022/23		
Sources of Revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government grant – operational expenditure – GDED	76 953	76 953	-	135 324	135 324	-
Infrastructure funding – the dtic	1 463 652	1 329 921	133 731	116 288	116 288	-
Infrastructure funding – GDED	114 412	114 412	-	177 869	89 358	88 511
Infrastructure funding – CoT	156 414	73 456	82 957	197 657	44 218	153 439
TASEZ Rental Revenue	-	-	-	46 080	44 703	1377
Total	**1 734 478**	**1 517 790**	**216 689**	**673 218**	**429 891**	**243 327**

5. CAPITAL INVESTMENT

TASEZ was incorporated to deliver on a fast-tracked mega infrastructure project. This entailed delivery of Phases 1 and 1A to house 12 tenants which are comprised of Ford South Africa and its suppliers to produce the new Ford Ranger. For Phases 1 and 1A of the development, the dtic approved top structure funding to the value of R3 303 billion. The CoT committed R288 million and the GDED availed R314,4 million for bulk infrastructure. Moreover, GDED has committed an additional R 240,8 million for the construction of the Central hub which will be used for parking and maintenance offices.

The table below sets out the budgeted expenditure for the 2022/23 financial year and the actual expenditure incurred on the project.

Table 9: Capital Investment

	2021/22			2022/23		
Infrastructure Projects	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
TASEZ - Phase 1 and Phase 1A	2 146 161	2 169 876	-23 515	876 796	666 738	210 158
Total	**2 146 161**	**2 169 876**	**-23 515**	**876 796**	**666 735**	**210 158**

PART C
GOVERNANCE

1. INTRODUCTION

Good corporate governance assists in building an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity. In addition to legislative requirements based on a public entity's enabling legislation, the SEZ Act, the Companies Act, and corporate governance regarding public entities, are applied through the PFMA guidelines together with the King IV Report on Corporate Governance for South Africa (King IV Report) principles.

TASEZ endeavors to comply with the fundamental principles of good corporate governance, as set out in the SEZ Act, Companies Act, PFMA, National Treasury Regulations, and the King IV Report, as well as the policies of TASEZ.

2. PORTFOLIO COMMITTEES

In terms of Section 25 of the SEZ Act, read with Section 52 and Regulation 26.1, the Executive Authority responsible for the public entity through the TASEZ Board is accountable for the control, management, and performance of TASEZ. Accordingly, the TASEZ Board submits to the relevant Executive Authority and Treasury quarterly performance reports, annual reports, revenue projections, expenditure, borrowings, and corporate plans covering the affairs of TASEZ.

3. EXECUTIVE AUTHORITY

Section 1(a) of the PFMA read with Section 1.1.6 of the Memorandum of Incorporation (MOI), defines the Executive Authority in relation to a provincial department as the member of the Executive Council of a province accountable to the Provincial Legislature for the department. Accordingly, the member of the Gauteng Provincial Executive Council through the TASEZ Board is accountable for the control, management, and performance of TASEZ. TASEZ will submit quarterly and annual reports in terms of National Treasury Regulation (26.1) to the member of the Gauteng Provincial Executive Council on 31 January, 30 April, 31 July, and 31 October 2023.

4. THE ACCOUNTING AUTHORITY/ THE TASEZ BOARD

TASEZ funders have appointed a Board of Directors (BoD)in terms of Section 66 of the Companies Act. The main role of the Board is to perform the duties of strategic planning and oversight. The TASEZ Board has adopted and approved Terms of Reference (ToR) which regulates its affairs by setting out the Board's role, responsibilities, and scope of authority as well as the requirements for its composition and meeting procedures.

The TASEZ Board is comprised of three Directors nominated by each funder and appointed by the Board Chairperson. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of TASEZ are Ex Officio Directors.

Industry bodies with an interest in the SEZ are entitled to nominate, appoint, and replace at least two observers to the Board, who are entitled to attend all Board meetings but are not entitled to exercise any vote(s) on any matters before the Board.

The Chairperson of the Board leads and guides the Board in executing its governance responsibilities.

The TASEZ Board upholds and embraces its fiduciary duties as outlined in Section 50 of the PFMA and section 76 of the Companies Act. Board members are required, to:

- Apply reasonable care, skill and diligence in exercising their duties.
- Act in good faith and in the best interest of TASEZ.
- Exercise independent judgement in all decision-making.
- Avoid, or declare, any conflict of interest.
- Disclose to the company their financial interests in proposed or existing transactions or arrangements with the company or other entities.
- Act within the powers granted to them in the MOI.
- Act with fidelity, honesty, integrity and in the best interests of TASEZ in managing the financial affairs of the TASEZ.

The Board has adopted a comprehensive Delegation of Authority Framework in accordance with Section 56 of the PFMA. As a result, the Board has delegated the day-to-day management of the affairs of TASEZ to the CEO. The delegation of authority policy does not in any way divest the Board of its responsibilities and accountability towards the organisation.

Table 10: Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Date Resigned	Qualifications (highest)	Area of Expertise	Other Committees or Task Teams (eg: Audit Committee / Ministerial Task Team)
Lionel October	Chairperson	6 May 2020	N/A	MSc in Economics Post Graduate Diploma in Economics BA Hons, Development Studies B IURIS (Law degree)	Strategy & policy development and implementation	N/A
Susan Mangole	Member	6 May 2020	N/A	Masters in Business Management Post Graduate Diploma in Management Public Financial Management Leaders in Development Advanced Management Development Post Graduate Diploma in Business Management Programme in Business Management and Office Administration	Fund management strategy & policy development; and implementation Financial management & budgeting	HR & REMCO
Maoto Molefane	Member	3 July 2020	N/A	Master of Science in Public Finance Management Master of Science in Development Planning Bachelor of Arts (Majors: Industrial and Economic Sociology and Industrial Psychology)	Infrastructure planning and implementation Financial planning and management Project management, public policy analysis and development	HR & REMCO Infrastructure Committee
Jak Koseff	Member	3 July 2020	22 December 2022	MPA, Advanced Policy Analysis & Applied Economics, specialising in Urban & Social Policy MPA, Public and Economic Policy Master of Arts, Political Philosophy Bachelor's Degree, Journalism	Policy strategy. Public policy	Social and Ethics Committee

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Date Resigned	Qualifications (highest)	Area of Expertise	Other Committees or Task Teams (eg: Audit Committee / Ministerial Task Team)
Njabulo Sithebe	Member	30 July 2021	N/A	Masters in Development Finance; Computer Model for Feasibility Analysis and Reporting Building National Competitiveness Imagination Programme Post Graduate Certificate in Applied Econometrics BA Hons (International Finance & Trade) Baccalaureus Artium (Economics)	Economic policy analysis and development industrial policy analysis Stakeholder management Infrastructure spend analysis Macro-economic analysis Quantitative demand forecasting Fiscal expenditure analysis	N/A
Blake Mosley-Lefatola	Member	30 July 2021	N/A	Bachelor of Arts in African Political Studies and Sociology Honours Degree in Industrial Sociology	Strategic leadership. transformation and management Financial management and human resources	N/A
James Murphy	Member	15 July 2021	31 October 2022	Bachelor of Arts in Linguistics (Honours) ICSA – Strategic Management and Corporate Governance Management Development Programme Bachelor of Laws	Stakeholder management Infrastructure spend analysis	Infrastructure Committee
Musa Khumalo	Member	15 July 2021	N/A	MSc – Risk Management & Business Continuity Bachelor of Social Science in Economics (Honours) Bachelor of Social Science Masters in Management	Risk management Information and communications technology Corporate administration Knowledge management	N/A
Lardo Stander	Member	15 July 2021	N/A	PhD in Economics M. Com Economics Degree in Economics (Honours) B. Com Insurance Science	Agriculture and Climate Change	N/A
Dhrihen Vanmail	Member	6 November 2020	N/A	Master of Business Leadership in Change Management, MBA Bachelor of Technology in Industrial Engineering	Automotive sector specialist Strategy & policy development	N/A

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Date Resigned	Qualifications (highest)	Area of Expertise	Other Committees or Task Teams (eg: Audit Committee / Ministerial Task Team)
Ockert Berry	Member	6 November 2020	N/A	MDP Management Development Programme, Business Studies National Higher Diploma in Personnel Management National Diploma in Personnel Management	Automotive sector – plant and production management Value stream- mapping Failure mode and effects analysis Leadership Culture development and manufacturing operations	N/A

Notes: Directorship by all members declared as per their duties in their respective roles.

Table 11: Board Meeting Attendance

Member	27 Apr 2022	2 May 2022	29 July 2022	5 Sept 2022	14 Oct 2022	11 Nov 2022	6 Dec 2022	6 Feb 2022	13 Feb 2023	2 Mar 2023
Lionel October	√	√	√	A	√	A	√	√	√	√
Maoto Molefane	√	A	√	√	√	√	A	√	√	√
Susan Mangole	√	√	√	A	A	√	√	A	A	A
Jak Koseff	A	√	√	√	√	√	√	R	R	R
Njabulo Sithebe	√	√	A	-√	√	√	√	√	√	√
Blake Mosley-Lefatola	A	√	A	√	√	√	√	√	√	√
James Murphy	A	A	√	A	A	A	R	R	R	R
Musa Khumalo	A	√	A	A	A	√	√	A	√	A
Lardo Stander	√	√	√	√	√	√	√	√	√	√
Ockert Berry	A	A	A	A	√	A	A	A	A	A
Dhiren Vanmali	A	A	A	A	A	A	√	A	A	√

√ indicates attended / A indicates apology / R indicates resigned or communicated intention to resign / - indicates member not yet appointed.

4.1. Committees of the Board

Section 22 of the TASEZ Memorandum affords the TASEZ Board of Directors to establish any number of Board Committees and delegate any of its authority to such Committees. Accordingly, the Board appointed the following Committees of the Board:

Infrastructure Committee

The Infrastructure Committee's role is to oversee initiation of the operational process of TASEZ, resolve bottlenecks hindering project implementation, guide management, and act as a catalyst to ensure all stakeholders and management deliver on their respective responsibilities around land acquisition, township establishment, and provision of required infrastructure according to set timelines. The key functions of the Committee are stipulated on the approved ToR.

The composition and meeting attendance of the Infrastructure Committee as from April 2022 to March 2023 is reflected in the table below.

Table 12: Infrastructure Committee Members

Members of the Committee	No of meetings held	No of meetings member attended
James Murphy (Chair) – resigned on 31 October 2022	4	3
Tiyani Sambo (Member)		4
Pieter Swanepoel (Member)		2
Maoto Molefane (Member)		2
Thami Klassen (Member)		4
Jobe Mkhonto (Member)		0
Thokozani Zikhali (Member)		4

Social and Ethics Committee

In respect of the Company's Act (No 71 of 2008) as amended, read in conjunction with Regulation 43, the TASEZ Board in order to fulfil its statutory duties has resolved to establish the Social and Ethics Committee.

The Committees responsibilities, which encompass the regulations of the Companies Act, and various requirements as set out in King IV are stipulated on its ToR.

The composition and meeting attendance of the Social and Ethics Committee as from April 2022 to March 2023 is reflected in the table below:

Table 13: Social and Ethics Committee Members

Members of the Committee	No of meetings held	No of meetings member attended
Jak Koseff (Chair) Resigned on 22 December 2022	2	2
Mzwakhe Mbatha (Member)		1
Benjamin Manasoe (Member)		2
Mildred Nkopane (Member)		1

Audit and Risk Committee

The Audit and Risk Committee, established in terms of Section 77 of the PFMA (Act No 1 of 1999, as amended) and National Treasury's Regulation 27 discharges its responsibilities in terms of the Audit and Risk Committee Charter, which sets out its committee composition, roles and responsibilities. The Audit and Risk Committee continually monitors the quality and reliability of TASEZ financial information and various functions in the organisation. The Audit and Risk Committee ensures that emerging risks are timeously identified, and that appropriate and effective control measures are put in place to mitigate these risks.

The Committee further monitors the liquidity and financial condition of the TASEZ, recommends approval of bad debts write-offs, addresses material variances in the approved annual and/or revised budgets in accordance with the Materiality and Significance Framework Plan, considers and reconciles corporate performance information management against the approved budget. and reviews the proposed capital and operating budget, financial statements, policies with financial implications.

Composition and meeting attendance of the Audit and Risk Committee for the period April 2022 to March 2023 is reflected in the table below.

Table 14: Audit and Risk Committee Members

Members of the Committee	No of meetings held	No of meetings member attended
Shabeer Khan (Chair) (resigned in December 2022)	6	5
Irene Ramafola (Chair) (appointed in February 2023)		0
Madiagane Marota (Member)		4
Zane Mheyamwa (Member)		6

Human Resources and Remuneration Committee

The HR and Remco Committee is mandated to consider and recommend for the Board's approval the human resources strategies and policies of the TASEZ.

The composition and meeting attendance of the HR and Remco Committee as from April 2022 to March 2023 is reflected in the table below:

Table 15: Human Resources and Remuneration Committee Members

Members of the Committee	No of meetings held	No of meetings member attended
Susan Mangole (Chair)	4	4
Maoto Molefane (Member)		4
Thami Klassen (Member)		4
Benjamin Manasoe (Member)		3
Nalini Naicker (Member)		1

Remuneration of Board Members

Ex-Officio Directors are not allowed payment of remuneration however, they may claim for the travelling, hotel and other expenses properly incurred while attending and travelling to and from meetings of the Board and Committees of the Board.

TASEZ Directors are serving in their capacities as representatives of the three funders therefore no remuneration was paid during the reporting period under review.

5. RISK MANAGEMENT

Effective risk management entails continuous and proactive identification and assessment of risk factors affecting the Company's mandate. As of 31 March 2022, TASEZ had 14 strategic risks on the Risk Register and as of end March 2023, no additional strategic risks were registered during the year. TASEZ management is responsible for implementing risk action plans and for ensuring that controls are effective and continuously enhanced. The "risk owners" report on the status of the particular risk they manage and outline the mitigating actions taken. Progress against risk action plans is monitored and reported in quarterly reports.

TASEZ has also commenced with the implementation of operational risk registers that must be controlled by each department.

6. INTERNAL CONTROL UNIT

Management has the responsibility to design, implement and continually review internal controls to provide assurance on the effectiveness, efficiency of operations and reliability of financial reporting, safeguarding and maintaining accountability for the assets of the organisation.

These controls are monitored throughout TASEZ by management and employees, with the necessary delegation of duties.

The internal audit performs independent reviews on the effectiveness of these controls as part of its annual internal audit plan and the audit reports are presented to the Audit and Risk Committee.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of a company. It assists the organisation in accomplishing its objectives through a systematic, disciplined approach in evaluating and improving the effectiveness of governance, risk management and control processes.

The following key elements are performed in this regard:

- Assess and make appropriate recommendations for improving governance processes in achieving TASEZ's objectives.
- Evaluate the adequacy and effectiveness of the risk-management process and contribute to the improvement thereof.
- Assist the BoD in maintaining efficient and effective controls by evaluating these controls and making recommendations for improvement.

TASEZ has outsourced the internal audit function for the next three years to Nexia SAB & T. This was concluded in consultation with the Audit and Risk Committee in January 2022. The internal audit function is overseen administratively by the CEO and has produced an Annual Internal Audit Plan, as well as a three-year risk-based Internal Audit Plan appropriately approved by the Audit and Risk Committee.

A summary of internal audit work done for the 2022/23 financial year is set out below and includes:

- Performance information audits
- Governance and compliance review
- Procurement and contract management
- Financial discipline review
- Annual financial statements review
- Human Resources compliance review
- ICT compliance review

The Audit and Risk Committee provides independent oversight over governance, risk management and control processes at TASEZ, which include oversight and responsibilities relating to:

- Internal audit
- External audit
- Accounting and financial reporting
- Accounting policies
- Review of management and audit reports
- Review of in-year monitoring reports
- Risk management
- Internal controls
- Pre-determined objectives
- Ethics and forensic investigations
- Combined assurance
- ICT governance

8. COMPLIANCE WITH LAWS AND REGULATIONS

TASEZ complies with the SEZ Act, the Companies Act, and PFMA as well as National Treasury Regulations through TASEZ's compliance calendar. The TASEZ compliance calendar is continually monitored and updated.

Going forward, TASEZ will review the regulatory environment on a regular basis and will incorporate all applicable laws, regulations and policies into its automated compliance-monitoring system. Compliance checklists will be completed by the relevant policy owners which allow for the generation of quarterly compliance reports for Audit and Risk Committee meetings as well as management meetings. During the period under review, TASEZ complied with all laws and regulations impacting on its business.

9. FRAUD AND CORRUPTION

TASEZ has a legal responsibility in terms of the PFMA (Act No 1 of 1999, as amended) to take appropriate steps to prevent unauthorised, irregular, fruitless and wasteful expenditure and losses resulting from criminal conduct. An Anti-Fraud Prevention Policy and the Whistle-Blowers Policy is in place, as well as a "whistle-blowing facility" that is internally administered by Human Resources Management (HRM) together with the Company Secretariat. TASEZ is pleased to announce that no fraudulent activities were registered.

10. MINIMISING CONFLICT OF INTEREST

The TASEZ Board has adopted and approved a policy regulating issues of conflict of interest. As such the Board, Committee Members and all TASEZ employees are required on an annual basis to complete and submit their Declaration of Interest (DoI). Furthermore, any person who is conflicted on a matter before consideration by the Board/Committee is required to always declare their interest and be recused from participating in such deliberations.

All suppliers of goods and services to TASEZ are required to complete standardised National Treasury documentation (SBD4 DOI). In view of possible allegations of favouritism, should the resulting bid or part thereof be awarded to persons employed by TASEZ or to persons connected with or related to them. It is required that the bidder or his/her authorised representative declare his/her position to the evaluation/adjudication authority. In addition, staff members of TASEZ involved in the Bid Evaluation and Adjudication Committee are required to complete a declaration and nondisclosure form at each meeting.

11. CODE OF CONDUCT

All staff members of TASEZ abide by the Code of Ethics and Conduct of TASEZ. TASEZ is committed to ethical, transparent and fair business dealings, and promotes a socially and environmentally responsible corporate culture. It does so by subscribing to the following values and principles:

- Fairness and integrity in all business dealings, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Respect for the human rights and dignity of all employees.
- Acceptance of diverse cultural, religious, race, gender and sexual orientation.
- Honesty, transparency and accountability.
- Adherence to sound standards of corporate governance and applicable laws.

In terms of the Code of Ethics and Conduct, all persons serving on behalf of TASEZ are required to uphold the highest standard of business ethics and integrity. In addition, all staff, contractors, consultants and others acting on behalf of the organisation are required to honestly represent the organisation and will refrain from engaging in any activity or scheme intended to defraud anyone of money, property or services. The reputation and integrity of the TASEZ are central to its ability to operate as an effective state-owned organisation.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

No reportable environmental, safety and health incident were recorded during the year under review. TASEZ is committed to providing a workplace that is safe and without risk to the health of its employees and the protection of the environment including the prevention of pollution. To demonstrate these commitments, the organisation has established and implemented a SHE Policy which is communicated to all its affected stakeholders through employee induction and awareness programmes.

During the year under review, TASEZ commenced with the development and implementation of its SHE Management System based on ISO 14001 Environmental Management Standard and 45001 Occupational Health and Safety Management Standard. Baseline Risk Assessments were conducted to identify all the risks/impacts and compliance obligations applicable to all the activities undertaken by the organisation.

Mitigation measures to reduce the SHE risks/impacts of these activities were identified, as a result, Permit to Work Procedures were developed and implemented to manage high risk activities undertaken during construction and maintenance activities involving electricity, machinery, working at heights, hot-work, confined spaced, excavation an other non-routine activities.

The transition from construction to operation was the key focus during the year under review. During this transition, compliance obligations that were applicable during the construction phase were transferred to operations. TASEZ entered into mandatory agreements with the tenants and its service providers to ensure that tenants install, commission and use their machinery/equipment whilst complying with all the applicable legal requirements and that service providers maintain the facilities in accordance with applicable statutory requirements.

These mandatory agreements ensure tenants and service providers comply with the Occupational Health and Safety Act, 1993. Compliance audits were undertaken to verify compliance by the tenants and service providers with the mandatory agreements.

While implementing the SHE Management Systems, the organisation had to manage historic environmental issues that occurred during construction. One of the key issues was a compliance notice that was issued by the Gauteng Department of Agriculture and Rural Development (GDARD) in May 2021. The compliance notice instructed the tenant to cease all activities on site and break down a section of a retaining wall which is deemed to be encroaching on the wetland buffer zone.

TASEZ has since engaged GDARD to resolve the issue, however, TASEZ was informed of an alleged criminal investigation due to failure to implement the compliance notice. TASEZ has co-operated with the process and provided the department with all relevant documents and information pertaining to the development of the SEZ while continuous engagements are underway with the department to resolve the matter.

13. COMPANY/BOARD SECRETARY

In terms of section 86 of the Companies Act, TASEZ is required to appoint a Company Secretary. TASEZ appointed an Acting Company Secretary effective 1 April 2022 and is in the process of concluding the recruitment of a permanent incumbent.

The secretary is responsible for:

- Providing the Board with guidance as to its members' duties, responsibilities, and powers.
- Making the Board aware of any law relevant to or affecting TASEZ.
- Reporting to the Board any failures on the part of TASEZ.
- Ensuring all the minutes of the Board meetings and meetings of the Committees of the Board are properly recorded.
- Certifying in TASEZ's annual financial statements whether the Company has filed the required returns and notices in terms of the Companies Act, and whether such returns and notices appear to be true, correct, and up to date.
- Ensuring the annual financial statements are sent in accordance with the Companies Act to every person who is entitled to receive them.

14. SOCIAL RESPONSIBILITY

At the end of the reporting period 1 827 SMMEs were registered with TASEZ through the various SMME and labour portals. Since inception TASEZ has trained 344 SMMEs on the tendering process, assisting them to be better equipped to tender for projects.

In addition, 30 SMMEs were trained on new venture creation programmes within this financial year (total of 150 since inception) to support these SMME in advancing their business management and business acumen skills.

The scale of the TASEZ project demands a well-coordinated, systematic and objective approach in responding to the socio-economic performance targets, job creation and SMME opportunities.

TASEZ, in conjunction with CDC, developed an approach that takes into account the need for regular reporting, engagement and consultation with local communities through an appropriate structure. During the 2020/2021 financial year, CPC supported by Community Liaison Officers (CLOs) was established to facilitate community participation. The CPC remained an integral part of the TASEZ social responsibility and held bi-weekly meetings in the current financial year to oversee and manage the social responsibility aspect of the TASEZ construction project and operational phase of the SEZ. The Labour and Socio-economic Framework deployed on the Tshwane Automotive SEZ project was reviewed between CoT, TASEZ, GDED and CDC.

The Framework rests on three essential elements:

- Project Socio-economic Development Centre (PSDC)
- Community Liaison Officers (CLOs) and
- Community Project Committee (CPC)

The CPC is represented by stakeholder groups in the target area with nine representatives identified wards and the 6 designated groups as outlined in PPPFA.

The PSDC centre is utilised for:

- Community briefings sessions
- Training of individuals and SMME's and
- Offices where the communities can register their companies and/or submit CVs.

As part of the construction contractors' appointments, each main contractor is obligated to conclude socio responsibility project within the surrounding communities. The projects are identified in support of the CPC and include projects such as the revamping of Early Childhood Development Centres, Old Age and Orphanage Homes within the surrounding township communities.

15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 51(1) (a) (ii) of the PFMA and Treasury's Regulation 27 (1). The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audits' work which were based on the risk assessments conducted in the company revealed certain weaknesses, which were raised with TASEZ. The following internal audit work was completed during the year under review:

- Performance Information Audits
- Governance and Compliance Review
- Procurement and Contract Management
- Financial Discipline Review
- Annual Financial Statements Review
- Information Technology General Control
- Human Resource Management and Payroll Processing

The following were areas of concern:

The internal audit identified areas of improvement in conducting the above-mentioned audits. In the opinion of the ARC, these findings are attributable to the fact that the Company was established in the 2020/21 financial year and had not been sufficiently capacitated. Management has demonstrated in its responses to these findings ways to address the areas of improvement which will be monitored by the ARC. In addition, management has committed to addressing vacancies, and the ARC will continue to monitor progress in this regard.

In-Year Management and Monthly/ Quarterly Report

The company has submitted monthly and quarterly reports.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the Company.

Auditor's Report

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the auditors' report.

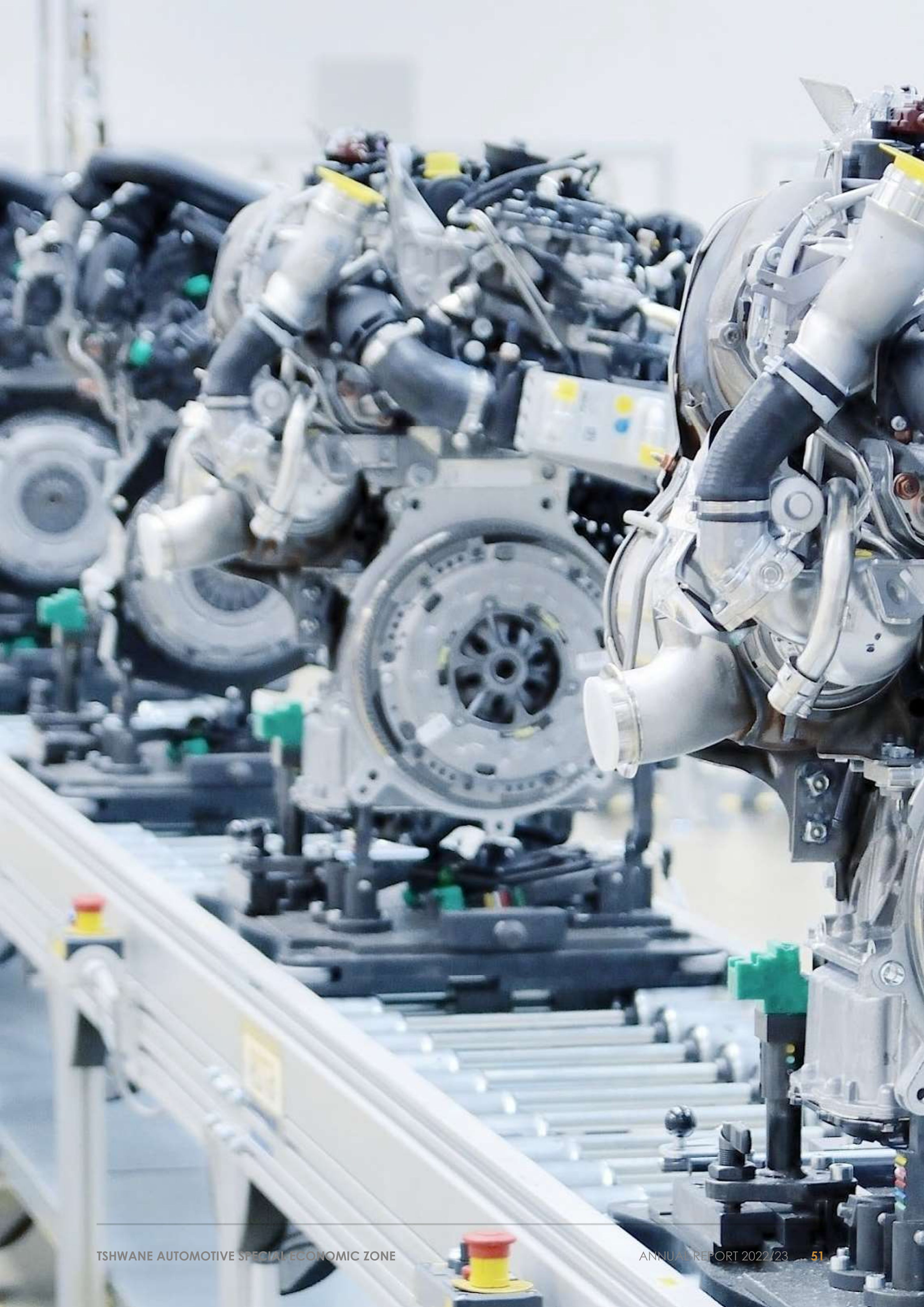
Ms Irene Ramafola
Chairperson of the Audit Committee

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Table 16: B-BBEE Performance Information

Application of the Code of Good Practice (B-BBEE Certificate Levels 1 to 8) regarding the following:		
Criteria	**Response**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law.	Not applicable	TASEZ does not issue any licences, concessions or provide any other authorisations in respect of economic activity in terms of the law.
Developing and implementing a preferential procurement policy.	Yes	TASEZ has developed a Supply Chain Management Policy to guide the internal procurement of the company. Such policy includes the evaluation of bids in terms of the PPPFMA
Determining qualifications criteria for the sale of state-owned enterprises.	Not applicable	TASEZ does not sell state-owned enterprises.
Developing criteria for entering into partnerships with the private sector.	Not applicable	TASEZ has not entered into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment.	Not applicable	TASEZ has not awarded incentives, grants and investment schemes.



PART D
HUMAN RESOURCE MANAGEMENT


TSHWANE AUTOMOTIVE
SPECIAL ECONOMIC ZONE

1. INTRODUCTION

The first phase of TASEZ was established for the purpose of accommodating the automotive component manufacturers that will supply the FMCSA. As the establishment of Phase 2 has come on stream, TASEZ must constantly assess the structure and the type of resources required to run an effective SEZ.

TASEZ, Commitment Statement is to uphold governance, ethical conduct, discipline, transparency, employment equity and development. HRM is a department that resides within the TASEZ Corporate Services Division with its main role being:

- Development and maintenance of TASEZ HR policies
- Design, review, and management of the TASEZ Organisation Structure
- Recruitment
- Training and development of employees
- Employee relations
- Employee awareness and wellness
- Performance management
- Administration of employee remuneration and benefits

2. RECRUITMENT AND SELECTION (RESOURCING)

TASEZ depends on the recruitment of suitable candidates responsive to organisational targets and mandate. The recruitment process should always be aligned, evaluated, and repositioned for optimum utilisation in line with the TASEZ operational plans. For the 2022/23 financial year, the recruitment process also took into consideration the mandate of the entity, its operational and strategic risks.

The current approved structure has 62 positions with an aim of filling 52 positions by end of the financial year. A total of 37 positions were filled. While all of the positions were advertised for placement, the introduction of new executive members resulted in a management decision to review the profiles in line with the revised entity's long-term strategy, delaying many appointments. It is expected that the 15 positions will be filled by the end of Quarter 2 in the next financial year.

ORGANISATIONAL DESIGN

TASEZ established a need to do an organisational design and job grading process which will help in formalising the organisational structure, job descriptions, reporting lines, and the validating and benchmarking of salaries and benefits. TASEZ Human Resources department has concluded this task through an outsourced service provider with the below scope of work:

- Establish the organisational structure
- Establish authority lines in the organisation
- Establish minimum requirements for each position in the organisation
- Develop detailed job profiles for the organisation
- Conduct external salary benchmarking
- Develop compensation structures for the organisation
- Establish benefits for the organisation
- Establish tiers for benefits in the organisation
- Establish an Employee Self Service System – PAYROLL
- Job Grading

A report was thereafter tabled for recommendation to the TASEZ Board including a summary of the amended, maintained, and revised positions. The Board approved the adoption of the Paterson Job Grading methodology in line with the benchmark carried out by management against state-owned entities within the GPG and that the pay structure be categorised based on the 25th percentile the lower quartile, 50th percentile the median, 75th percentile the upper quartile of the salary scale. It was further resolved that all current and newly recruited employees be placed on a 25th percentile pay structure unless written approval for the deviation is obtained from the relevant structure.

The recommended Paterson Job Grading methodology was recognised and adopted as a market related salary benchmark by TASEZ Management and the Board, and was implemented from 1 August 2022.

3. TRAINING AND DEVELOPMENT STRATEGY IMPLEMENTATION

It is the belief of every employer that in order to have productive employees there must first be competent employees. Following the approval of the organisational structure, job grading and salary benchmarking, TASEZ will therefore implement a training plan for all its employees. The training plan will be in line with strategic and operational requirements of the entity.

TASEZ aims to identify and implement training and development interventions and/or programs responsive to organisational and employee training needs. Although no formal training plans were submitted during the 2022/23 financial year, departments did identify their own training needs and various training sessions have been attended. Moving forward it is TASEZ's aim to ensure the submission of formal training plans and that the HR department tracks the progress.

A Internship Programme

In line with the Skills Development Act, TASEZ has engaged to offer Learning opportunities to 11 interns and fully fund the Internship Programme for a period of 24 months commencing on 24 January 2022 to 31 January 2024.

4. INDUSTRIAL PEACE

Through employee engagements, consultations, employee relations interventions and human resources processes, TASEZ ensures that there is always industrial peace. The lack of industrial peace could destabilise the projects and other stakeholder relationships. TASEZ aims to engage in effective management of internal disciplinary processes and effective handling of employee's grievances to maintain a harmonious working environment, focusing on achieving organisational goals.

5. EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

A Performance Management Policy (PMP) has been approved and implemented. Performance contracting and reviews are conducted twice a year. TASEZ aims to ensure compliance with policies and practices, with specific contribution towards the implementation of TASEZ performance management policy and procedures, managing employee performance in consistent with the TASEZ strategic direction. The process has been initiated to track and monitor performance management compliance in accordance with the required timelines. Performance contracts for the financial year 2022/23 are finalised. The performance review process occurred throughout the financial year in line with the PMP.

6. HR POLICY DEVELOPMENT

The purpose of the entity's policies is to provide guidelines to all employees in ensuring that integrity and fairness within TASEZ is adhered to and that TASEZ is compliant with all the requisite legislative requirements and develops best practices in relation to the Labour Relations Act no 66 of 1995 as amended.

The Human Resource department has a total of 28 proposed policies of which 23 have been approved. The remainder of the policies are still under review and will be concluded in the 2023/24 financial year. Ten (10) of these approved policies are due for review and the process has commenced and is anticipated to conclude by end of quarter 2 of the new financial year.

7. CHALLENGES FACED BY TASEZ

The South African economy is currently faced with an array of challenges including, rising inflation, a deteriorating manufacturing sector and a decline in business confidence. As such these challenges have had both direct and indirect impact on TASEZ's business operations. TASEZ is currently underspending on compensation of employees due to delays in the approval of a new organisational structure, which also includes benchmarking of salaries. The implementation of a moratorium, which prohibited the extension of any short-term contracts and appointment of new staff at all levels, contributed to the delays. As a result, the process conducted was finally approved for implementation in August 2022.

8. FUTURE HR PLANS

TASEZ's HR Department intends to implement and continue facilitating workshops on developed HR policies and procedures. Additionally, the HR Department aims to conclude the appointment of a service provider to manage the provident fund and risk cover, as well as to conclude the recruitment processes for all vacant positions which the moratorium has been removed.

9. HUMAN RESOURCE OVERSIGHT STATISTICS

10.1 Personnel-Related Expenditure

The following table provides the personnel-related expenditure during the 2022/23 financial year.

Table 17: Personnel-related expenditure

Department	Annual Budget	Actual Expenditure	Variance	% Variance
Office of the CEO	8 571 195	5 482 118	3 089 077	36%
Corporate Services	11 159 114	7 757 190	3 401 924	30%
Financial Services	7 905 493	6 516 691	1 388 802	18%
Business Development & Investment Promotion	11 336 638	10 429 228	907 410	8%
Infrastructure Development	10 397 863	7 408 763	2 989 100	29%
Zone Operations	6 116 619	3 602 168	2 514 451	41%
Total	**55 486 921**	**41 196 158**	**14 290 764**	**26%**

The actual expenditure for TASEZ personnel for the current financial year amounts to R41,2 million versus the Annual budget of R55,5 million. That represents a variance of 26% from the beginning of the 2022/23 financial year to end mainly due to a moratorium placed on positions.

TASEZ has approved a Medical Aid scheme for all employees and contributes a fixed amount towards employee's medical aid contributions per month, across all levels. The benefit was implemented accordingly in August 2022, and monitoring is ongoing.

TASEZ has further appointed administrators and underwriters for the TASEZ Employees Risk Benefit Scheme. This has been implemented as an interim measure pending finalisation of provident fund for TASEZ.

10.2 Performance Rewards

During the 2021/22 financial year, provision was made for performance rewards and an allocation was made in line with the TASEZ Performance Policy. TASEZ approved the payment of performance bonuses of all eligible employees in line with the TASEZ Performance Policy.

For 2022/23 the performance management process is on track. Performance contracts are finalised. The performance review process was ongoing and final submissions are anticipated to be concluded in line with the TASEZ Performance Policy.

10.3 Training Costs

During the 2022/23 financial year, limted training was undertaken by TASEZ employees. TASEZ does however seek to build a competent team with relevant and high qualifications. TASEZ aims to capacitate all departments with highly qualified personnel. HR will therefore develop and implement a training plan for all employees. The training plan will be in line with the strategic and operational requirements of the entity. The process focuses on training plans which are in line with the employees' personal development plans.

10.4 Employment and Vacancies

By the end of the financial year, a total of 15 vacant positions were recorded. TASEZ is therefore committed in ensuring that all vacant positions are placed, through approved procedures and in line with the approved TASEZ Recruitment Policy.

Table 18: Employment and Vacancies

Programme/activity/objective	2022/2023 No of Employees	2022/2023 Approved Vacancies
Top Management	5	2
Senior Management	4	2
Professionals qualified	11	5
Skilled	17	6
Semi-skilled	0	0
Unskilled	0	0
TOTAL	**37**	**15**

A total of 43 positions were filled during this financial year with seven (7) terminations, of which two (2) were resignations. Three (3) terminations were as a result of fixed- terms contracts which were due to end. TASEZ also had one (1) dismissal. As at the end of the 22/23 financial year, TASEZ's total headcount closed at 37.

Table 19: Employment Changes

Salary Band	Employment at beginning of the period	Appointments / Promotions	*Terminations	Employment at end of the period
Top Management	3	3	1	5
Senior Management	3	1	0	4
Professionals qualified	13	3	5	11
Skilled	16	2	1	17
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**35**	**9**	**7**	**37**

10. EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

The Employment Equity Act 55 of 1998 exists to guide organisations to achieve equity by promoting equal opportunities and fair treatment in the workplace through the elimination of unfair discrimination and implementation of affirmative action measures to redress the disadvantages in employment experienced by designated groups, and to ensure equitable representation in all occupational categories and levels in the workforce.

The Employment Equity (EE) Report for the 2022 reporting cycle was submitted to the Department of Labour in January 2023. Due to the report being the first submission for TASEZ, plans to address certain sections of the EE report were not in place, including Skills Development. These initiatives will be planned for and reported on in the next reporting cycle. Subsequent to the submission, further recommendation was tabled to the Executive Committee (EXCO), HR and Remuneration Committee (REMCO) and the BoD.

Table 20: Employment Equity

Occupational Level	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	TOTAL
Top Management	3	0	0	0	2	0	0	0	0	0	5
Senior Management	2	0	0	0	1	0	0	1	0	0	4
Professionally Qualified and Experienced Specialists and Mid-Management	6	0	0	0	5	0	0	0	0	0	11
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	4	0	0	0	11	0	0	2	0	0	17
Semi-skilled and Discretionary Decision Making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	15	0	0	0	19	0	0	3	0	0	37
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
Grand Total	15	0	0	0	19	0	0	3	0	0	37

PART E
FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL TO THE MINISTER OF TRADE, INDUSTRY AND COMPETITION

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Tshwane Automotive Hub Special Economic Zone (Pty) Ltd set out on pages 70 to 109, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Tshwane Automotive Hub Special Economic Zone (Pty) Ltd as at 31 March 2023, and their financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Companies Act 71 of 2008 (the Companies Act).

Basis for opinion

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

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

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

Responsibilities of the board of directors (the board) for the financial statements

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

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

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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

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

11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the company's performance on its primary mandated functions and that are of significant national, community or public interest

Programme	Page numbers	Purpose
Progamme 2: Business Development	28	Responsible for the company's overall business development, investment facilitation and enterprise development.
Programme 3: Infrastructure Development	32	The infrastructure development services is responsible for the planning, design and development of all infrastructure relating to the company.

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

13. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the company's mandate and the achievement of its planned objectives
    - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
    - the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only and not to express an assurance opinion.

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

Other matters

16. I 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 underachievements.

Report on compliance with legislation

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

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

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

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

Other information in the annual report

22. The board is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act 71 of 2008. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

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

Internal control deficiencies

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

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

Auditor-General

Pretoria
30 August 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

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)	PFMA 55(1)(c)(i)
Companies Act No.71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4) Section 46(1)(a); 46(1)(b); 46(1)(c') Section 112(2)(a); Section 129(7)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	Proprietary Limited
Nature of business and principal activities	The Development and Management of the Special Economic Zone in Tshwane
Members	Lionel Victor October; Phetogo Susan Mangole; Maoto Nape Molefane; Dhiren Krishnalal Vanmali; Okert Andries Berry; Musawakhe Khumalo; Lardo Stander; Blake Mosley-Lefatola; Njabulo Sithebe; Bheka Zulu – Chief Executive Officer; and Rebecca Hlabatau – Chief Financial Officer.
Registered office	30 Helium Road, Automotive Supplier Park Gauteng 0200
Business address	30 Helium Road, Automotive Supplier Park Rosslyn Gauteng 0200
Bankers	Standard Bank of South Africa
Auditors	Auditor General of South Africa Registered Auditors
Acting Secretary	Londiwe Cetshwayo

INDEX

The statements set out below comprise the annual financial statements to be presented to the parliament: From pages 70 to 109:

Abbreviations used:
GRAP

BOARD OF DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Board is required by the Companies Act (Act No 71 of 2008) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with the standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. They are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The Board acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the board of members sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

Going Concern

- The Board have reviewed the entity's cash flow forecasts and, in light of this review and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.
- The entity is dependent on the government and revenue generated from rental income to fund its operations operations. The annual financial statements are prepared on the basis that the entity is a going concern, and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

BOARD OF DIRECTORS' RESPONSIBILITIES AND APPROVAL

Subsequent Events

- A land lease agreement which was effective from the date of signature was signed with the City of Tshwane (CoT) on the 15th of May 2023 for a period of 60 years.

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

The external auditors are responsible for independently providing reasonable assurance to users that the entity's financial statements are free from material misstatements. The annual financial statements will be examined by the entity's external auditors and their report is to be presented on the annual report.

The annual financial statements have been prepared on a going concern basis and are part of Section E of this report. The financial statements were approved by the board on the 23 August 2023 and singed on its behalf by:

Lionel October
....
Lionel Victor October
Chairperson of the Board

....
Dr Bheka Zulu
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

Assets	Note(s)	2023	2022 Restated*
Non-Current Assets			
Investment property	3	3 115 110 822	2 663 193 217
Property, plant and equipment	4	4 331 908	930 277
Intangible assets	5	31 385	65 785
Operating Lease	6	24 976 443	-
		3 144 450 558	**2 664 189 279**
Current Assets			
Cash and cash equivalents	7	177 180 636	482 102 098
Receivables from exchange transactions	8	176 626 331	34 660 987
Prepayments	9	3 523 724	947 792
Inventories	11	36 049	15 706
VAT receivable	10	17 035 175	-
		374 401 912	**517 726 583**
Total Assets		**3 518 852 470**	**3 181 915 862**
Liabilities			
Non-Current Liabilities			
Operating lease liability	12	-	108 542
Deferred tax	13	664 310 759	595 637 291
		664 310 759	**595 745 833**
VAT payable	14	-	68 506 634
Unspent conditional grants and receipts	15	115 523 507	411 572 137
Provision for utilities	17	95 138 137	8 605 782
Employee benefits provisions	16	6 168 459	5 086 348
Payables from exchange transactions	18	31 329 305	433 238
Operating lease liability	12	83 595	61 845
Current tax payable	19	62 100 552	19 866 874
Current Liabilities			
		310 343 554	**514 132 858**
Total Liabilities		**974 654 313**	**1 109 878 691**
Net Assets		**2 544 198 157**	**2 072 037 171**
Accumulated surplus		2 544 198 157	2 072 037 171
Total Net Assets		**2 544 198 157**	**2 072 037 171**

STATEMENT OF FINANCIAL PERFORMANCE

Revenue	Note(s)	2023	2022 Restated*
Revenue from exchange transactions			
Insurance proceeds	20	23 493	-
Interest received	21	3 107 992	1 469 162
Recoveries	22	81 094 257	33 798 584
Rental income	23	82 836 611	3 258 432
Total revenue from exchange transactions		**166 862 353**	**38 526 178**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	24	621 313 662	2 245 930 024
Total revenue	**23**	**788 176 015**	**2 284 456 202**
Expenditure			
Employee related costs	25	(43 172 301)	(38 772 773)
Contracted services	26	(9 994 025)	(1 765 938)
Lease rentals on operating lease		(6 294 093)	(892 373)
General Expenses	27	(50 134 363)	(44 220 315)
Depreciation and amortisation	28	(17 871 401)	(514 012)
Finance costs	29	(1 676 067)	(11 119 385)
Zone utilities	17	(75 247 254)	(7 483 289)
Loss on disposal of assets		(3 137)	-
Total expenditure		**(204 392 641)**	**(104 768 085)**
Surplus before taxation		**583 783 364**	**2 179 688 117**
Taxation	30	111 622 391	500 705 277
Surplus for the year		**472 160 983**	**1 678 982 840**

STATEMENT OF CHANGES IN NET ASSETS

Balance as of 01 April 2021	Accumulated surplus/deficit	Total net assets
Changes in net assets	**393 054 331**	**393 054 331**
Surplus for the year-restated	1 678 982 840	1 678 982 840
Total changes	1 678 982 840	1 678 982 840
Total changes	1 674 788 833	1 674 788 833
Opening balance as previously reported	2 075 326 461	2 075 326 461
Adjustments		
Prior year adjustments 32	(3 289 287)	(3 289 287)
Balance as of 1 April 2022	**2 072 037 174**	**2 072 037 174**
Changes in net assets		
Surplus for the year	472 160 983	472 160 983
Total changes	472 160 983	472 160 983
Balance as of 31 March 2023	**2 544 198 157**	**2 544 198 157**

CASH FLOW STATEMENT

	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Grants		402 629 685	1 214 273 208
Interest income		12 239 099	1 376 230
Customers Receipts from tenants and recoveries		44 702 642	4 064 798
		459 571 426	1 219 714 236
Payments			
Employee costs		(41 101 782)	(33 836 530)
Suppliers		(203 438 228)	(48 610 755)
Tax paid		(2 362 642)	-
VAT payable movement		(54 947 885)	(149 158 553)
		(301 850 537)	(231 605 838)
Net cash flows from operating activities	**31**	**157 720 889**	**988 108 398**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(3 710 002)	(696 255)
Proceeds from sale of property, plant equipment	4	3 674	-
Purchase of investment property	3	(458 936 023)	(2 169 876 193)
Net cash flows from investing activities		**(462 622 931)**	**(2 170 572 448)**
Net increase(decrease) in cash and cash equivalents		**(304 921 462)**	**(1 182 464 050)**
Cash and cash equivalents at the beginning of the year		482 102 098	1 664 566 148
Cash and cash equivalents at the end of the year	**7**	**177 180 636**	**482 102 098**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

For the reconciliation to this statement, refer to note 33&34

Revenue	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue from exchange transactions						
Insurance proceeds						-
Interest received						
Recoveries						
Rental income	*64 211 397*	*(18 130 722)*	**46 080 675**	*70 055 659*	**23 974 984**	33.1
Recoveries	*129 389 397*	-	**129 389 397**	*93 258 396*	**(36 131 001)**	33.2
Insurance proceeds	-	-	-	*23 493*	**23 493**	
Interest received - investment	-	-	-	*3 107 992*	**3 107 992**	33.3
Total revenue from exchange transactions	**193 600 794**	**(18 130 722)**	**175 470 072**	**166 445 540**	**(9 024 532)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies (Operational)	95 324 000	40 000 000	**135 324 000**	135 323 000	**(1 000)**	
Total revenue	**288 924 794**	**21 869 278**	**310 794 072**	**301 768 540**	**9 025 532**	
Expenditure						
Personal	(64 904 741)	1 473 931	**(63 430 810)**	(43 172 301)	**20 258 509**	33.4
Depreciation and amortisation	-	-	-	(17 871 401)	**(17 871 401)**	
Finance costs	-	-	-	(1 676 067)	**(1 676 067)**	
Lease rentals on operating lease	(3 000 000)	-	(3 000 000)	(2 508 800)	**491 200**	33.5
Contracted services	(11 823 180)	-	**(11 823 180)**	(11 493 129)	**330 051**	
Goods and Services	(45 950 176)	(134 789 907)	**(180 740 083)**	(54 876 247)	**125 863 836**	-
Capital Assets	(18 707 254)	6 907 254	**(11 800 000)**	(3 710 002)	**8 089 998**	33.5
Provision for utilities	-	-	-	(86 534 342)	**(86 534 342)**	
Infrastructure cost	(1 137 371 000)	260 575 000	**(876 796 000)**	(666 738 458)	**210 057 542**	
Total expenditure	**(1 281 756 351)**	**134 166 278**	**(1 147 590 073)**	**(888 580 747)**	**259 009 326**	
Operating deficit	**(992 831 557)**	**156 035 556**	**(836 796 001)**	**(586 812 207)**	**249 983 794**	
Loss on sale of assets	-	-	-	(3 137)	**(3 137)**	
Surplus	(992 831 557)	156 035 556	**(836 796 001)**	(586 815 344)	**249 980 657**	
Taxation	-	-	-	111 622 391	**111 622 391**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(992 831 557)**	**156 035 556**	**(836 796 001)**	**(698 437 735)**	**138 358 266**	

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 28(1)(b) of the Special Economic Zone Act (Act 16 of 2014).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost conventions as the basis of measurement unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below. These accounting policies are consistent with the previous period.

1.1 Presentation Currency

These annual financial statements are presented in the South African Rand, which is the functional currency of the entity.

1.2 Going Concern Assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence the decisions of users, and so be material, requires consideration of the characteristics of those users. The framework for the preparation and presentation of financial statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant Judgements and Sources of Estimation Uncertainty

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

Trade receivables

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable or may have changed from previous estimates. The value of Property Plant and Equipment are disclosed at the lower of carrying value and recoverable amount. No events or changes in circumstances that suggest that carrying amounts of property, plant and equipment and investment property may have changed were observed in the current financial year.

ACCOUNTING POLICIES

1.4 Significant Judgements and Sources of Estimation Uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 and 17.

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense. A provision is used only for expenditures for which the provision was originally recognised.

Contingencies

Provisions are not recognised for future operating surplus (deficit). If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision. Contingent assets and liabilities are not recognised, however, it is disclosed in the notes to the financial statements. Contingencies recognised in the current year required estimates and judgements.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer to note 13 – Deferred tax.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of the legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Useful lives of property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on industry norms. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

ACCOUNTING POLICIES

1.4 Significant Judgements and Sources of Estimation Uncertainty (continued)

Accounting by principals and agent

The entity makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgments applied are as follows: bulk water and electricity infrastructure developed by TASEZ as an agent of the City of Tshwane should be recognised in the books of the City of Tshwane and not by TASEZ. The trade receivables and other trade payables related to the development of the bulk infrastructure are recognised in the books of TASEZ as it is the one with the contractual obligation with the service providers.

Statutory receivables

Identification statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. The carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

The nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means. The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied, or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The economic entity recognises statutory receivables as follows:

- If the transaction is an exchange transaction, using the policy on revenue from exchange transactions;
- If the transaction is a non-exchange transaction, using the policy on revenue from non-exchange transactions (taxes and transfers); or
- If the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The economic entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The economic entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable (where applicable);
- Impairment losses; and
- Amounts derecognised.

1.5 Investment Property

Investment property is property (building - or part of a building) held to earn rentals or for capital appreciation or both, rather than for:

- Use in the production or supply of goods or services; or
- Administrative purposes.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably. Investment property is initially recognised at cost model.

ACCOUNTING POLICIES

1.5 Investment Property (continued)

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

Item	Useful life
Property – land	Indefinite
Property – buildings	60 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

1.6 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is depreciated on a straight-line basis over their expected useful lives to their estimated residual value. Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Furniture	Straight-line	5 to 10 years
Office equipment	Straight-line	3 to 5 years
IT equipment	Straight-line	3 to 5 years
Marketing equipment	Straight-line	5 to 10 years

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the cost of another asset. Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

ACCOUNTING POLICIES

1.7 Intangible Assets

An asset is identifiable if it either:

- Is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	3 to five years

Intangible assets are derecognised:

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

1.8 Financial Instruments

The TASEZ has cash and cash equivalents, receivables from exchange transactions and payables from exchange transactions which are financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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

A financial asset is:

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

ACCOUNTING POLICIES

1.8 Financial Instruments (continued)

A portion of the cash and cash equivalents is ring-fenced for capital projects as these funds were specifically made available for this purpose.

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

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

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

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

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

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

A financial asset is past due when a counterpart has failed to make a payment when contractually due. Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- The entity designates at fair value at initial recognition; or
- Are held for trading.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

`Class	Category
Cash and cash equivalents;	Financial asset measured at fair value;
Receivables from exchange transactions; and	Financial assets measured at amortised cost; and
Other financial assets.	Financial asset measured at amortised cost.

The entity has the following types of financial liabilities (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

`Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

1.9 Prepayments

Prepayments

Prepayments are payments that the entity has made at the reporting date for economic benefits or service potential to be received in future periods. These are made in accordance with contracts between the entity and third parties. The entity recognises as an asset the extent to which payments made exceed the value of economic benefits or service potential received. The entity measures prepayments at the fair value of the consideration paid, to the extent that it exceeds the value of goods or services received. As the entity receives the related goods or services, it shall reduce the carrying number of prepayments made by the fair value of those goods or services received. Any related asset or expense will be recognised in accordance with the applicable GRAP standard.

ACCOUNTING POLICIES

1.9 Prepayments (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that a taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.10 Leases

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

Operating leases – lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expenses over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts is recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

Inventories consist only of stationery at year-end, and these are measured at cost. These are held for consumption by staff and not for the production of finished goods or for sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and uses to the entity.

1.12 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise bank balances, cash on hand and deposits held at calls with banks.

1.13 Impairment of Cash-Generating Assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset. Non-cash-generating assets are assets other than cash-generating assets.

ACCOUNTING POLICIES

1.13 Impairment of Cash-Generating Assets (continued)

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation). Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

1.14 impairment of non-cash generating assets.

Useful life is either:

- The period of time over which an asset is expected to be used by the entity; or
- The number of production or similar units expected to be obtained from the asset by the entity.

1.15 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

- Contracts should be non-cancellable or only cancellable at significant cost; and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Commitments are disclosed in terms of the accounting standards for investment property (GRAP 16) and property, plant, and equipment (GRAP 17). GRAP 16 and GRAP 17 require an entity to disclose the number of contractual commitments for the acquisition of investment property and property, plant and equipment respectively. The entity only discloses capital contractual commitments that is, commitments for the acquisition of non-current assets.

1.16 Revenue from Exchange Transactions

Measurement

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

The amount of revenue arising from a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation, or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on statutory receivables).

ACCOUNTING POLICIES

1.16 Revenue from Exchange Transactions (continued)

Rental income and recoveries

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other act, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method.

1.17 Revenue from Non-Exchange Transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners. The entity received grants from the Department of Trade, Industry and Competition (dtic) and the Gauteng Department of Economic Development (GDED) for infrastructure development. If the projects are cancelled the funds would have to be returned to these funders. The grants received for capital projects cannot be utilised for other activities as the agreements with the funders specify the purpose for which these funds should be utilised.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

ACCOUNTING POLICIES

1.17 Revenue from Non-Exchange Transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity. When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Interest is recognised using the effective interest rate method for financial instruments and using the nominal interest rate method. The interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.18 Interest Income

Revenue arising from the use by other entity assets yielding interest is recognised when:

- It is probable that economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be reliable measured. Additional text. Income is recognised on a time-proportion basis using the effective interest method.

1.19 Accounting by Principals and Agents

Identifying whether an entity is a principal or an agent

When the entity is a party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether an entity is a principal, or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

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

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

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

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

ACCOUNTING POLICIES

1.19 Accounting by Principals and Agents (continued)

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant standards of GRAP. The entity, as an agent, recognises only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant standards of GRAP. The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant standards of GRAP.

1.20 Segment Information

A segment is an activity of an entity:

- That generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- Whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- For which separate financial information is available.

Reportable segments are the actual segments which are reported in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

1.21 Budget Information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar. General purpose financial reporting by the entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The entity classifies all variances above 10% of the budgeted amount to be significant and as such the financial statements will include the disclosure for explanations for such variances. Comparative information is not required.

1.22 Related Parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies. Management is the people responsible for planning, directing, and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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

ACCOUNTING POLICIES

1.22 Related Parties (continued)

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.23 Events after Reporting Date

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

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

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred. The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations

2.1 Standards and Interpretations Effective and Adopted in the Current Year

In the current year, the entity has not adopted any of the new standards and interpretations as they are effective from 1 April 2023.

2.2 Standards and Interpretations Issued, but not yet Effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods (beginning on or after 01 April 2023 or later periods):

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 25 (as revised): Employee Benefits	01 April 2099	Impact is currently being assessed
Guideline: Guideline on accounting for landfill sites	01 April 2099	Unlikely there will be a material impact
Guideline: Guideline on the application for materiality to financial statements	01 April 2099	Impact is currently being assessed
GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed
GRAP 21: The effect of past decisions on materiality	01 April 2023	Impact is currently being assessed
GRAP 2020: Improvement to the standards of GRAP 2020	01 April 2023	Impact is currently being assessed
GRAP 1(amended): Presentation of Financial Statements	01 April 2023	Impact is currently being assessed

3. Investment Property

Figures in rands:

	2023			2022		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Investment property	3 132 513 676	(17 402 854)	3 115 110 822	2 663 193 217	-	2 663 193 217

Reconciliation of investment property – 2023

	Opening Balance	Additions	Depreciation	Total
Investment property	2 663 193 217	469 320 459	(17 402 854)	3 115 110 883

Pledged as security

The investment property is not pledged as security.

Investment property in the process of being constructed

The investment property is situated in Silverton Pretoria and consists of twelve factories including Thai Summit, a tenant that constructed it buidling and leasing the land from TSAEZ. These properties are leased to companies and the zone will be managed by the TASEZ. Construction began in August 2020 and at the date of these financial statements the construction had reached practical completion with tenants already occupying them.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, Plant and Equipment

	2023			2022		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Prefabricated office buildings	478 097		478 097	-	-	-
Furniture and fixtures	566 634	(159 217)	407 417	317 393	(91 082)	226 311
Office and equipment	67 651	(34 177)	33 474	49 611	(15 028)	34 583
IT Equipment	1 233 120	(711 195)	521 925	1 081 476	(412 093)	669 383
Marketing Equipment	2 915 285	(24 290)	2 890 995	-	-	-
Total	**5 260 787**	**(928 879)**	**(4 331 908)**	**(1 448 480)**	**(518 2013)**	**930 277**

Reconciliation of property, plant, and equipment - 2023

	Ongoing balance	Additions	Disposals	Depreciation	Total
Prefabricated office buildings	-	478 097	-	-	478 097
Furniture and fixtures	226 311	249 241	-	(68 135)	407 417
Office equipment	34 583	18 012	-	(19 121)	33 474
IT equipment	669 383	178 817	(3 674)	(322 601)	521 474
Marketing equipment	-	2 915 285	-	(24 290)	2 890 995
Total	**930 277**	**3 839 452**	**(3 674)**	**(434 147)**	**4 331 908**

Included under general expenditure are costs incurred for the current year amounting to R8 109 for repairs and maintenance of computer equipment.

Reconciliation of property, plant, and equipment - 2022

	Ongoing balance	Additions	Depreciation	Total
Furniture and fixtures	238 774	58 793	(71 256)	226 311
Office equipment	20 538	28 395	(14 350)	34 583
IT equipment	434 348	609 067	(374 032)	669 383
Total	**693 660**	**696 255**	**(459 638)**	**930 277**

Property, plant and equipment in the process of being constructed

Expenditure recognised in the carrying value of property, plant and equipment		
Prefabricated office buildings	**478 097**	-

The property is situated in Mamelodi, Pretoria and will be managed by the TASEZ. The construction of these offices began in May 2022 and at the date of these financial statements, construction was ongoing.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Intangible Assets

	2023			2022		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Computer software	127 250	(95 865)	31 385	127 250	(61 465)	65 785

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	65 785	(34 400)	31 385

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software	120 159	(54 374)	65 785

Pledged as security

None of these intangible assets have been pledged as security:

6. Operating Leases

TASEZ's primary business function is renting out properties to tenants in the automotive sector. TASEZ is renting out properties to 10 tenants, with Ford South Africa (Ford) serving as the primary tenant. Other tenants include suppliers of Ford for the manufacturing of the new Ford Ranger. The lease terms vary from 7 years to 20 years and the related lease payments escalate at CPI but limited to 7%. The minimum lease payments that are receivable from the tenants are outlined below:

	2023	2022
Non-current assets	24 976 443	-
Minimum lease receivable		
Within 1 year	155 538 881	-
2 – 5 years	942 788 542	-
After 5 years	1 217 908 735	-
Total	**2 316 236 140**	**-**

7. Cash and Cash Equivalents

Cash equivalents consist of:

	2023	2022
Cash on hand	3 256	4 900
Bank balances	177 177 380	482 097 198
Total	**177 180 636**	**482 102 098**

Restricted cash balances		
Cash and cash equivalents held by the entity that are ringfenced for capital projects	96 376 851	446 869 930

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. Receivables from Exchange Transactions

	2023	2022
Trade debtors	101 138 249	19 170 280
Employees debts	18 702	
Other debtors	4 638 068	
Accrued interest	724 601	1 600 751
Accrued income	70 106 711	13 889 956
Total	**176 626 331**	**34 660 987**

None of the trade and other receivables have been pledged as security. Accrued income relates to funds spent on behalf of the CoT on infrastructure but not yet invoiced due to outstanding approvals. Other debtors refer to expenditure incurred and invoiced on behalf of CoT.

Trade and other receivables past due but not impaired

At 31 March 2023, R 35 234 718 (2022: R 4 924 321) were due but not impaired. The majority of these debts were collected subsequent to year-end.

	2023	2022
1 month past due	20 495 533	572 675
2 months past due	27 580 015	1 512 256
3 months past due	21 793 812	2 526 190

9. Prepayments

	2023	2022
Advance payments	2 923 518	115 020
Prepayment: Insurance	600 205	832 772
Total	**3 523 723**	**947 792**

The prepayments relate to prepaid insurance, rent and software licences. The terms of each contract require a prepayment of the contract amount or premium. The service to which the prepayment relates will be rendered in future periods.

10. VAT Receivable

	2023	2022
VAT	17 953 771	

The amount above constitutes statutory receivables in line with the Value-Added Tax Act No. 89 of 1991.

11. Inventories

	2023	2022
Consumable stores	36 049	15 706
Inventories recognised as an expense during the year	15 706	16 895

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. Operating Liability

	2023	2022
Non-current liabilities	-	108 542
Current liabilities	(83 595)	(61 845)
Total	**(83 595)**	**(170 387)**

13. Deferred Tax

	2023	2022
Deferred tax liability		
Temporary differences	(664 310 759)	(595 637 291)
Reconciliation of deferred tax liability		
At the beginning of the year	(595 637 291)	(112 926 672)
Investment property	(76 308 657)	(486 955 026)
Rate change	(39 204)	-
Prior year under division	(413 824)	-
Temporary differences	7 494 677	4 244 407
Possible over provisions	593 540	-
Total	**(664 310 759)**	**67 877 533**

14. VAT Payable

	2023	2022
VAT payables	-	68 506 634

15. Unspent Conditional Grants and Receipts

The entity received grants from The dtic and the GDED for infrastructure development. If the projects are cancelled the funds will be returned to the funders. The grants received for capital projects cannot be utilised for other activities as the agreements with the funders specify the purpose for which these funds should be utilised.

Unspent conditional grants and receipts comprise of:

	2023	2022
Unspent conditional grants and receipts		
Unspent grant (DTIC)	69 454 584	314 684 289
Unspent grant (GDED)	46 068 923	96 887 848
Total	**115 523 507**	**411 572 137**
Movement during the year		
Balance at the beginning of the year	411 572 137	1 442 794 294
Additions during the year	202 375 466	1 148 105 682
Income recognition during the year	(498 424 096)	(2 179 327 839)
Total	**115 523 507**	**411 572 137**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. Employee Benefits Provisions

Reconciliation of employee benefits

Reconciliation of employee benefits provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for leave	2 036 060	1 416 805	(406 957)	3 045 908
Provision for bonus	3 050 288	428 276	(356 013)	3 122 551
Total	**5 086 348**	**1 845 081**	**(762 970)**	**6 168 459**

Reconciliation of employee benefits provisions - 2022

	Opening balance	Additions	Utilised during the year	Total
Provisions for leave	150 105	1 885 955	-	2 036 060
Provisions for bonus	-	3 050 288	-	3 050 288
Total	**150 105**	**4 936 243**	**-**	**5 086 348**

Provision for bonus

The provision for performance bonuses relates to the payment of bonuses to the entity’s employees based on the assessment of performance for the financial period ended 31 March 2023. The outflow is considered to be probable. The settlement of the provision is dependent on key factors such as the performance of employees as well as the

timing of the approval of the board of directors. The entity’s remuneration policy bases the performance bonus on the organisational, business unit and an individual’s performance for the financial year in question. The performance bonus for an individual is capped at a maximum of 20% of total cost to company.

Provision for leave

The provision for leave represents the unutilised leave earned by employees as at 31 March 2023. The timing of when an employee will utilise leave is unknown.

17. Provision for utilities

Reconciliation for utility provisions - 2023

	Opening balance	Additions	Total
Provision for utilities	8 605 782	86 532 355	95 138 137

Reconciliation for utility provisions - 2022

	Opening balance	Additions	Total
Provisions for utilities	-	8 605 782	8 605 782

The entity was supplied with electricity, water and sewer services by CoT from 2022 to 2023 financial years and it is probable that these would be paid as detailed in the above tables.An indication of the timing and amount is not certain yet and expected costs are currently being recovered from tenants. Included in the additions above are the amounts excluding VAT of R75 247 254 and R7 483 289 for the 2023 and 2022 financial years respectively.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. Payables from Exchange Transactions

	2023	2022
Trade payables	16 954 410	236 204
Other payables - SARS	-	197 034
Retention payable	14 374 895	-
Total	**31 329 305**	**433 238**

19. Tax Liability

	2023	2022
Balance at the beginning of the year	19 866 874	(1 872 216)
Current tax for the year recognised in surplus or deficit	43 378 154	(17 994 658)
Interest charged on understated provisional tax	1 647 396	-
Prior year over or under provision	(429 230)	-
Tax paid	(2 362 642)	-
Balance at the end of the year	**62 100 552**	**19 866 874**

20. Other Income

	2023	2022
Insurance proceeds	23 493	-

21. Interest Received

	2023	2022
Interest revenue		
Bank	3 107 992	1 469 162

22. Recoveries

	2023	2022
Diesel Recovery	-	5 499 672
Water Recovery	3 262 952	209 119
Security Zone - Recovery	5 267 674	935 575
Sewerage & Sanitation	2 032 051	-
Infrastructure maintenance recovery	450 844	-
Electricity recovery	69 952 251	7 274 170
Equipment Cost Recovery	128 485	19 880 048
Total	**81 094 257**	**33 798 584**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. Revenue

	2023	2022
Insurance proceeds	23 493	-
Rental income	82 636 611	3 258 432
Recoveries	81 094 257	33 798 584
Interest received	3 107 992	1 469 162
Government grants & subsidies	621 313 662	2 245 930 024
Total	**788 176 015**	**2 284 456 202**
The amount included in revenue arising from exchanges of goods or services is as follows:		
Rental income	82 636 611	3 258 432
Recoveries	81 094 257	33 798 584
Insurance proceeds	23 493	-
Interest received	3 107 992	1 469 162
Total	**166 862 353**	**38 526 178**
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	621 313 662	2 245 930 024

24. Government Grants & Subsidies

	2023	2022
Operating grants		
Government grant - Operating	122 889 565	66 602 183
Capital grants		
Government grant - Capital	498 424 097	2 179 327 841
Total	**621 313 662**	**2 245 930 024**
Conditional and Unconditional	-	-
Included in above are the following grants and subsidies received:		
Conditional grants received	498 424 097	2 179 327 841
Unconditional grants received	122 889 565	66 602 183
Total	**621 313 662**	**2 245 930 024**
Department of Trade and Industry and Competition Grant - CAPEX		
Balance unspent at beginning of year	314 684 289	1 286 477 202
Current-year receipts	116 287 904	1 025 910 086
Interest received	7 553 465	19 804 260
Conditions met - transferred to revenue	(369 071 074)	(2 017 507 259)
Total	**69 454 584**	**314 684 289**
Gauteng Department: Economic Development Grant - CAPEX		
Balance unspent at beginning of year	96 887 848	156 317 092
Current-year receipts	77 702 615	99 488 695
Interest received	831 483	2 902 641
Conditions met - transferred to revenue	(129 353 023)	(161 820 580)
Total	**46 068 923**	**96 887 848**

Conditions still to be met - remain liabilities (see note 15).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

25. Employee related Costs/ Short Term Benefits

	2023	2022
Basic	38 222 687	32 598 476
Bonus provision	707 451	3 050 288
Medical aid - company contributions	578 529	-
UIF	76 654	66 359
SDL	585 592	302 362
Leave pay provision	1 363 068	1 885 955
Group life insurance	620 095	199 333
Acting allowances	391 269	-
Car allowance	240 756	348 000
Cell phone allowance	386 200	322 000
Total	**43 172 301**	**38 772 773**

26. Contracted Services

	2023	2022
Internal Audit Services	466 230	559 200
Cleaning	150 000	-
Catering - External contributions	58 310	40 613
Employee Wellness	33 092	18 577
Security - Zone	9 286 394	1 147 548
Total	**9 994 026**	**1 765 938**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. General Expenses

	2023	2022
Accounting fees	-	87 593
Advertising	2 500 388	137 335
Auditors' remuneration	1 632 110	1 253 634
Bank charges	61 293	40 535
Computer expenses	272 799	251 211
Consulting and professional fees	6 409 059	2 544 893
Consumables	284 978	46 367
Fines and penalties	746 916	14 059 719
Insurance	2 764 899	1 779 250
Diesel	1 566 106	10 173 566
IT expenses	1 804 127	3 232 408
Wayleaves	1 150 000	-
Levies	171 267	187 728
Postage and courier	-	1 548
Printing and stationery	103 754	60 690
Protective clothing	14 606	33 368
Repairs and maintenance	(15 299)	-
Secretarial fees	315 372	322 464
Staff Bursaries	-	49 000
Subscriptions and membership fees	300 270	7 661
Internet - 3G	103 359	123 786
Training	47 159	-
Travel - local	557 472	197 516
Assets expensed	57 224	12 917
General expenses	1 234	-
SMME Development	28 661 882	9 451 648
Venue expenses	472 866	165 478
Secretarial Services	150 522	-
Total	**50 134 363**	**44 220 315**

28. Depreciation and Amortisation

	2023	2022
Property, plant and equipment	434 147	459 638
Investment property	17 402 854	-
Intangible assets	34 400	54 374
Total	**17 871 401**	**514 012**

29. Finance Costs (continued)

	2023	2022
Interest on VAT liability	28 671	11 119 385
Interest on understatement of provisional tax	1 647 396	-
	1 676 067	**11 119 385**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29. Finance Costs

The interest on Value Added Tax (VAT) liability is actual interest levied by SARS as result of late payment of VAT. Due to the complex nature of TASEZ being registered as a Proprietary Limited while in the process of being listed as a PFMA entity. TASEZ management were of the view that the entity is not eligible to register for VAT while in this process. However, the entity was notified by SARS highlighting that the entity is required to register for VAT. A legal opinion was sought by management which confirmed that the entity is obligated to register. To rectify this non compliance, TASEZ submitted VAT returns that were due from inception, as result of late submission, interest was charged. The entity is in a process to request for the remission of interest and penalties. Included in the interest on understatement of provisional tax is an amount of R16 288 incurred due to late payment of tax.

30. Taxation

Major components of the tax expense:

	2023	2022
Current		
Income tax - current period	43 378 153	17 994 658
Prior year over provision	(429 230)	-
Total	**42 948 923**	**17 994 658**
Deferred		
Deferred tax temporary differences	68 673 465	482 710 619
	111 622 391	**500 705 277**
Reconciliation of the tax expense:		
Reconciliation between applicable tax rate and average effective tax rate		
Applicable tax rate	27,00 %	28,00 %
Permanent differences	(22,00)%	- %
	5,00 %	**28,00 %**

31. Cash Generated from Operations

	2023	2022
Surplus		
Adjustments for:	472 160 983	1 678 982 840
Depreciation and amortisation	17 871 401	514 159
Loss on disposal of assets	3 137	-
Movements in operating lease assets and accruals	(86 792)	(16 185)
Movements in provisions	1 082 111	4 936 243
Movement in tax receivable and payable	41 372 629	17 994 658
Loss on sale of assets	(23 493)	-
Provision for utilities	75 247 254	7 483 289
Operating lease asset	(21 718 646)	-
Finance costs	1 676 067	-
Changes in working capital:		
Inventories	(20 343)	(1 167)
Receivables from exchange transactions	(141 965 344)	(32 347 401)
Prepayments	(2 575 932)	42 288 602
Tax paid	(2 362 642)	-
Payables from exchange transactions	30 896 066	(35 807 996)
VAT	(86 460 405)	(147 407 106)
Unspent conditional grants and receipts	(296 048 630)	(1 031 222 157)
Deferred tax liability	68 673 468	482 710 619
Total	**157 720 889**	**988 108 398**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

32. Prior-year Adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance that have been affected by prior-year adjustments:

Statement of financial position - 2022

	Note	As previously reported	Correction of error	Restated
Provision for utilities	17	-	(8 605 785)	8 605 785
VAT payable	14	69 000 026	(493 392)	68 506 634
Receivables from exchange	8	29 837 879	4 823 108	34 660 987
Total		**98 837 905**	**(4 276 069)**	**111 773 406**

Statement of financial performance - 2022

	Note	Correction of error	Restated
Increase in the provision for utilities	17	(7 483 289)	7 483 289
Increase in recoveries	22	935 575	33 798 584
Increase in rental income	23	3 258 432	3 258 432
Surplus for the year		**(3 289 282)**	**44 540 305**

Cash flow statement - 2022

	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Movements in provisions for utilities		-	(7 483 289)	(7 483 289)
Movement in VAT assets		148 036 060	(628 954)	(147 407 106)
Receivables from exchange transactions		27 524 293	4 823 108	32 347 401
Total		**175 560 353**	**(3 289 135)**	**(122 542 994)**

Error 1
The prior year's financial statements were prepared without taking into account the provision for utilities and related VAT implications in the prior year which was recovered from the tenants. The affected line items have now been adjusted to account for this separately.

Error 2
The accounting policy for investment property was erroneously disclosed as a fair value model instead of a cost model in the prior year. The fair model would have been appropriate if TASEZ intends to realise the future economic benefits through rental income or the sale of the zone. However, TASEZ intends to realise the future economic benefits of the investment property through the use of the zone to attract international investors in the automotive industry to the country thus stimulating job creation.

The change from fair value to cost model has no effect in the financial statement figures as it was the first year these were never valued in fair value in prior years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

33. Budget Differences

Material differences between budget and actual amounts

33.1 Rental income

The variance between the amount budgeted for the rental of facilities is due to land rental being billed from beneficial occupation instead of at the start of production for some of the tenants as initially anticipated and straight-lining of leases.

33.2 Recoveries

The variance between the amount budgeted for recoveries and the actual amount invoiced is largely attributed to the recoveries of equipment cost from the tenants.

33.3 Interest received

Interest received was more than anticipated due to the availability of more funding than expected, which earned interest.

33.4 Employee cost

The difference between the budgeted and actual cost is due to the vacancies in the organisation. A moratorium was placed on the filling of vacant posts resulting in this saving. Only 6 of the 15 prioritised posts were filled as at 31 March 2023 and the balance will be filled in the first quarter of 2023-24 financial year.

33.5 Operational Expenditure

The operational expenditure (lease rental, contracted services, general expenses and capital expenditure) are underspent mainly due to unfilled vacancies and supply chain management (SCM) processes that had not been finalised as at 31 March 2023.

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The annual financial statements are prepared on an accrual-basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements differ from the budget, which is approved on a cash-basis.

The amounts in the annual financial statements were recast from the accrual basis to the cash-basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the annual financial statements for timing differences associated with the continuing appropriation and differences in the entities covered (government business enterprises) were made to express the actual amounts on a comparable basis to the final approved budget. The amounts of these adjustments are identified in the following table.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

34. Reconciliation Between Budget and Cash Flow Statement

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities:

	2023	2022
Operating Activities		
Actual amount as presented in the budget statement	-698 437 735	(448 293 042)
Basis and Timing differences	856 158 624	1 446 406 540
Net cash flows from operating activities	**157 720 889**	**998 113 498**
Investing activities		
Actual amount as presented in the budget statement	-	(696 255)
Basis and timing differences	(462 642 351)	(2 169 876 193)
Net cash flows from investing activities	**(462 642 351)**	**(2 170 572 448)**
Net cash generated from operating, investing and financing activities	**(304 921 462)**	**(1 172 458 950)**

35. Commitments

Authorised capital expenditure:

	2023	2022
Already contracted for but not provided for		
Property, plant and equipment	278 736	788 850
Investment property	655 049 284	787 195 841
Total	**655 328 020**	**787 984 691**
Total capital commitments		
Already contracted for but not provided for	655 328 020	787 984 691
Operating leases - as lessee (expense): **Minimum lease payments due**		
within one year	456 739	434 990
in second to fifth year inclusive	-	456 739
Total	**456 739**	**891 729**

Operating lease payments represent rentals payable by the entity for AIDC offices and the rental of printers from Konica Minolta. The lease term for all these contracts is three years. The lease contract with AIDC was effective from 1 October 2020 and will be terminated on 31 March 2024 and escalates by 5% annually. The lease contract with Konika Minolta was effective 1 April 2021 and will be terminated on 31 March 2024 and no escalation rate is applicable on this contract. No contingent rent is payable.

36. Related Parties

Department of Trade, Industry and Competition (DTIC), The Gauteng Department of Economic Development (GDED) and the City of Tshwane (CoT).

Related party balances

	2023	2022
Amounts included in Trade receivable regarding related parties		
City of Tshwane (CoT)	74 744 779	15 402 151

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. Related Parties (continued)

The transactions with Related Parties are at arm's length.

	2023	2022
Key management information		
Non-Executive Directors	9	11
Executive Board members	2	2
Executive Directors	3	3

Related party transactions

Remuneration of management

Management class: Board Members and Executives

No board emoluments were paid to the board of directors as they are appointed by the shareholders and in service of the State. As at the end of 31 March 2023, there were 9 board members of 11, as the two members resigned during the year.

Management class: Executive management

Executives – 2023

Names	Position held	Basic salary	Other short-term employee benefits	Travel	Total
Simphiwe Hamilton	Former Chief Executive Officer	178 624	288 475	-	**467 099**
Bheka Zulu	Chief Executive Officer	1 901 400	41 000	-	**1 942 400**
Ahmed Moola	Former Chief Financial Officer	723 595	17 601	-	**741 196**
Andile Sangweni	Infrastructure Executive	1 875 935	98 323		**1 974 258**
Msokoli Ntombana	Business Development Executive	1 857 234	169 620	-	**2 026 854**
Tebogo Baloyi	Acting Corporate Services Executive	1 387 731	398 392	90 000	**1 876 123**
Vangile Nene	Corporate Services Executive	243 364	4 400	-	**247 764**
Rebecca Hlabatau	Chief Financial Officer	1 297 286	48 400	-	**1 345 686**
Total		**9 465 169**	**1 066 211**	**90 000**	**10 621 380**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. Related Parties (continued)

- Mr Simphiwe Hamilton was contracted as Chief Executive Officer up to 30 April 2022.
- Ms Vangile Nene was appointed effective from 13 February 2023.
- Mr Tebogo Baloyi was Acting Corporate Services Executive from 10 May 2022 to 12 February 2023.
- Dr Bheka Zulu was appointed as Chief Executive Officer effective from 15 August 2022.
- Ms Rebecca Hlabatau was appointed as Chief Financial Officer effective from 5 September 2022.

2022 -Executives

Names	Position held	Basic salary	Other short-term employee benefits	Travel	Total
Simphiwe Hamilton	Former Chief Executive Officer	2 041 416	270 000	240 000	2 551 416
Andile Sangweni	Infrastructure Executive	1 600 714	26 400	-	1 627 114
Ahmed Moola	Former Chief Financial Officer	1 600 714	14 400	-	1 615 114
Msokoli Ntombana	Business Development Executive	1 600 714	17 600	-	1 618 314
Tebogo Baloyi	Acting Corporate Services Executive	1 387 751	22 800	-	1 348 551
Total		**8 169 309**	**351 200**	**240 000**	**8 760 509**

37. Risk Management

Financial risk management

The Board has overall responsibility for the establishment and oversight of the entity risk management framework. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities. The entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the entity. The Entity's Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

37. Risk Management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed grants and own generated revenue. The entity manages liquidity risk by continuously monitoring forecasts and actual cash flows. Liquidity risk is the risk that the entity may fail to meet its payment obligations as they fall duethe consequences of which may be the failure to meet the obligations to creditors. The entity identifies this risk through periodic liquidity gap analysis and the maturity profile of the assets and liabilities. Action is taken in advance to close or minimise the gaps. The entity's exposure to liquidity risk is reduced as it is funded by DTIC and the GDED. The annual budgets are approved at the beginning of each fiscal year and funding agreements are concluded between the parties. Cash flows are monitored monthly against budgets and adjustments are made where necessary. Risk management assessments are conducted to assist with identifying any possible cash flow, liquidity or other risks. In addition, the entity is exploring opportunities for raising more of its own revenue to ensure the sustainability of the organisation in case the grant is reduced or cut back.

A maturity analysis of TASEZ's financial instruments as at 31 March 2023 is as follows:

Liquidity gap analysis - 2023

	On demand and less than one month	1 to 12 months	1 to 5 years	Total
Assets				
Cash and cash equivalents	177 180 636	-	-	177 180 636
Liabilities				
Payables from exchange transactions	-	(16 954 409)	-	(16 954 409)
Retention payable	-	(14 374 895)	-	(14 374 895)
Total	**177 180 636**	**(31 329 304)**	**-**	**145 851 332**

Liquidity gap analysis - 2022

	On demand and less than one month	1 to 12 months	1 to 5 years	Total
Assets				
Cash and cash equivalents	482 102 098	-	-	482 102 098
Liabilities				
Payables from exchange transactions	(433 238)			(433 238)
Total	481 668 860	-	-	481 668 860

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Management evaluated credit risk relating to tenants before they were incorporated into the zone. Management evaluates credit risk relating to customers on an ongoing basis. The carrying amounts of financial assets, represent the entity's maximum exposure to credit risk in relation to these assets. The entity's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions. Credit risk is managed on a group basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

37. Risk Management (continued)

There has been no significant change since the beginning of the financial year to the entity's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing the risk. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the entity's maximum exposure to credit risk. Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge a contract. Credit risk arises from cash equivalents, financial instruments and deposits with banks and financial institutions, as well as credit exposures to members, including outstanding receivables and committed transactions. For banks and financial institutions, only well-established institutions with sound financial positions are used. Credit exposures are closely monitored for indications of impairment.

Financial assets exposed to credit risk at year-end were as follows:

Financial instruments

	2023	2022
Receivables from exchange transactions	176 607 629	34 660 098
Cash and cash equivalent	177 180 636	482 102 099
Total	**353 788 265**	**516 762 197**

Analysis by credit quality of financial assets is as follows:		
Neither past due nor impaired		
Cash and cash equivalent	177 180 636	482 102 099
Receivables from exchange transactions	141 372 911	29 736 666
Past due and not impaired:		
Receivables from exchange transactions	35 234 718	4 924 321
Total	**353 788 265**	**516 763 086**

Market risk

Interest rate risk

The entity's interest-bearing assets are included under cash and cash equivalents. As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates due to the short-term nature of interest-bearing assets. Balances with banks, deposits and all call and current accounts attract interest at rates that vary with the South African prime rate. The entity's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on the surplus/deficit. Interest charged on trade debtors in arrears is linked to the South African prime interest rate.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

37. Risk Management (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on financial instruments' exposure to interest rates at the reporting date. The basis points increases or decreases, as detailed in the table below, were determined by management and represent management's assessment of the potential change in interest rates. A positive number below indicates an increase in surplus. A negative number below indicates a decrease in surplus. The sensitivity analysis shows reasonably expected changes in the interest rate, either an increase or decrease in the interest percentage. The equal but opposite percentage adjustment to the interest rate would result in an equal but opposite effect on surplus and therefore has not been separately disclosed below. The disclosure only indicates the effect of the change in interest rate on the surplus.

Sensitivity of Interest changes assessment

	2023	2022
Cash and cash equivalents	177 180 636	482 102 099
Impact of the 100 basis points	1 771 797	4 821 020
Impact on the surplus of the year	472 180 983	1 678 982 840
Interest rate of increase 100 basis points (%)	4	3
Interest rate decrease of 100 basis points (%)	(4)	(3)

38. Going Concern

The entity has an accumulated surplus of R472 million, and the entity's total assets exceed its liabilities by R2,544 billion. The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

39. Events after the Reporting Date

No significant adjusting events have been identified by management after reporting date. A land lease agreement was signed with the CoT on the 15th of May 2023 for a period of 60 years.

40. Contingencies

Contingent Liabilities and Assets

As of 31 March 2023, TASEZ has not identified any contingencies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

41. Accounting by Principals and Agents

The entity is a party to principal-agent arrangements.

Details of the arrangements are as follows:

1. Arrangement with the City of Tshwane

TASEZ entered into an agreement with the City of Tshwane as an implementing agent for the provision of bulk infrastructure services(water, sewer, electricity,roads and storm water) for the TASEZ phase 1 and 1A.

TASEZ did not hold any resources on behalf of the City of Tshwane at year end.

At the end of the reporting period, no liabilities were incurred on the behalf of the principal that have been recognised by the entity as all liabilities have been settled.

2. Arrangement with Coega Development Corporation

TASEZ entered into a principal agent agreement with Coega Development Corporation (CDC) which is a Special Economic Zone situated in the Eastern Cape. The entity was identified and appointed as an implementing agency during the prior financial years to assist TASEZ with completing construction for Phase 1 and Phase 1A. This was due to the expertise and experience they have acquired over the years in facilitating investment, infrastructure development, facilities management, SMME development, mentorship, and the facilitation of skills development and capacity building.

As part of assisting TASEZ with the construction of buildings, it was agreed that an implementation agency fee would be paid. The buildings which were constructed are under the custodianship of TASEZ and the agent has not recognised these in their books.

41.1 Principal agent - Coege

Expenditure recognised

Management fees paid to Coega		
Fees	31 953 834	104 187 911

41.2 Agent disclosure - CoT

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Reconciliation of the carrying amount of receivables		
Recoveries		
Opening balance	8 605 782	-
Revenue that principal is entitled to	86 532 355	8 605 782
	95 138 137	8 605 782

There were no write-offs, settlements or waivers of amounts that reduce the amount that the principal is entitled to. The amount disclosed above include R95,138 million is also disclosed as a provision as it will be paid to CoT once TASEZ has opened an account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

41. Accounting by principals and agents (continued)

Acccrued Income and other debtors		
Opening balance	13 899 956	13 899 956
Expenditure incurred on behalf principal	105 492 355	-
Cash received on behalf of the principal	(44 648 025)	-
	74 744 779	**13 899 956**

There were no write-offs, settlements or waivers of amounts that reduce the amount that the principal is entitled to.

Expenditure Incurred

TASEZ does not receive any compensation for the transactions that it carries out on the behalf of the City of Tshwane.

42. Segment information

Identification of segments

This entity manages its operations as a single segment with the Board of Directors and Chief Executive Officer(CEO) making key financial decisions based on combined operations for its programmes, focusing on infrastructure(linked to automotive manufacturing industry). This means that the entity provides a number of financial and infrastructure related deals and make it easier for businesses to operate while developing the South African economy. The transformation is a crucial factor for previously disadvantaged individual and will be included in the performance report.

Resource allocation, assets and liabilities are also managed in the Gauteng area. Geographical information is not provided as there are no distinct economic benefits derived from different geographical segments. The entity delivers services in the Gauteng Province but does not measure and managed resources on basis Information reported in segment. Segment reporting is used by management as a basis for evaluating the performances and for making decisions about the allocated resources. The disclosure of information about this segment is also considered appropriate for external reporting purposes.

NOTES

NOTES

NOTES

TSHWANE AUTOMOTIVE
SPECIAL ECONOMIC ZONE

AFRICA'S FIRST AUTOMOTIVE CITY

CONTACT DETAILS

Address
The Plant: Manitoba, the Willows 340 Jr, Pretoria

30 Helium Road, Rosslyn Ext 2, Gauteng, 0182

Telephone
+27 (0)12 564 5821

Email: enquiries@tasez.co.za
Website: www.tasez.co.za

AFRICA'S FIRST AUTOMOTIVE CITY